
I. STAKEHOLDER INTERVIEWS

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INTERVIEW GUIDE STRATEGIC POSITION QUESTIONS

- Looking within MTD, what are its key strengths?
- Looking within MTD, what are its key weaknesses? What impedes MTD from fulfilling its responsibilities?
- What opportunities exist or are emerging which could affect MTD and what must MTD do to capture these opportunities?
- What potential threats are emerging which could affect MTD and what might we do to avoid them?

Stakeholder Perceptions

THE ANALYSIS OF STRATEGIC PLAN INTERVIEW RESULTS FOCUSED ON RESPONSES BY STAKEHOLDERS TO OPEN-ENDED INTERVIEW QUESTIONS

- The analysis focused on responses to interview questions related to MTD's strengths, weaknesses, opportunities and threats
- The interview questions were open-ended questions designed to provide the interviewees the opportunity to share their thoughts related to the topical question. The interviews were not surveys to determine whether interviewees agreed with or disagreed with specific strengths, weaknesses, opportunities or threats
- The results presented in this report show frequency of responses to questions
- The overall analysis of interviews is intended to demonstrate where common themes related to MTD's strategic position emerge. Variances among internal and external interviews may indicate different perceptions of MTD's strategic position
- Interview results cannot be construed to mean that an interview group (e.g., external stakeholders) does not support a specific topic if it was not mentioned. A zero percentage frequency only indicates that the issue was not mentioned in response to an open-ended question – it does not mean the group is opposed to the issue

MTD INTERNAL AND EXTERNAL STAKEHOLDERS

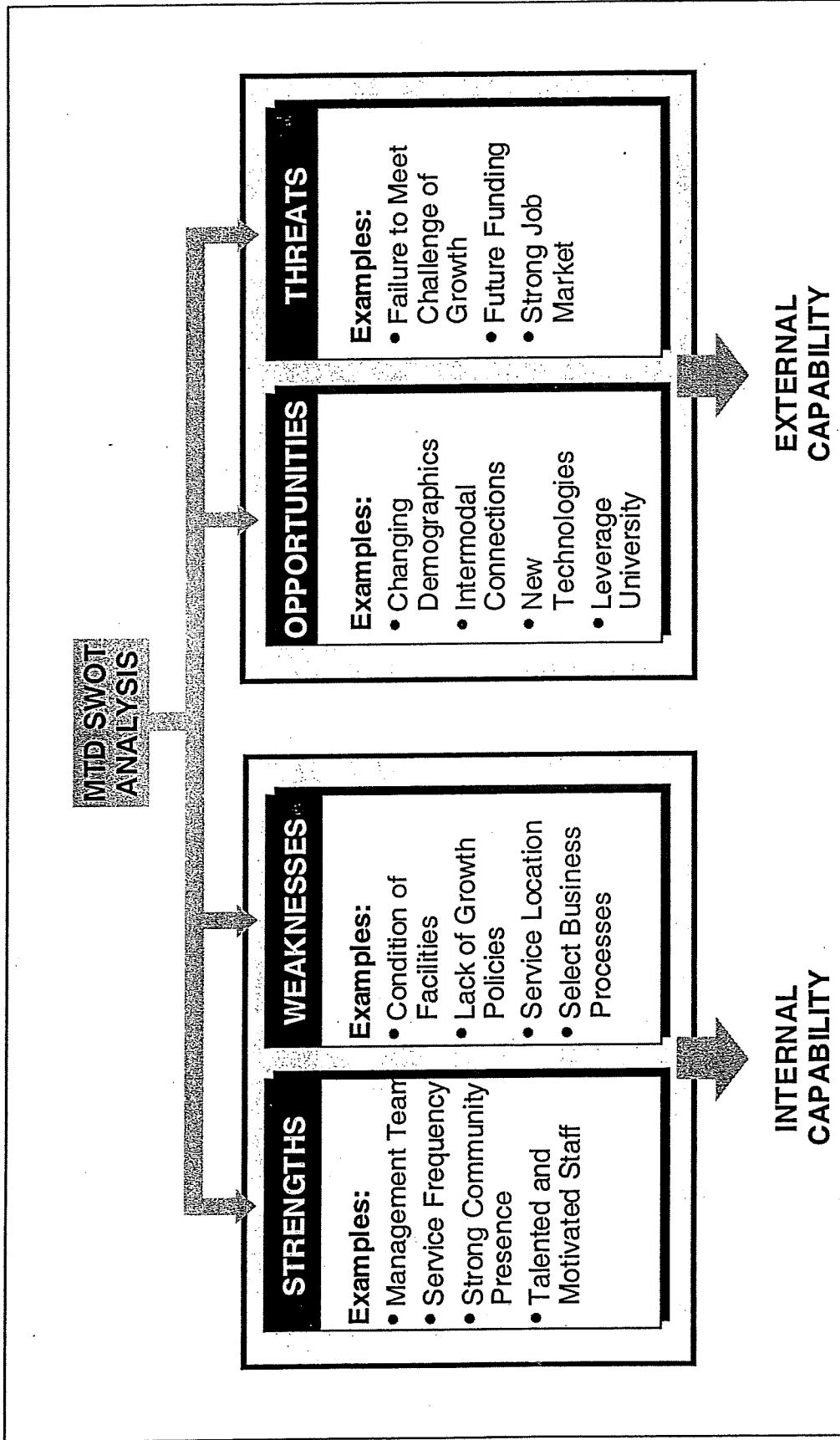
INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS
<p>MTD Board of Trustees</p> <ul style="list-style-type: none"> • Senior Management • Managing Director • Assistant Managing Director • Director of Special Projects • Director of Maintenance • Director of Administration • Director of Operations • Director of Safety and Training <p>Internal Staff – Group Interviews</p> <ul style="list-style-type: none"> • Supervisors • MTD Staff • Operators • Maintenance Staff 	<p>Developers</p> <ul style="list-style-type: none"> • Rantoul economic developer • Atkins Development Group <p>Government Agencies</p> <ul style="list-style-type: none"> • County Board • Champaign Chamber of Commerce • Champaign Planning Director • Developmental Services Center <p>University of Illinois</p> <ul style="list-style-type: none"> • Administration representatives • Campus town 2000 • University of Illinois Student President <p>Retailers and employers</p> <ul style="list-style-type: none"> • Meijer store manager • Greater C-U economic partnership <p>Police Chief</p> <p>Community Groups</p> <ul style="list-style-type: none"> • Boys and Girls club • Senior Center • United Way <p>Public School Districts</p> <ul style="list-style-type: none"> • School Superintendents • Catholic High School principal <p>Former board members</p>

Stakeholder Perceptions

BOOZ-ALLEN AND WHITFORD CONSULTANTS CONDUCTED INTERVIEWS WITH OVER 40 INTERNAL STAKEHOLDERS AND OVER 40 EXTERNAL STAKEHOLDERS TO GATHER THEIR INPUT ON MTD'S STRATEGIC POSITION

- Seven MTD Board members were interviewed, as were seven members of MTD's senior management
- Six group interviews were conducted with MTD employees, including operations supervisors, maintenance staff, operators, and professional staff. Over 30 staff members participated in these interviews
- Group and individual interviews were conducted with numerous external stakeholders
 - The mayors of Champaign and Urbana
 - Real estate developers
 - University of Illinois student and administration representatives
 - Large retail store owners
 - Members of the Chamber of Commerce
 - Developmental Services Center representatives
 - Regional planning commission members
 - The police chief
 - Public school Superintendents
 - Economic development board members
- 30 sets of external stakeholders interviews were conducted with over 40 individuals
- In total, 50 sets of interviews were conducted with over 80 individuals across MTD's organization and externally

STRATEGIC POSITION ANALYSIS



Stakeholder Perceptions

THE STRATEGIC POSITION ANALYSIS PROVIDES A USEFUL PERSPECTIVE OF AN ORGANIZATION'S STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

- Recognizing strengths is an important aspect of organizational improvement. It is often easier to build upon a strength than it is to eliminate a weakness. Improvement strategies need to be developed which leverage strengths
- Identifying weaknesses is equally important – these have often evolved over time and require significant effort, and time, to change. Generally, weaknesses become embedded in the culture and the routine business processes of the organization
- Strengths and weaknesses are a reflection of the current organization's capabilities and performance. Programs instituted to leverage strengths and mitigate weaknesses require time to take effect. During a period of change, strengths and weaknesses are a better barometer of the effectiveness of past actions and programs than of new initiatives
- While strengths and weaknesses reflect internal capability; opportunities and threats reflect factors in the external environment. These have to do with how the market place and the institutional environment are likely to respond to a service or product offering as part of the overall strategic direction
- Opportunities often reflect potential or expected market and institutional responses which may be improved through specific actions by the organization. Threats reflect external events and competing interests which, if left unchecked, may present pitfalls to future performance

STAKEHOLDERS – STRENGTHS

MTD STRENGTHS	Percent of Internal Stakeholders	Percent of External Stakeholders	Percent of All Interviewees
Management Team	84%		
-- Strong Leadership		47%	61%
-- Creative Management			
Service Structure	42%	63%	61%
-- Route Location			
-- Service Frequency			
Strong Community Presence	53%	40%	45%
-- Community Involvement			
-- Positive Public Perception			
-- Marketing			
Quality of Staff	58%	33%	43%
-- Motivated			
-- Talented			
-- Positive Image on Front Lines			
Internal Culture	53%	33%	41%
-- Innovative			
-- Experienced			
Well-Maintained Bus Fleet and Equipment	5%	43%	29%
Illinois Terminal	21%	13%	16%
Strong Financial Management	16%	13%	14%

Note: 50 sets of interviews were conducted with over 80 stakeholders (20 sets of interviews with 46 internal stakeholders and 30 sets of interviews with 40 external stakeholders). Percentages reflect the share of stakeholder interviews in which each response was given. A 100% indicates response was given in all interviews; a 25% response indicates response was given in only ¼ of the interviews.

Strengths

STAKEHOLDERS INDICATE MTD'S KEY STRENGTHS INCLUDE ITS STRONG MANAGEMENT, THE OVERALL LEVEL OF SERVICES OFFERED AND THE DEDICATION OF MTD STAFF

- Internal stakeholders recognized the creative problem-solving and strong leadership of MTD's management team as a key strength of the organization. External stakeholders also cited this strength, although less frequently
- The quality of MTD's service structure was also recognized by internal and external stakeholders as a primary strength. The scope of services offered, the extent of service routes, and the route schedule were all championed by stakeholders
- Stakeholders' identification of strong community involvement, positive public perception and MTD's marketing strategy as key strengths attest to the importance of MTD's efforts to be recognized and respected within the community
- MTD's staff were consistently cited a primary strength. Staff are viewed as extremely dedicated, talented, and loyal to MTD and the jobs they are performing. They are seen as providing a positive image of the MTD on the front lines
- The internal culture of MTD was recognized as an important strength. MTD's willingness to affect change, consider innovative service offerings and solid staff experience were cited by internal and external stakeholders as key strengths
- MTD's service delivery was also cited as a strength -- buses are seen as clean and drivers are friendly to customers. The Illinois Terminal and financial management were also noted as strengths

Strengths

SELECTED COMMENTS BY INTERNAL STAKEHOLDERS ON MTD'S STRENGTHS INCLUDE....

- "MTD has a good reputation in the community. The people like MTD"
- "MTD has an outstanding staff"
- "It extracts government dollars from the state well"
- "The managing director is well recognized regionally and nationally"
- "We have maintained a technical edge with up-to-date equipment and computers, which adds to our efficiency"
- "The Board is diversified – many perspectives are shared"
- "We have an organizational culture that people relate to and understand"
- "MTD thinks that it is unacceptable to be stagnant – we never settle for the norm"

Strengths

SELECTED COMMENTS BY EXTERNAL STAKEHOLDERS ON MTD'S STRENGTHS INCLUDE...

- "MTD has good service. It has modern buses that go where people live and work"
- "MTD is part of the fabric of the community. This has blunted a lot of the criticism"
- "MTD personnel -- they are community oriented and hard workers"
- "MTD is the greatest little transit system in the US. I'm proud as a citizen to know that"
- "The people who work for MTD. I've always encountered friendly, smiling and optimistic drivers"
- "I heard good things about MTD when I moved here five years ago and I've never had cause to disagree"
- "They have really outstanding employees from the top down...friendly drivers are a strength"
- "Management's ability to get funding so that local taxation is low"
- "Foresight. They've done a good job of building their system over the past decade. They have a modern and progressive outlook toward the community"

STAKEHOLDERS – WEAKNESSES

MTD WEAKNESSES	Percent of Internal Stakeholders	Percent of External Stakeholders	Percent of All Interviewees
Condition of MTD Administrative and Maintenance Facilities	58%	10%	27%
Lack of Policies to Guide Growth	37%	20%	27%
Service Structure	5%	30%	20%
-- Schedules Do Not Always Meet Needs			
-- Some Locations Not Serviced			
Selected Business Processes	37%	10%	20%
Difficulty in Attracting Skilled Personnel	47%	--	18%
Public Perception	16%	20%	18%
-- "Empty Buses"			
Capital Needs	37%	3%	16%
-- Bus Replacement			
Low Front Line Morale	37%	--	14%
Funding and Investment Management	21%	10%	14%
Internal Communications	26%	--	10%
Lack of Succession Planning	11%	7%	8%

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Weaknesses

STAKEHOLDERS NOTE THAT SOME OF MTD'S KEY WEAKNESSES ARE THE CURRENT CONDITION OF ITS FACILITIES AND LACK OF POLICIES TO GUIDE GROWTH

- The condition of MTD's administrative and maintenance facilities were identified as weaknesses, presenting possible deterrents to MTD's potential expansion of services
- MTD's lack of policies to manage the service expansion needed to accommodate the large growth of the community was cited as a weakness
- Although cited by many stakeholders as a key strength, aspects of MTD's service structure are seen as weaknesses. MTD's service does not reach all areas of the County and is limited in helping everyone get where they need to go when they need to go there
- Stakeholders cited select MTD business processes as weaknesses (e.g. customer feedback, quality assurance). Internal stakeholders also viewed the tight labor market and current MTD wage structure as limiting factors to attracting quality staff
- Although MTD generally has a positive public image, the "empty-buses" perception is still viewed by many as a hindrance to its ability to be fully accepted in the community. Meeting the capitals needs of bus replacement, low morale on the front lines and investment management were also cited as weaknesses
- Internal stakeholders also identified internal communications as a weakness, indicating that horizontal and vertical communication has not kept pace with the growth of the organization in the past decade. There is also a lack of succession planning to meet future staffing needs

Weaknesses

SELECTED COMMENTS BY INTERNAL STAKEHOLDERS ON MTD'S WEAKNESSES INCLUDE...

- "The more MTD grows, the more they take on. We may sacrifice a little"
- "One time ADA service delivery is becoming difficult. We have to look at alternatives"
- "Because of the lack of personnel, we are struggling to get through each day"
- "The equipment is aging and the newer buses have lower quality"
- "There is a conflict between university focus and tax payer focus – pandering to university hurts our relationship with the tax payers that fund the system"
- "MTD is not reacting to its size very well"
- "The administrative offices and overall work environment needs improvement"

Weaknesses

SELECTED COMMENTS BY EXTERNAL STAKEHOLDERS ON MTD'S WEAKNESSES INCLUDE...

- "MTD needs a vision statement and then to communicate it to the community"
- "There are high population bus routes and then there are empty buses. They have to be aware that people love their cars and won't give them up. They can't overprovide service because people will always want cars"
- "MTD offices need upgrading and redoing... Location is not good for administrative people"
- "MTD needs to be more proactive rather than reactive"
- "MTD needs to think outside the box. For example, they should stop stopping at corners and stop in the middle of the block which has safety and traffic flow benefits"
- "They need an intermodal connection to Willard Airport"
- "There are limits to service based on the lines of the taxing district that don't always match where people live. I'd like to visit friends who live in these areas"
- "There has been an inability to expand with the expanding population"

STAKEHOLDERS – OPPORTUNITIES

MTD OPPORTUNITIES	Percent of Internal Stakeholders	Percent of External Stakeholders	Percent of All Interviewees
Population and Employment Growth	84%	77%	80%
-- Change in Demographics			
-- Economic Growth			
Intermodal Opportunities	53%	27%	37%
-- Airport Bus Service			
-- Illinois Terminal			
Expansion of Services Offered	47%	17%	29%
-- New Technologies			
Leverage University Efforts	26%	27%	27%
-- Support Growth Needs of University			
Regional Planning	--	23%	14%
Public Education of Transit Benefits	26%	--	10%

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Opportunities

STAKEHOLDERS IDENTIFY KEY OPPORTUNITIES FOR MTD, WITH A FOCUS ON THE CURRENT GROWTH IN AND AROUND CHAMPAIGN-URBANA

- Many stakeholders cite the rapid economic growth in the region, and the consequent increases in housing development, retail establishments and industry, as the most important opportunity for the MTD. Continued MTD success will depend largely in its ability to capture new markets resulting from this growth
- Intermodal connections present opportunities for MTD. There are currently no routes offered by MTD to service the airport, many internal and external stakeholders view this as an untapped opportunity. Illinois Terminal is viewed to offer opportunities to both capture more transit riders requiring intermodal service and to serve as a possible economic and community hub for Champaign-Urbana
- Stakeholders note opportunities in expanding the scope of services MTD currently offers through bus technologies and enhanced opportunities for revenue generation
- The University of Illinois, with its growth and investment (e.g. Campus 2000 plan, research triangle), is an important market for MTD. Stakeholders anticipate MTD can leverage strong relations with the University to pursue new opportunities for MTD growth and achievement
- Other opportunities include more proactive efforts in regional planning to support growth management and education of transit benefits to riders and non-users of MTD services

Opportunities

SELECTED COMMENTS BY INTERNAL STAKEHOLDERS ON MTD'S OPPORTUNITIES INCLUDE...

- "MTD can bring outlying areas into the fold. For example, new schools, new employment and new residences"
- "MTD can be more proactive in reaching business needs from the start"
- "Use the Illinois Terminal building to make District more integrated into the community"
- "Educate people about MTD's role; advertise system better"
- "Smart bus technology"
- "University of Illinois is the largest employer with the heaviest ridership. Examine new possibilities with the University"
- "Partnerships with industries for specialized services"

Opportunities

SELECTED COMMENTS BY EXTERNAL STAKEHOLDERS ON MTD'S OPPORTUNITIES INCLUDE...

- "They're still one of the community's best kept secrets. Opportunities exist because of its good reputation"
- "The bread and butter of transit is keeping up with development in a proactive way"
- "Take advantage of high gas prices"
- "Lots of industry is moving into South Rantoul. Service would benefit both Rantoul and Champaign-Urbana"
- "We're part of a consortium of states in the Midwest looking at high speed rail. We should encourage our community to be part of a bigger network"
- "MTD should take the leadership role in transportation coordination like they did with Illinois Terminal"
- "I believe we should switch or convert the vehicles to natural gas or other cleaner vehicles. They need to explore these options. Also perhaps the use of smaller vehicles in less dense areas"
- "The campus area transportation study is a huge opportunity"

STAKEHOLDERS – THREATS

MID THREATS	Percent of Internal Stakeholders	Percent of External Stakeholders	Percent of All Interviewees
Failure to Meet Challenges of Growth	68%	27%	43%
-- Decreased Market Share			
-- Loss of Ridership			
Future Funding Availability	53%	37%	43%
-- Tax Caps			
-- Competition for Funding			
Strong Job Market	53%	17%	31%
-- Difficulty in Attracting Employees			
-- Low Unemployment			
-- Loss of Senior Management			
State, Federal and Local Priorities	32%	20%	24%
Less Transit Dependent Population	11%	13%	12%
ADA Service Requirements	16%	3%	8%

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Threats

MTD MUST ADDRESS A WIDE ARRAY OF POTENTIAL PITFALLS – RANGING FROM THE PRESSURES OF RAPID GROWTH TO ADA SERVICE REQUIREMENTS – TO BE SUCCESSFUL IN THE FUTURE

- While growth in the region presents opportunities for MTD, it can also be a threat if it is not handled properly by MTD. If MTD does not proactively pursue markets to keep up with changing demographics and growth patterns, it could experience a loss of market share and ridership
- Future funding availability and shifting federal, state and local political priorities are cited as potential impacts on the ability of MTD to achieve its goals. Since many of these factors can not be fully controlled by MTD, careful management and planning could minimize future risk
- Stakeholders note that the strong economy is producing many jobs, which can present threats to MTD in attracting new employees and retaining existing employees. MTD also faces a potential threat from future loss of senior management due to retirement
- Another largely uncontrollable threat for MTD is a decrease in dependence on transit. This suggests the importance of MTD in continuing its efforts to increase public awareness of its services and to increase the quality and scope of the services it offers
- ADA service requirements are viewed as a continued financial and operational strain for MTD

Threats

SELECTED INTERNAL STAKEHOLDERS COMMENTS ON MTD'S THREATS INCLUDE...

- "A big concern is keeping U of I satisfied"
- "With the low unemployment, it is difficult to attract skilled employees"
- "Funding is always looming on the horizon"
- "We are the transportation alternative. There is competition everywhere. The threat is not keeping ourselves in the public eye"
- "Political process of appointment to Board makes long term success questionable and changes MTD's direction"
- "Providing service to a greater geography may pose as a threat. It is more costly and less efficient"
- "There is the pressure to serve every new development, even when it's not efficient"
- "Developers are not thinking about transit when they are building. This will be a problem later"

Threats

SELECTED EXTERNAL STAKEHOLDERS COMMENTS ON MTD'S THREATS INCLUDE...

- "The further we let that (annexation) slide, the harder it will be to address. Annexation works that way"
- "The Board's tendency to look at here and now and not plan for the future"
- "Finding staff in a low unemployment rate environment"
- "Always have to be careful of taxing"
- "Mass transit is always threatened by new parking lots"
- "The greatest potential problem is an apathetic citizenry"
- "MTD should be aware that the student government changes every year. MTD should lobby those students to understand the fee structure"
- "ADA is an expensive service for them but this is a town with a number of disabled citizens. They need more drivers"
- "Sprawl. Our community is expanding geographically much more than the population"
- "The competition for dollars"