

**COLD  
CALLS,  
COLD  
SWEAT**

BY SIMON TAN,  
CHIEF EXECUTIVE  
OFFICER, WEST CHINA  
BUSINESS UNIT



***Four time zones, seven countries and over 20,200 employees. ComfortDelGro is now one of the largest listed passenger land transport companies in the world with over S\$1 billion invested outside of Singapore. But the road thus far has not been easy. A lot of hard work, sweat and even tears have gone into expanding the footprint in a business that is more often than not, politically sensitive and emotionally charged. Our Chief Executive Officer of West China Business Unit, Simon Tan, recalls how difficult it was to break into the Chengdu market and how true grit finally won the day.***



It was the day before I was to fly to Chengdu. I felt like a lightweight boxer entering the ring for the first time, facing a heavyweight veteran. I knew I was going to get pummelled. I asked: “What if I don’t deliver? What if nothing comes out of the trip?” The reply from our Managing Director/Group Chief Executive Officer (MD/Group CEO), Kua Hong Pak, was resolute: “Just go.”

That strengthened my resolve but did nothing to boost my confidence.

The journey to Chengdu was part of the Group’s vision to expand into West China, from its main base along the coastal cities. In 2003, I was the General Manager in charge of our bus and taxi operations in Shanghai. I recall a conversation I had with our MD/Group CEO early that year – it was a conversation I will never forget. His vision was clear: for ComfortDelGro to have a strong presence not just in the Coastal Belt, but in the Inland Cities as well. At that time, our major operations were concentrated in Beijing, Shanghai, Shenyang and Guangzhou

with little pockets of operations in various other coastal cities. We were not represented in any of the major provinces in the Southwestern and Central parts of China.

I remember him saying: “The Government will have to drive some of the wealth created in the coastal belt inwards for society as a whole.” Future economic policies, he predicted, would aim at moderating growth in the more developed coastal cities while driving investments inwards towards the less developed cities in the North and West. This was to come to pass in the Great Western Development Programme (西部大开发).

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MD/Group CEO knew that my wife was from Chengdu, the provincial capital of Sichuan. He started to ask me incessant questions about transport there: “How many taxis are there? What is the startup fare? What about bus ridership? Do we have contacts who can help us?”



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In September, he tasked me to make a trip to Chengdu with one objective: “Make contact, if you can, with the relevant persons.”

It was thus that I found myself, on the eve of the seven-day National Day Holidays, at Chengdu Shuangliu Airport. Just before my trip, I had made a call to a friend in Chengdu.

He claimed that he had contacts with the Transport Commission officials but could not confirm an appointment. Two days later, I met up with one of his friends for lunch. To my surprise, he brought along a few others. Over the next few days, I met up with several more friends and indeed, friends of friends. Many had good intentions. All knew “someone who knew someone”.

I learnt one lesson about Sichuan’s provincial culture – that it is common practice for guests to invite their own guests to a meal hosted by someone else even when you are mere acquaintances. This is just their way of enlarging and enriching their own circle.

And so it was, meal after meal, bill after bill. Each mouthful became harder to swallow as I did a mental calculation of the bills I was chalking up – and still had nothing to show for it.

Then, I met Wang Jian Bo – two days before I was due to return to Shanghai.

He was a middle-aged gentleman with exceptionally long sideburns. Unlike the countless others before him, he whipped out a name card the minute we were introduced. Turns out he was the Deputy Superintendent of the Transport Section of the Transport Commission. Specifically, his department was in charge of long-distance buses, cargo vehicles and bus stations. My heart literally skipped a few beats.

Not long after that introduction, a meeting was set up with the Commissioner of the Transport Commission, Huang Ping. He was an influential man who helped set up several meetings with owners of various transport companies in Chengdu. Things were moving and moving fast. I could scarcely catch my breath.

I remember making a phone call to MD/Group CEO soon after and making arrangements for him and our Chairman, Lim Jit Poh, to call on Commissioner Huang. That meeting, which took place within weeks of my introduction to the Commissioner, marked the start of a great friendship that has lasted till this day.

Over the next three months, we were able to firm up our investment strategies, as well as those companies we wanted to work with. In February 2004, we entered into four separate agreements to set up the same number of joint venture companies. By May the same year, we began operations.



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Over the next decade, there would be many challenges to overcome but I never lost my way because I had a strong compass. MD/Group CEO's analysis stayed with me: "Given Chengdu's geographical location and strong historical and cultural heritage, it will become one of the jewel cities in West China." Looking on 10 years later, I am impressed by his prescience. More than anything else, he is a visionary with rock solid commitment. Plus tenacity to match.



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# WORKING HAND IN HAND

BY JASPAL SINGH, CHIEF EXECUTIVE OFFICER,  
UNITED KINGDOM/IRELAND BUSINESS UNIT

**T**he bright blue-and-yellow liveried Citylink coaches are a familiar sight up and down the highlands and lowlands of Scotland, alongside the bold, midnight blue coaches of its sister brand, Megabus.com.

These two brands dominate inter-city express coach travel in Scotland.

Operated by Scottish Citylink Coaches Limited, a seven-year-old joint venture between Stagecoach and ComfortDelGro that is often called Citylink, these coaches carry five million passengers annually on 33 routes that crisscross Scotland.

They also connect key Scottish towns with major towns in England, like Manchester, Newcastle, Sheffield, Leeds, Birmingham and London. You can also travel to Belfast in Northern Ireland from Glasgow on Citylink, if you fancy a scenic ferry ride sandwiched between two coach journeys.

Innovation, quality, style, safety, reliability and affordability are the hallmarks of Citylink and Megabus.com. Free Wi-Fi and on-board toilets come standard. In July 2010, Citylink broke new ground with the launch of its “Gold” services, offering travellers a superior journey experience, with leather seats and complimentary on-board refreshments.

Always looking to innovate, Citylink took a bold step in October 2011 with the launch of an overnight Glasgow-London sleeper coach service. In addition to freshly-laundered sheets and a cosy duvet, the service provides complimentary Wi-Fi, hot and cold refreshments, an overnight kit with toothbrush and eye mask, and a reading light in each bunk.

Little wonder then that the service was such an overnight hit (no pun intended) that it bagged not one, but three prizes for innovation, including the Innovation of the Year Award at both the Scottish Transport Awards and the UK Bus Awards.

But it wasn't always like that.

A promising brand to start with when acquired in 2000 alongside the London bus business by the then-DelGro Corporation, it languished for several years, largely due to neglect.

Fortunately for Citylink, the ComfortDelGro merger took place in 2003. The newly-appointed Managing Director/ Group Chief Executive Officer (MD/ Group CEO) Kua Hong Pak saw the sad state of affairs and knew that something had to be done. A framework for close supervision and oversight from Singapore was quickly put in place, complete with templates for timely reporting and robust control measures.

The decline was arrested, and stability was restored but more had to be done if the business was to thrive and flourish.

So it was that in early 2005, MD/Group CEO took the initiative to leverage on his long-standing friendship with Sir Brian Souter, CEO and major-shareholder of the Stagecoach Group, and one of the transport world's most successful and respected entrepreneurs.

The old friends met in London in the spring of 2005 and by summer, a new partnership had been born, led by a fresh and vigorous Management team. Immediately, a new vibe was felt and fresh ideas started flowing. New services and new marketing schemes were introduced.

Citylink also secured a “second wing” in the form of Megabus.com, Stagecoach's young, popular and rapidly-growing express coach brand.

The result?

A thriving business which has never looked back, with a strong, loyal and growing customer base, scaling new heights year after year.



# IN BUSINESS, SPEED IS EVERYTHING

In early August 2005, ComfortDelGro was in final negotiations on what would turn out to be one of its biggest and most significant acquisitions to-date.

It was for the purchase of the businesses and assets of one of Sydney's largest bus operators, the Westbus Group. With 957 employees and a fleet of 614 buses then, the Company accounted for just under 25% of New South Wales' (NSW) private bus services. It also operated coach services in London under Westbus International Luxury Coach Travel.

The A\$106.7 million acquisition would, more significantly, provide ComfortDelGro with a very important foothold in the Australian land transport sector. With rising population growth and strong economic fundamentals, the Australian industry was to be a critical addition to ComfortDelGro's expanding global portfolio.

As negotiations entered into their final phases, it became increasingly apparent that a swift decision needed to be made with regards to the final purchase price. It did not matter that it was a public holiday in Singapore. A meeting involving our old friend and soon-to-be Joint-Venture Partner, Reginald Kermode of Cabcharge Australia, our Chairman, Lim Jit Poh, and our Managing Director/Group Chief Executive Officer (MD/Group CEO), Kua Hong Pak, was convened in Singapore on 9 August 2005, Singapore's National Day.

The final purchase price was agreed upon but it exceeded our Board's mandate. A swift decision was made by our Chairman and MD/Group CEO to go ahead with the bid submission conditional upon ratification.

On that very same day, a bid was submitted. It turned out to be a winning submission.

And thus began a new chapter in the Group's global expansion story.



By September 2005, the Westbus Group was officially part of the ComfortDelGro Group of Companies. Much work needed to be done. Engineering, procurement, information technology, human resource and finance processes needed to be streamlined.

MD/Group CEO wasted no time in making sure that no stone was left unturned. Leveraging on the Group's resources, key personnel from other business units were seconded over to the new subsidiary to help streamline the business. Inefficiencies were weeded out and productivity quickly improved.

ComfortDelGro Cabcharge, the new Company as it was called, has since grown from strength to strength. It has now expanded beyond NSW and operates private bus services in Victoria and the Australian Capital Territory.

# GROUP OF COMPANIES

**ABERDEEN**  
Computer Cab (Aberdeen)

**BIRMINGHAM**  
Computer Cab (Birmingham)

**EDINBURGH**  
Computer Cab (Edinburgh)  
Onward Travel

**GLASGOW**  
Scottish Citylink Coaches  
• Citylink  
• Megabus.com

**LIVERPOOL**  
Computer Cab (Liverpool)

**LONDON**  
Computer Cab  
• Call-a-Cab  
• ComCab  
• DataCab  
• Local Taxi Groups  
Flightlink International  
• Comfort Cars  
• Comfort Executive  
Metroline  
Westbus Coach Services

## UNITED KINGDOM

## IRELAND

**CLIFDEN**

**CORK**

**DUBLIN**

Irish Citylink ComfortDelGro

**GALWAY**

**CANBERRA**  
ComfortDelGro Cabcharge  
• Deanes Bus Lines  
• Transborder Express

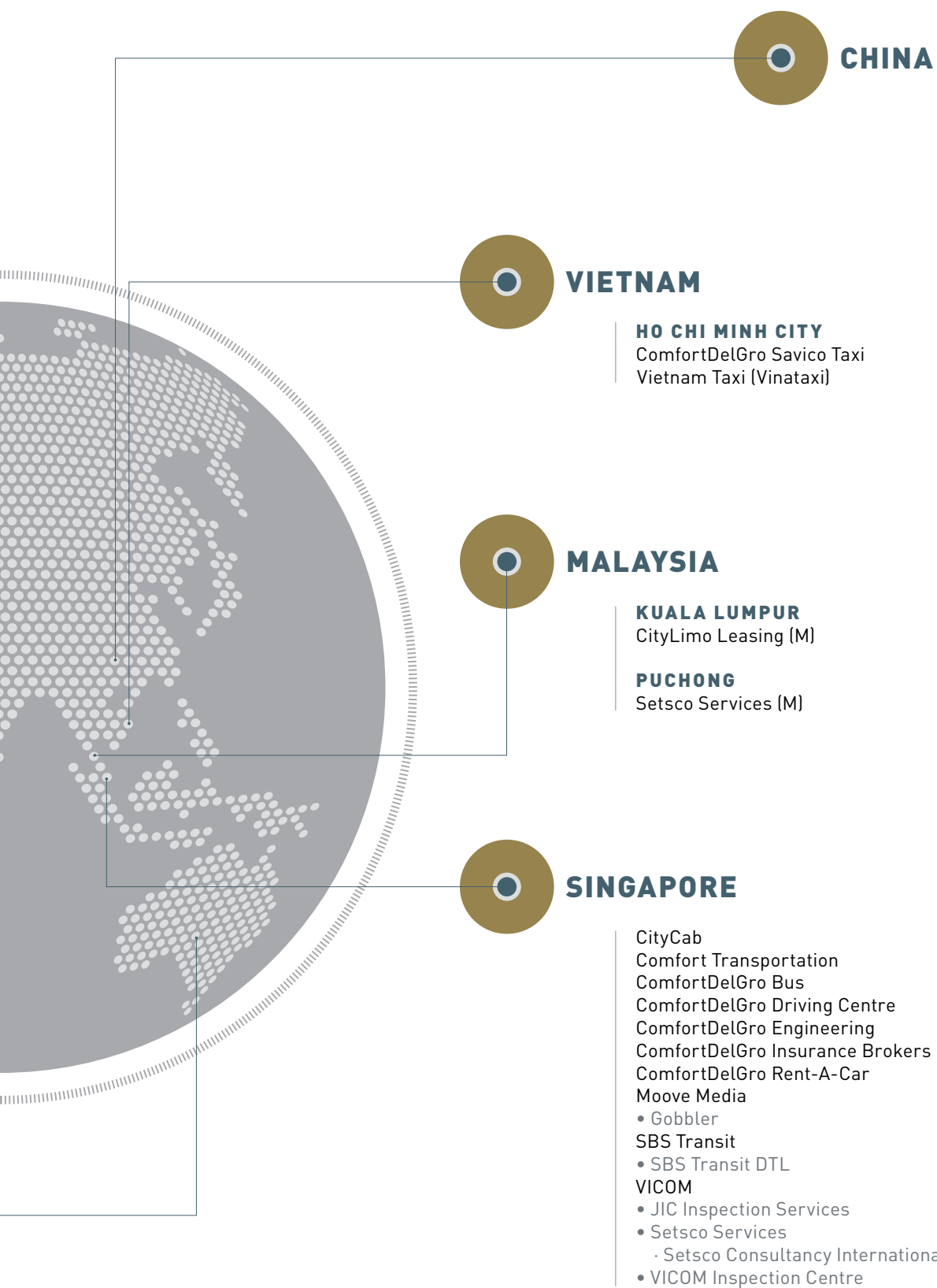
**MELBOURNE**  
ComfortDelGro Cabcharge  
• Benders Busways  
• Davis' Bus Services  
• Eastrans Bus Services  
• Westrans Bus Services

**PERTH**  
Swan Taxis

**QUEANBEYAN**

**SYDNEY**  
ComfortDelGro Cabcharge  
• Charterplus  
• Hillsbus  
• Hunter Valley Buses  
• Westbus  
Moove Media Australia

## AUSTRALIA

**BEIJING**

Beijing Jin Jian Taxi Services  
Beijing Tian Long Da Tian Vehicle Inspection

**CHENGDU**

Chengdu ComfortDelGro Taxi  
Chengdu ComfortDelGro Qingyang Driving School  
Chengdu ComfortDelGro Sheng Duo Consulting  
Chengdu Jitong Integrated Vehicle Inspection  
ComfortDelGro Rent-A-Car (Chengdu)

**CHONGQING**

Chongqing ComfortDelGro Driver Training  
Chongqing Liangjiang ComfortDelGro Driver Training

**GUANGZHOU**

Guangzhou Xin Tian Wei Transportation Development  
• Tianhe Bus Station

**HENGYANG**

Hengyang CityCab Bus Services

**JILIN CITY**

Jilin ComfortDelGro Taxi

**NANJING**

Nanjing ComfortDelGro Daijian Taxi

**NANNING**

Nanning Comfort Transportation  
Nanning ComfortDelGro Rent-A-Car

**SHANGHAI**

Shanghai City Qi Ai Taxi Services

**SHENYANG**

CityCab (Shenyang)  
Shenyang ComfortDelGro Anyun Bus  
Shenyang ComfortDelGro Taxi

**SUZHOU**

Suzhou Comfort Taxi  
Suzhou Comfort Toyota Sales & Service

**YANTAI**

Yantai ComfortDelGro Automobile Services