



# ECOTRAN K-12 TRANSPORTATION SOFTWARE CASE STUDY

## **Ecotran K-12 Transportation Software**

Pioneer of advanced school transportation software

### **Challenges:**

- To create continuity during succession of Ecotran's management
- To create financial stability and a new business structure

### **Solution:**

- Institution of a standardized maintenance and licensing fee structure
- Partnership with hardware vendors to improve product offering

### **Result:**

- 25% increase in maintenance fees
- Unique, single-source solution for K-12 transportation software

## A Short History of Ecotran

Ecotran began operations in 1986 as a family-run business and quickly became an industry leader in the area of K-12 transportation software. At that time, there was little competition and the market was wide open, so Ecotran was able to build a reputation as a respected and reliable software vendor, offering cutting-edge products. Steven McKinley joined Ecotran in 1989 in the area of customer care and had an ideal point of view when it came to the issues that Ecotran was about to face. As times and technology changed, they would be confronted with the need to grow their product, which would prove to be extremely taxing on the business's resources. Ecotran's initial product offering was soon to create real headaches when the company found itself needing to change with the times and deal with a change in operating systems.

*"TripSpark introduced new ideas that helped to increase maintenance fees by 25%."*

*– Steven McKinley, Ecotran*

***“Being family-run, it took a lot out of them to re-write the software twice.”***

## Software as a Challenge

In order to remain competitive in the burgeoning school transportation industry, Ecotran acknowledged the need to re-write their applications to accommodate the shift from DOS to OS2 and then again to Windows. The main issue was the cost required to enable the transition. It took a significant amount of resources to move towards OS2, initially. And what was more troubling was that the transition was not the major success they had anticipated. OS2 was short-lived and soon the company found itself writing yet another iteration of code for Windows. And this meant another investment was needed to re-write their applications again.

These years began to take their toll on the business. Clients weren't receiving the level of attention that had previously made Ecotran such a success. The company began taking on financial losses and the precipitation of personal and family issues forced Ecotran to consider the benefits of a partnership with an acquisition company to plan for succession. Being a family company, a major concern was that Ecotran's values and identity be retained.

*“TripSpark came in and analyzed every client in the Ecotran database and assessed each operation based upon a number of key factors. This was a new approach for Ecotran.”*

## A New Partner and New Business Outlook

Ecotran set to work developing a new tiered structure for standardized maintenance and licensing fees. Previous to this, Ecotran charged their clients a nominal 20% of the initial spend towards maintenance. This created inequities between clients of varying sizes. Larger clients were receiving the same deal as would a smaller operation, since their products were priced at the same level.

With a tiered structure for charging fees, clients were billed according to factors such as the number of students they scheduled. As well, they made key decisions to put more resources towards improving their product offering and expanding their level of customer care. Changes were accepted with varying degrees of popularity among clients. However, over time, the new system managed to increase the overall maintenance fees by 25%, while increasing client satisfaction due to an increased dedication towards support.

## The Benefits to TripSpark

Upon execution of the **Asset Purchase Agreement** key staff were on-boarded and press releases and follow up letters to customers were circulated by both buyer and seller. Over a period of several months the business was integrated: technology was migrated, staff was trained, contracts were transferred, investments were made in the software

platform to make it even more robust, **Customer Care** was expanded to provide more value to the customer through client portals, extended support hours and “how to” video libraries, and the business was reconfigured so that it was financially sustainable to support the customers over the long-term.

Since joining TripSpark, Tony’s professional responsibilities have grown to now include the School Transportation business, which has opened up even more career possibilities for the future.

## New Product Opportunities

As Steven describes the early 2000s, “every software vendor was partnered with a hardware vendor.” In the early days at Ecotran, this was their competitive advantage. Over time, this relationship diminished and then ceased altogether. Unfortunately, this occurred just as competitor vendors were beginning to form similar, lucrative arrangements with their hardware vendors. In order to remain competitive, Ecotran needed to be able to connect and align with hardware vendors. Working together, Ecotran and TripSpark have since partnered with a hardware vendor to offer a comprehensive GPS solution for bus tracking in order to grow their core product into a complete end-to-end K-12 transportation solution.

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## A More Robust Product Matches the Growing Need

Ecotran has been able to offer the most sophisticated, single-source, end-to-end K-12 transportation software solution in the marketplace today. Because all hardware and software are developed and built in one place, integration is made possible: from the GPS scanners and mobile data terminals on the buses, to the calendar-based scheduling software in the office.

In the early 2000s, school districts began suffering due to a significant decrease in the funding they might see. “Property tax pays for most of the transportation resources for school districts in the US. If the levies don’t pass, they don’t see any funding, which makes the whole system very dynamic,” says Steven. This created the need to adjust the sales strategy of a product that had once been a “one-size-for-all” mentality. Ecotran can now provide the flexibility required to reduce overall costs to their clients. This was done through a combination of savvy implementation guidelines and the ability to offer add-ons.

For example, rather than performing on-site training sessions, expenses can be saved by providing the same training over Webex. Modularity has enabled Ecotran to be able to build software solutions packages that better align with the actual spending capacity of potential clients.

## Succession Leads to Future Growth

As the years have proven, the succession plan initiated by Ecotran has produced the desired results of continuity, both financially in terms of capital investment, as well as personally. They were able to continue to grow their product and increase customer service. But more importantly, Ecotran was able to maintain the values and identity that made the family-run company Ecotran, so unique. Ecotran can now offer their clients better service and a dedication towards development to address new concerns for the future.

*“A large part of the success for Ecotran (and TripSpark) is that there were learnings involved for both sides and there was a great deal of respect for the people/staff involved in the business.”*

*– Rick Bacchus, Ecotran President*