Chapter XV
Case Study III: VLITP in Public Transport—Implementing OV–Chipcard in The Netherlands

ABSTRACT

Prediction markets have proven high forecasting performance in many areas such as politics, sports, and business-related fields, compared to traditional instruments such as pools or expert opinion. This case study provides details about a VLITP that achieved the goal of which makes that possible for five companies providing different modes of public transport in The Netherlands. It details the implementation problems and presents focusing point for VLITP involving multiple companies on a project that requires them to share both costs and profits. This is partly due to the need to work together and improve business practices in the same industry.

INTRODUCTION

This chapter details the implementation process of a VLITP in the Dutch public transport system—a project that have taken nearly 3 years to fully implement commonly know as OV-Chipcard. This is a good example of a VLITP implemented to satisfy a need for enterprise information systems which directly reports customer’s attitude to the organization’s product and services.
Several major issues surrounding the implementation of this VLITP actually originated from the conception of this project. The chapter details how a direct relationship can be made between customer attitudes to a particular company’s product and the final outcome of the VLITP. Will other chapters (see Cases I and II) have managed to establish a link between VLITP implementation technique and achieving objectives, this chapter considers the basis of a success VLITP to be its wider implications to the host organization’s relationship to it customer and whether the VLITP enhances that relationship or frustrates it.

The development of public transport in most European countries is the sole responsibility of government (Hermans and Stoelinga, 2003). As such it is usually carried out on a ‘piece meal’ basis, completing only a small proportion at a time. Literature shows that this policy is mainly due to the massive costs of improving systems that were mostly designed for living conditions many decades ago. The transport department encouraged the creation of a joint venture named ‘Trans Link Systems’ to facilitate the implementation of this VLITP. The joint venture permitted the five biggest public transport companies in the Netherlands (Connexion, GVB, HTM, NS and RET) to pull resources together for this VLITP. The major objective of the VLITP was to modernise the payment method for public transport into an electronic payment method. The next section describes the OV-chipcard system, which will be followed by a brief look at the technical specification and implementation issues of this VLITP. The chapter will also describe the collaboration between business and IT managers, as well as the benefits and limitations of this strategy of VLITP implementation.

**INDUSTRY SPECIFIC REQUIREMENTS VLITP**

The decision to use OV-chipcard was taken seriously in 2005 when the OV-chipcard became available to the first passengers. Rotterdam was the first city in which the OV-chipcard was tested under guidance of a public transport companies called RET. RET is the public transportation company of Rotterdam and one of the five major transport companies which developed the OV-chipcard. The project was visibly promoted by director and staff using the primary process of safety, speed and comfortable means of transport for passengers using buses, underground, railway and tram. The company also investigated the issues involving proof of access, controlled movement and security supervision. These had to be completed ensuring the maintenance of material and infrastructure. The VLITP management team consisted of an Executive Board with resources belong all supporting departments, such as Finances, Management & Development and Staff & Organisation. Under the responsibility of this Executive Board fall matters such as automation,
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