

# **Selling Motorcycle Safety:** *Commercialism and Quality: Strange Partners?*

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## **Selling Motorcycle Safety: Commercialism and Quality: Strange Partners?**

### **Abstract**

For many years, motorcycle training programs in North America (Canada and the United States) have been the recipients of direct and indirect support from a variety of sources. The motorcycle industry has provided direct financial support as well as the loan of training motorcycles. License plate surcharges with the funds collected diverted to the delivery of rider training has been another long time source of funding for rider training. In Canada, in the formative years of the national motorcycle training program the federal government provided seed money.

In Canada the funding subsidies from government were reduced and eventually eliminated by the late 1970's. The motorcycle manufacturers continued to participate by providing, through the dealer network, no charge training motorcycles. In 1995, the motorcycle manufacturers withdrew that support in Canada. Since then the national motorcycle training program has been entirely self-funded through student fees.

The most prolific success at sustaining and promoting a standardized motorcycle training program in Canada has been the province of Ontario. Through a network of community colleges operating "commercial" motorcycle training programs delivering the Canada Safety Council's "Gearing Up" curriculum the interest in rider training has grown.

The training programs in Ontario purchase all their training motorcycles, adequately compensate instructional staff as well as pay all the logistical expenses from the fee charged to the student. Despite having to move from a partially subsidized system to a commercial system the programs have grown in terms of student registrations. Despite the commercial nature of the programs allied to the demands of continuing growth an emphasis has remained on the delivery of a high quality, standardized program.

### **A National Historical Perspective**

In the early 1970's motorcycling in Canada was developing beyond a fringe element of individuals riding, for the most part large British and American motorcycles. The introduction of the clean, light, reliable and relatively inexpensive Japanese motorcycles had focused attention on the growing number of untrained motorcycles taking to public roads and highways only to be involved in preventable collisions. Transport Canada, the ministry of the Federal government of Canada responsible for, amongst other things, the development of national transportation safety programs called together a wide range of stakeholders in the motorcycling and safety community. Transport Canada's intention was to lead a wide ranging discussion on motorcycle safety issues with the intention of ultimately developing a national motorcycle training standard. The series of discussions resulted in the creation of an embryonic novice motorcycle rider training program.

Canada's national safety body, the Canada Safety Council (CSC), a non-profit, non-government organization was selected by Transport Canada to oversee the delivery of the new national motorcycle training program. In 1974 with seed funding provided by the Federal Government of Canada, through an arrangement with the Canada Safety Council, the national motorcycle rider training program was rolled out. The CSC through its provincial safety council partners made the program available through local sponsors. The motorcycle industry's trade association (Motorcycle Import Industry Committee), a participant in the creation of the national training program agreed to provide training motorcycles at no cost through its member companies' dealer network. In addition to providing training motorcycles, the national motorcycle trade association provided significant financial support to the Canada Safety Council

From 1974 until early 1978 Transport Canada continued to provide seed money augmenting the motorcycle trade association's contributions. Some of the funding went to underwrite the Canada Safety Council's involvement in co-ordinating the motorcycle training program at a national level. The rest of the funding was distributed amongst the CSC's provincial partners with a small amount trickling down to local sponsors for the development of instructors and training sites.

From the introduction of the program local sponsors charged a fee for the delivery of the motorcycle training program to students. Fees were commensurate with the actual cost of delivering the program with minimal margins retained. As a result, fees varied widely across the country as regional factors related to the cost of doing business were significant factors in the setting of prices.

In 1978, as a result of budget constraints, Transport Canada removed all funding for the program forcing every organization from the CSC to the local sponsors to recognize the true cost of participation in the program. The CSC continued to receive offsetting funds from the national motorcycle distributors association. Despite the industry funding the CSC was still faced with a financial shortfall in connection with the national management of the motorcycle training program.

To supplement its depleted motorcycle training program revenues the Canada Safety Council increased the price of the student materials that it had already started selling to its provincial safety council partners. To replace the lost indirect funding from the Federal government, provincial safety councils increased their charges for student materials to local sponsors. All these material cost increases were funnelled down to the student. In conjunction with material cost increases and the removal of any forms of funding at any level local sponsors began to make a very careful assessment of the true cost of delivering motorcycle rider training programs. The dye for self-sufficiency in the delivery of a national motorcycle training program had been set by the early 1980's.

The quest for self-sufficiency in running a safety program, albeit a motorcycle safety program, was a voyage into uncharted waters for all levels of the national motorcycle training program. This was especially so for the local sponsors.

These organizations were, for the most part, government funded organizations such as community colleges or safety councils. The concept of operating a fully self-supported quasi-commercial program was not something they were familiar with nor comfortable doing.

Despite the trepidation of operating a national motorcycle training program without any external funding, for the most part, continued to grow and sponsor. An assessment of the province-by-prince growth of the national motorcycle training program is instructive, though complex to quantify, on the basis of each provinces approach to the delivery of a self-funded program. At least one province has had strong growth year over year, others less so and some little or no growth.

### **Background to the Province of Ontario's Experience**

Ontario is Canada's most populous province accounting for approximately one-third of the country's entire population. In terms of new motorcycle sales, about 30% of all new motorcycles sold in Canada are sold in Ontario. Given these two pieces of data, registrations for motorcycle training programs in Ontario are over-represented at about 45% of the national total. Over the last 27 years the development of the rider training delivery system in Ontario is a blend of commercialism allied, with one exception, to provincial government-owned and managed community colleges.

Ontario's motorcycle training program was the recipient of indirect Federal government funding in the mid-to-late 1970's. Those funds were used to create the basis of a network of local motorcycle training program sponsors throughout the Province. By the late 1970's Ontario enjoyed Canada Safety Council-sanctioned motorcycle training program operating in 17 cities scattered across the entire Province. Each of these sponsors was the local community college. When funding, direct and indirect, ended in the late 1970's the Ontario motorcycle training delivery system was forced to carefully examine the options and opportunities available to maintain an involvement in delivering rider training.

It was quickly determined that the only way training would survive within the college delivery system was to adopt a "user pay" system. That system had to cover the direct cost of participation (cost of operating and maintaining motorcycles; insurance coverage for motorcycles, instructors and students; wages for instructors; pro-rata salary contribution for college management; student materials, advertising and promotion costs) as well as indirect costs charged to the program budgets, typically a percentage of the fee charged to the student. This percentage charge paid for things such as: parking lot (training range) maintenance; security; registration; general facility/classroom costs; accounting services; general college management.

Throughout the transition to a user-pay system the motorcycle trade association, now known as the Motorcycle and Moped Industry Council (MMIC) member companies (Harley-Davidson, Honda, Kawasaki, Suzuki, Yamaha) through their participating dealer network continued to provide training motorcycles at no charge.

Demand for rider training in the Province continued at a somewhat static level until 1982. Early in that year, as a result of several years of concerted lobbying efforts by community colleges and the CSC, the provincial government granted operator license testing status to Canada Safety Council-sanctioned rider training programs. The effect of this was to remove the need for students who successfully completed the CSC-sanctioned programs to go to provincial examination centres for additional testing. Although word of this change in licensing requirement was initially slow to spread, by 1983 registrations for programs began to climb dramatically. This climb in registrations also paralleled a peak in new motorcycle sales in both Canada and the Province of Ontario.

From the mid 1980's through until the early '90's there was a significant decline in new motorcycle sales. In the same period, demand for rider training, although not declining remained somewhat static. By the mid '90's new unit sales in the Province of Ontario were showing signs of improvement. Demand for rider training showed a concurrent increase.

Two unrelated, yet significant, events in the mid 1990's once again forced the Ontario motorcycle training program delivery system to re-evaluate their singular and collective involvement in rider training. The first was the introduction of a tiered or graduated licensing system for all new licensees; the second was the announcement by the Motorcycle and Moped Industry Council that their member companies would no longer make financial accommodations to dealers who wished to voluntarily provide training motorcycles to local sponsors.

The effect of the announcement of the imminent introduction of graduated licensing was to prompt novice riders to flock to rider training centres in unprecedented numbers. The second, but potentially more catastrophic announcement, by the Motorcycle and Moped Industry Council on behalf of it's member companies was of great concern to the Canada Safety Council and the local sponsor network across Canada and in particular, in Ontario. It was this second announcement which formed the basis of the development of a fully self-sufficient national motorcycle training program.

### **The Province of Ontario, A Case Study**

The national motorcycle training program, as delivered in Ontario has, from the start in 1974, been the most successful program amongst all the provinces. From the initiation of the program in Ontario, the twenty-three community college system had formed the backbone of the sponsor network. As of 2000, seventeen of the colleges act as local sponsors of the national motorcycle training program. That number is augmented by the Canadian Motorcycle Association, Canada's national motorcycle authority affiliated with the Federation Internationale de Motorcycliste, acts as a local sponsor in the city in which it is domiciled.

When the provincial government of Ontario established the community college network in the mid 1960's it was funded almost entirely from government grants. As time went along those grants, as a percentage of the operating cost of each college were cut back. Now, in the year 2000, those grants account for slightly less than 50% of the operating costs. As a result, colleges have had to develop or engage in "profit" producing activities to augment their provincial grants. As a consequence, activities like motorcycle training programs that received indirect benefit from provincial funding have had to first, become self-sufficient and then, ultimately, profit centres for their respective colleges. Each college independently sets return-on-income targets that vary from college to college

When the community college system was established in Ontario in 1966 geographical student "catchment" areas were established by the provincial government. The intention, originally, was that colleges would restrict their post-secondary student recruitment activities to those areas. The Canada Safety Council used these already-established catchment areas to develop service areas for each sponsor. In so doing, it allowed each sponsor to promote their program within their area. The arrangement had a spin-off benefit in that it created the climate for financial viability for each one of the sponsors. In return for the creation of what amounts to "protected" territories, the Canada Safety Council has set out registration and performance expectations for each sponsor. In the event that a sponsor is not willing or able to meet current registration demand by: increasing the size of the training fleet; the addition of new instructors or; an increase in the number of courses offered during the training season, the Canada Safety Council will act. In consultation with the existing sponsor a plan is drawn up to deal with shortfalls. If the sponsor declines to or is unable to meet those performance expectations the Canada Safety Council will engage the services of another local sponsor in the area.

Any new sponsor added must meet the same criteria as a community college. Specifically, they must be a non-profit organization with a demonstrated record in the management of training programs coupled to sufficient financial resources to sustain the program through the start-up stage or cyclical downturn in registrations.

Each sponsor is expected to arrange for adequate numbers of properly qualified instructional staff; acquire suitable training motorcycles; insure the program; provide suitable training facilities (range and classroom); register students; create and maintain operating budgets; provide necessary logistical support as required.

Although each sponsor has what amounts to protected territory they are expected to assertively pursue student registrations by meeting demand in a timely fashion. Unlike some funded or subsidized programs, there are no limits on how many students a local sponsor can sign up and train in any given season. Typically, given the climate in Ontario, training programs commence in early-to-mid April and run through until mid-to-late October. As a result there are no year-end waiting list of students. This has meant that programs in major cities in the Province train between 500 and 800 students at a single training site in a year. There is a program in Toronto that trains 2,500 students per year (April to October) at one site. At the other end of the spectrum, a program in a small community on the St. Lawrence River trains fewer than 100.

Despite the wide variation in the size of programs and the competitive nature that exists to maintain balanced demand and supply curves, notwithstanding accelerated seasonal pressures, sponsors have built a cohesive working group amongst themselves. The strong working relationship that has been developed amongst the local sponsors has allowed the motorcycle training program in Ontario to manage major changes in legislation and the removal of critical support by the motorcycle distributors.

To insure a continuing flow of information and "buy-in" in operating decisions made by the Canada Safety Council that may affect a sponsor, the CSC has established an advisory council. The advisory council is made up of a mix of Chief Instructors and program administrators drawn from a cross section of local sponsors. The advisory council meets by teleconference on a regular basis to discuss logistical, instructional, operational and disciplinary matters. The Canada Safety Council, although not bound by the advisory committee's input, places great weight on their input.

When it was announced that the Motorcycle and Moped Industry Council was withdrawing their motorcycle loan program at the end of 1995 each sponsor was forced to examine their continuing participation in rider training. Since the late 1970's there had been no subsidy money of any kind for local sponsors. As a result, over the years sponsors had developed financial models that allowed them to operate their respective programs on a sound footing. Previously they had not had to consider the implied cost of owning or leasing training units. Sponsors moved quickly to purchase new training units as well as good used motorcycles that could be used as training motorcycles.

The Motorcycle and Moped Industry Council's termination of their loan program was not viewed as a catastrophic event by local sponsors and instructors. For many years the programs had been on a "commercial" footing and the loss of the no-charge training units was foreseen as a possibility. When the MMIC ultimately withdrew the loan program local sponsors were in a position to continue on with "business as usual". The removal of the loan program had an unexpected benefit in that it drew the community college network together more tightly as they realized that mutual support would be beneficial for individual colleges as well as the program as a whole.

In late 1998 the national motorcycle training program was surprised to be told that the MMIC, the industry trade association would be starting their own training program, in essence in competition with the national program. The rationale for this move was described by the MMIC as being one of providing support to the national program in under-served areas. The veracity of that statement is still being assessed by local sponsors and the Canada Safety Council.

Underlying the increasingly commercial approach to the provision of motorcycle rider training in the Province of Ontario is the question of quality. This has remained of paramount importance.

The Ontario community college network was chosen by the Canada Safety Council as the backbone of the rider training delivery system in Ontario for a number of reasons:

- a community college carries implied credibility, an important factoring in establishing a fledgling program;
- community colleges have "brand recognition" within the city they serve;
- each college has a complete administrative infrastructure from registration to financial stability to parking lots that can be used as training ranges;
- the community college system is, by its very nature, dedicated to the delivery of quality education;
- potential students have, a very high confidence level in a community college's ability to deliver skills training;
- any student's complaint will be dealt with professionally and quickly;
- colleges have internal professional development departments that can assist in the training of instructors to teach adults;
- colleges are comfortable with and familiar with the delivery of training to a specific standard;

The Canada Safety Council develops and distributes the training standard to the local sponsors. The development of the program training standards is undertaken in close consultation with a national advisory board that provides input into proposed new or amended curriculum. The advisory board is drawn from senior, experienced instructional staff from across the country.

The delivery of the program to students is undertaken by a hierarchy of instructors. Each local sponsor employs a CSC trained and certified Chief Instructor who is ultimately responsible to the CSC for instructional quality. The Chief Instructor is also the senior advisor to the local sponsor. Working under the Chief Instructor is one or more Senior Instructors. Each Senior Instructor has site responsibility for an assigned course offering. They, in turn, supervise the Instructors who are charged with the actual delivery of the training program to students.

The Canada Safety Council employs, directly, a Supervising Chief Instructor. That individual's role is to insure consistency of program delivery and adherence to stipulated training standards from sponsor-to-sponsor as well as to act as a senior advisor to the Canada Safety Council's management.



Over that last twenty-seven years the Canada Safety Council's national motorcycle training program has grown from a largely volunteer-delivered motorcycle safety program with no profile to a well defined, professional operated safety program with a very high community and national profile. The completion of the CSC motorcycle training program is now considered an essential element in buying a motorcycle. The Province of Ontario's most recent numbers suggest that more than 75% of newly licensed riders obtained training through a Canada Safety Council rider training program. This almost unprecedented voluntary participation in user-pay safety programs would seem to call into question that time honoured axiom "safety doesn't sell".