

# Steering A Family Business Toward Success

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Noni Purnomo has spent most of her life behind the wheel of her family's transportation business, Blue Bird Group Holding, Indonesia's largest taxi operator. But as any family business owner knows, surviving over the long haul is a delicate balance between family and business interests, with constant attention to strategic planning.

According to YPO member, attorney and former CPA Brad Franc of Houston Harbaugh, "Less than 30 percent of family businesses survive changing hands between the first and second generations. The rate drops to 10 percent by the third generation and declines to 3 percent by the fourth generation."

Blue Bird is one of those rare companies that has defined its industry over generations thanks to Purnomo's leadership, strategic vision and the guiding principles of honesty and integrity instilled in her by her grandmother.



Watch Video At: <https://youtu.be/FXcTQA0qSCA>

First introduced to the world of cars and transportation at the age of 3 by her late grandmother, Mutiara Djokosoetono, Purnomo spent her childhood watching how her family's taxi business expanded beyond its original intent.

“My grandmother was 44 when she started the company,” says Purnomo, who currently serves as Blue Bird’s President Director. “She was a young widow at that time. Her main objective was to provide a better education for the family. But then she began to have a bigger vision to have the largest transportation company in Indonesia and provide job opportunities for many.”

Living at the time in Menteng, an elite Jakarta neighborhood, Djokosoetono capitalized on her surroundings by borrowing her neighbors’ cars in exchange for a commission. Soon after, she began to officially run a transportation business with a fleet of 25 taxis with her sons as drivers and her daughter as the receptionist.

We are about family values at Blue Bird and we consider every single person who works in our company as part of our big family. – Noni Purnomo

From her first job, folding the driver’s commission money and placing it into envelopes each day for distribution, to working part time for Blue Bird during school holidays, Purnomo remembers the close relationship between the drivers and her family. “I remember growing up in the home office and seeing so many people 24 hours a day. Our family got along with the drivers and sat down together over dinner every night to talk about their work and progress. It was like one big happy family.”

That sense of family and a commitment to both has proven to be the driving force of Purnomo’s life.

## **Her time to lead**

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After earning an industrial engineering degree from the University of Newcastle in Australia, Purnomo returned to Indonesia to immerse herself once again in the family business. She quickly realized that despite their intense focus on operational excellence and customer service, Blue Bird needed a true means to sustain its growth. “We didn’t have a long-term strategic plan or a marketing department.”

When the Jakarta Convention and Exhibition Bureau opened in 1994, Purnomo realized it was the perfect opportunity to learn more about marketing. While her grandmother said she couldn’t leave Blue Bird, Purnomo was not dissuaded from her vision and made the bold move to juggle two jobs for over a year: working as a Marketing Researcher at the Jakarta Convention and Exhibition Bureau in the mornings and Blue Bird in the evenings. “I used what I was learning by day at the convention center to make our processes more efficient, improving the maintenance and operations departments, and growing the customer service department.”



While gaining more insights about marketing, Purnomo became motivated in pursuing her master's degree in finance and marketing from the University of San Francisco in the United States and had a position lined up at a multinational company in New York, USA, following graduation. But a week before taking on her new job, she received a call from her grandmother who insisted that she return to Indonesia because the company needed her. That call would result in her packing her bags for home, forever changing the course of her future as a business leader.

## Getting back to family values

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"It was tough in the beginning because I really wanted to work in New York. I strongly believed that if I got more exposure outside then I could give more to the company. That was the only thing I regret. But life has its own curves and turns so you just follow," she says.

Business development was first on the agenda for Purnomo upon her return and this new department guided Blue Bird in improving its business process and introduced the company to more customers.

She also returned to emphasizing her family's core business values of integrity and honesty. "To have sustainable success, we need to continue to build upon our foundation of work and discipline. We are about family values at Blue Bird and we consider every single person who works in our company as part of our big family," she says.

## Blue Bird cares

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To care for the families of Blue Bird drivers, Purnomo developed projects to empower employees' wives, improve childhood education and provide drivers with the space to start their own small businesses. In 2000, she formed Blue Bird Paduli which means, "Blue Bird Cares." The initiative provides vocational training to the wives of drivers, providing care for their children and more than 4,000 academic scholarships.

"Because they stay at home, most of the wives of our drivers don't contribute to the family economy," Purnomo says. "Extra income from baking or sewing can make the difference between sending a daughter to school or marrying her off young. All of these initiatives are in line with my grandmother's values. It is important for the company to not only care for its stakeholders but also the workers who have dedicated their lives to Blue Bird."

## **An industry disrupted**

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In 2014, Purnomo moved into her current role as the president director of the Blue Bird Holding Company. The company went public in 2015.

With 30,000 vehicles and 45,000 drivers, just a short time ago, it would have been hard to fathom Indonesia's largest taxi operator possibly being squeezed out of the market. But with the rising popularity of ride-hailing applications, conventional modes of public transportation have significantly decreased.

We need to find a new business model because at the end of the day, people still need transportation. – Noni Purnomo

"So, my main objective now is to grow our other subsidiaries beyond our passenger transportation business," she says. Blue Bird Group has extended its services from regular taxis to executive taxis, limousines and car rentals, bus charters, logistics, industry (Restu Ibu Pusaka – Bus Body Manufacturing and Pusaka Niaga Indonesia), property (Holiday Resort Lombok and Pusaka Bumi Mutiara), IT and supporting services and heavy equipment.





“We need to find a new business model because at the end of the day, people still need transportation. It’s how you deliver transportation and what type of transportation are needed.” Blue Bird has met its competitors with an app to pre-book and pay for a taxi.

Purnomo knows Blue Bird is at a critical juncture but believes her family’s business’ values and long-term vision established by her grandmother, will provide the necessary foundation to project the company into the future. “It’s been a good wake-up call for us, but at the end of the day, these newer companies are also facing issues of their own, so we learn from the good, adapt, evolve and leapfrog.”

There’s no doubt Purnomo will continue to hold on to her family values, creativity and profound respect for her employees as she navigates her way through Indonesia’s changing transportation landscape, working to keep Blue Bird solidly in the game.

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You have to be able to look up and and down. Looking down means you have to be grateful for what you have because there are others who have less. At the same time, and this is the challenge, you have to look up to those who are better than you.

**NONI PURNOMO**  
PRESIDENT DIRECTOR OF BLUE BIRD GROUP HOLDING

