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The Impending Collapse of Modern Coast Bus Company: A Tale of Mismanagement and Turbulence in East Africa's Transport Industry

Emerging Economies Cases Journal
1–10
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DOI: 10.1177/25166042261470595
journals.sagepub.com/home/eec
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Abstract

Modern Coast Express Limited, once a leading player in East Africa's bus transport sector, faces imminent collapse, driven by family succession failures, internal conflicts, safety lapses and external pressures. Founded in 1985 by Shahid Pervez Butt, the company grew to over 200 luxury buses operating across Kenya, Uganda, Tanzania, Rwanda and beyond by 2010. Butt's assassination in 2014 created a leadership vacuum that sparked protracted family ownership disputes, paralyzing strategic decision-making and eroding governance. In the ensuing years, Modern Coast's safety record deteriorated, with multiple fatal accidents leading regulators to suspend its licence and prompting costly legal liabilities. Meanwhile, ageing infrastructure, new competitors (including Kenya's Standard Gauge Railway) and informal transport alternatives chipped away at its market share. This case invites students to critically analyze how effective succession planning and governance strategies can either enhance stability or contribute to instability within large family-owned enterprises operating in high-risk service industries. It also highlights how socioemotional wealth considerations and family dynamics can influence business decisions, often at the expense of professional management. The case therefore examines crisis leadership in the transport industry and shows how socioemotional wealth considerations and family dynamics can influence business decisions, often at the expense of professional management.

Keywords

Family business, succession planning, governance, transport industry, crisis leadership, East Africa

Introduction: The Long-distance Coach Market in East Africa

The intercity bus business, particularly in East Africa, operates within a complex web of challenges that extend beyond the mere mechanics of buying buses, hiring drivers and selling tickets. At its core, the industry is an intricate balance of safety, reliability and customer trust, where even minor operational oversights can cause significant problems. Breakdowns can be costly and often stem from inadequate maintenance, unclear scheduling or insufficient risk management. In regions like East Africa, where long distances, poor roads, night travel and changing regulations amplify these weaknesses, maintaining a high standard of service becomes imperative for survival.

Amidst this challenging environment, Modern Coast Express Limited had emerged as a pivotal player in the long-distance travel sector, known for its connections between Kenya's Coast and inland cities, as well as regional links across East Africa. The company had established a familiar presence in major terminals and roadside stops, emblematic of a scale that demanded robust governance. Elements such as fleet management, preventative maintenance and effective incident response were essential, especially in a landscape marked by fierce competition on price and schedules. As the operator contended with both operational constraints and constant pressure to deliver reliable service, the effectiveness of its governance structures determined its resilience in the face of potential crises.

Company Background and Ambitious Growth

Founded in 1985 by Shahid Pervez Butt, Modern Coast Express began as a modest family-owned transport venture. Butt was a visionary entrepreneur who recognized East Africa's unmet demand for reliable, comfortable

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long-distance travel (Omondi, 2016). Starting with a few second-hand buses serving Kenyan domestic routes (such as Mombasa–Nairobi), the company built a reputation for punctuality, safety and customer service, distinguishing itself from competitors often associated with overcrowding and delays (Njenga, 2017). Modern Coast's early success emboldened Butt to pursue an ambitious growth strategy through the 1990s and early 2000s.

Route Expansion

Modern Coast broadened its network from core Kenyan city pairs (Nairobi–Mombasa, Nairobi–Kisumu and others) to cross-border routes linking five countries. By 2010, it operated international buses connecting Kenya with Uganda, Tanzania, Rwanda, Burundi and even South Sudan. This aggressive expansion tapped into rising regional trade, tourism and travel integration within the East African Community (Njenga, 2017). At its peak, the company ran scheduled services to over 50 destinations in East Africa, effectively positioning Nairobi and Mombasa as hubs in a regional transportation network.

Fleet Modernization

To support expansion, the company invested heavily in its fleet. By 2014, Modern Coast boasted over 200 luxury coaches, making it one of the largest bus operators in the region (*Transport World Africa*, 2015). The fleet, sourced from top manufacturers such as Scania, Volvo and Mercedes, featured modern amenities unheard of among local rivals. Coaches offered ergonomic reclining seats, ample legroom, air conditioning and advanced suspension to accommodate East Africa's varied road conditions. The large fleet size not only increased capacity but also signalled market dominance.

Innovative Services

Modern Coast differentiated itself through value-added services that introduced a new standard of comfort. It was among the first in the region to provide free on-board Wi-Fi, enabling passengers to stay connected (a feature rolled out by the mid-2010s) (*Business Daily Africa*, 2018). Coaches also had individual entertainment screens and universal serial bus charging ports and offered complimentary snacks on select routes. These amenities, highlighted in marketing campaigns, cultivated a premium brand image (*Business Daily Africa*, 2018). Modern Coast effectively proved that bus travel in East Africa could be both affordable and luxurious, capturing a broad customer base, from budget travellers to business professionals.

Technological Integration

Embracing technology became a cornerstone of the company's strategy. An online booking system, launched in the late 2010s, allowed customers to reserve seats and pay via mobile money (M-Pesa) or by credit card. By 2018, the firm had installed global positioning system (GPS) tracking and telematics on all buses, enabling real-time monitoring of vehicle location, speed and engine performance (Mwangi & Wambua, 2018). This improved fleet management, that is, by optimizing routes, improving fuel efficiency and automating maintenance alerts. A dedicated Modern Coast mobile app provided live departure updates and allowed customers to manage bookings, reflecting a commitment to convenience through innovation. The introduction of these technologies (online payments by 2017, GPS tracking by 2018, and others) is considered pioneering within the local industry (Mwangi & Wambua, 2018).

Strategic Partnerships

To navigate diverse regional markets, Modern Coast cultivated partnerships with local operators and service providers. For instance, alliances with smaller bus companies and booking agents in Uganda and Tanzania helped the firm comply with local regulations and extend its reach (Kamau, 2019). It also engaged partners for technical support. For example, a Nairobi-based tech firm provided navigation and fleet management systems, while a financial partner helped in introducing cashless ticketing. These collaborative partnerships built an ecosystem that bolstered route expansion and operational know-how (Kamau, 2019). By leveraging partners' local expertise and resources, Modern Coast gained a foothold in new territories more quickly than it would have on its own.

Market Positioning

Shahid Butt positioned Modern Coast as a premium yet affordable brand, coining the slogan *The Ultimate Leader* in transport (Kimani, 2023; *The Guardian*, 2022). The company's advertising emphasized *safety, comfort* and *reliability*. Despite offering upscale services, fares remained competitive with other bus lines (and far cheaper than flying), attracting middle-class travellers and even luring passengers from budget operators with the promise of greater value. This approach paid off. By the mid-2010s, Modern Coast had captured a significant share of the long-distance travel market, becoming one of East Africa's most popular bus companies (www.travelkenya.info). In Kenya alone, industry observers estimated that Modern Coast accounted for roughly 15%–20% of inter-city bus passengers at its peak, ranking it among the top transport providers in the region. With over 1,000 employees on its payroll by 2014, the company's operational footprint was considerable, underpinning its capacity to serve multiple countries (Njenga, 2017). Figure 1 illustrates the company's former cross-border presence.



Figure 1. Modern Coast Coach on the Mombasa–Tanga–Dar es Salaam Route, Reflecting the Company's Cross-border Presence (www.travelkenya.info).

Source: Christian (2021).

Diversification into Parcel Logistics

Leveraging its extensive route network, Modern Coast also branched into cargo and courier services. The company established Modern Coast Courier (Modern Mail) to handle parcels and freight for both individual and corporate clients. Buses had dedicated luggage compartments for secure parcel transport, and the firm opened parcel offices in major towns. This diversification generated an additional revenue stream and improved fleet utilization, with buses carrying cargo on passenger routes. By partnering with e-commerce retailers and offering last-mile delivery, Modern Coast aimed to become a one-stop transport and logistics provider. The courier division grew steadily and proved remarkably resilient during periods of fluctuating passenger demand.

By 2014, Modern Coast Express Limited had become a thriving enterprise. A strategic mix of route expansion, service innovation, technology adoption and partnerships had driven rapid growth. The company's evolution from a small family business into a regional market leader was hailed as a Kenyan entrepreneurial success story (www.kenyans.co.ke). Shahid Butt's charismatic leadership and hands-on management style were widely credited with this success. However, this also meant that much of the company's vision and authority resided in a single individual. Unbeknownst to stakeholders, Modern Coast's very strengths contained the seeds of vulnerability should anything befall its leader.

Leadership Vacuum and Internal Turmoil

In July 2014, tragedy struck Modern Coast at the height of its success. Shahid Pervez Butt was ambushed and fatally shot by unknown assailants while driving near Changamwe, Mombasa (BBC News, 2014). The murder of Modern Coast's founder sent shockwaves through the company and the wider Kenyan business community. Beyond the personal loss, Butt's sudden death created an immediate leadership vacuum that the organization was ill-prepared to handle (*Daily Nation*, 2014). There was no formal succession plan or designated second-in-command ready to take the helm. As is common in many African family businesses (Fafchamps, 2020), discussions about succession had been deferred. A 2018 survey by PricewaterhouseCoopers found that only 12% of African family firms have documented succession plans (vs ~30% globally). Modern Coast, unfortunately, fits this pattern of neglecting proactive succession planning.

Shahid Butt had been the undisputed figurehead of Modern Coast. He was the founder, chief executive officer and the ultimate decision-maker. His hands-on leadership meant that he personally managed critical decisions and relationships, from financing deals to political connections. With his passing, Modern Coast lost its visionary captain and was left in confusion over who should steer the company forward (*Daily Nation*, 2014). Almost immediately, internal power struggles among family members emerged. Butt's two wives, Akhtar Butt (first wife) and Regine Butt (second wife) and his adult son, Haroon Butt, all laid

claim to influence. In the absence of clear succession directives, emotions and rivalries surged (Nyamasyo, 2023).

A bitter legal battle over Butt's estate ensued, paralyzing the company's governance for years. Shahid's estate, valued at approximately KSh 5–6 billion (~$50 million), included a majority shareholding in Modern Coast Express and other business interests (Omondi, 2016). Competing factions went to court over ownership rights. Haroon Butt, then in his late twenties, assumed management control of Modern Coast shortly after his father's death, effectively naming himself Managing Director. However, Regine, the second widow, contested this move (www.standardmedia.co.ke). Regine argued that Haroon was sidelining her and concealing assets, and the courts eventually appointed both Haroon and Regine as co-administrators of the estate. However, implementing the court's directives proved difficult because Haroon continued to run the company day-to-day. At the same time, Regine filed further legal motions, accusing him of failing to honour the agreed-upon distribution. It was not until March 2022, 8 years after the founder's death, that the High Court issued a final ruling on the estate's distribution, allocating shares in Modern Coast and other family companies between the two households (Nyamasyo, 2023). Even then, Regine contended that Haroon remained in exclusive control of 'Modern Coast' despite the orders, delaying the transfer of assets to her and her children (Sanga & Karani, 2023). The prolonged uncertainty over ownership and leadership eroded internal cohesion and trust within the firm.

Beyond the courtroom, divergent visions and management styles among family members aggravated the turmoil. Haroon, who had been groomed informally by his father in business, aimed to preserve Modern Coast's aggressive expansion and was wary of outside interference. In contrast, other family stakeholders (and some senior employees) urged a more conservative approach or even bringing in professional managers to stabilize operations. Frequent disagreements erupted over strategic priorities: Should the company invest in additional buses or focus on maintaining the existing fleet? Should it raise capital from external investors or keep ownership strictly within the family? Lacking an established governance structure (no independent board or family council), these disputes often paralyzed decision-making. Critical decisions were delayed or never made, right as the company faced intensifying competition and regulatory scrutiny. Overlapping family roles (owners, managers and directors all blurred together) further confused accountability. Senior non-family managers struggled with unclear directives and internal factions, leading to high turnover. By 2016, Modern Coast's once-confident workforce had grown demoralized amid infighting, with some skilled staff leaving for competitors offering more stability (Nyamasyo, 2023; Omondi, 2016).

The situation was worsened by external allegations that surfaced about the late founder's activities. In late 2014, media reports (later echoed by government officials) suggested that Shahid Butt had been under investigation for allegedly financing extremist groups (*Daily Nation*, 2014; www.apnews.com). While no formal charges were proven posthumously, the mere association with such allegations tarnished Modern Coast's reputation. Banks grew warier in their dealings, regulators kept a closer eye, and some corporate clients distanced themselves to avoid controversy. This reputational cloud, combined with the leadership vacuum, put Modern Coast on the back foot just as it needed to prove its resilience without its founder.

By 2017, Modern Coast's financial performance had noticeably weakened. Revenue growth stalled and became erratic, as internal disarray led to poor cost control and missed opportunities (Kimani, 2023; *The Guardian*, 2022). Legal fees related to the family dispute mounted. The company's once-ambitious expansion plans were put on hold. In fact, some newer routes were quietly discontinued due to underperformance or operational difficulties. Without strong leadership to navigate turbulence, cash flow problems emerged. Operational expenses and debt-servicing obligations (e.g., from loans used to buy buses) strained the company's finances. Creditors and suppliers grew cautious. Key suppliers began demanding advance payments or shortening credit terms amid uncertainty over Modern Coast's stability (Kimani, 2023; *The Guardian*, 2022). The unresolved ownership structure and negative press hampered efforts to refinance or raise new capital. Haroon Butt, still the de facto head, was in a precarious position. He lacked his father's clout and was simultaneously battling relatives in court while trying to salvage the enterprise.

Safety Crises and Regulatory Backlash

As Modern Coast's leadership woes unfolded, operational safety standards at the company deteriorated, with devastating consequences. Figure 2 illustrates the company's public-facing coach fleet. The bus industry in Kenya and neighbouring countries has long been high risk due to factors such as dangerous roads and intense competition that sometimes incentivizes reckless driving. Still, Modern Coast had prided itself on safety in its early years. That reputation eroded sharply in late 2016, when a series of serious accidents involving Modern Coast buses captured national headlines.

Between 2016 and 2019, Modern Coast coaches were involved in at least five major crashes that together claimed over 50 lives. For example, in June 2016, a Modern Coast bus collided with a lorry on the Nairobi–Mombasa highway near Samburu, killing multiple people on board. In December 2017, another coach lost control at Sachang'wan in Nakuru County, resulting in 15 fatalities (an area notorious for grisly road accidents). In October 2018, two incidents occurred—one saw a bus catch fire in Kwale County (thankfully with no casualties), another was a crash in Kyanamira, Uganda, that killed two people. In September 2019, a Modern Coast bus accident in Nakawa, Uganda, led to eight deaths. Moreover,



Figure 2. The Aftermath of a Head-on Collision Involving Two Modern Coast Buses at Kiongwani on the Mombasa–Nairobi Highway in December 2019. Photograph: John Muia/The Standard.

Source: Standard Team (2019, December 12).

in late November 2019, a collision on the Kericho–Nakuru highway left one dead and 23 injured. The frequency and severity of these incidents indicated systemic lapses. Investigations often pointed to causes such as driver error, possible fatigue or mechanical failures, suggesting that Modern Coast's training and maintenance standards had slipped from the rigorous protocols the founder once enforced (https://www.youtube.com/watch?v=9aoXWv8tTf4).

Public concern about Modern Coast peaked in July 2022, following a horrific disaster. On 24 July 2022, one of the company's buses on an overnight route plunged off a bridge into the Nithi River gorge in Tharaka Nithi County (https://ntvkenya.co.ke/news/nithi-bus-tragedy-wife-to-the-driver-speaks/). The coach fell 40 m into the riverbed after reportedly speeding and failing to brake at a sharp turn. The accident was catastrophic, killing 35 people on the spot (with the death toll later rising to over 40 as some succumbed to their injuries). The Nithi River crash was among Kenya's worst road accidents that year and ignited public outrage. Survivors and witnesses described gruesome scenes. Media footage of the mangled bus reinforced the perception that Modern Coast had failed in its duty of care. In response, the Kenyan government took unprecedented action. The National Transport and Safety Authority (NTSA) immediately suspended Modern Coast's operating licence nationwide (Kimani, 2023; *The Guardian*, 2022).

The suspension, announced on 25 July 2022, grounded the entire fleet pending a full safety audit. It was the second such suspension that year. Just 3 months earlier, in April 2022, NTSA had briefly halted Modern Coast operations after another fatal crash in which two of its buses collided head-on along the Mombasa–Nairobi highway, killing several people (www.nation.africa/kenya).

The 2022 regulatory crackdown signalled that Modern Coast's lapses would no longer be tolerated. The Ministry of Transport and NTSA ordered Modern Coast to undergo stringent inspections and retrain its drivers before any possible reinstatement of its licence (www.tuko.co.ke). For a business already under financial strain, the impact was devastating. The company's buses were impounded or parked; hundreds of passengers with bookings were left stranded, forcing Modern Coast to scramble to arrange refunds and alternative transport (Owoko, 2022). This further hurt its finances and goodwill. Revenues flatlined overnight during the suspension, while fixed costs—staff salaries, bus leases, insurance—continued to accrue. Modern Coast's competitors, notably smaller bus firms and the state-run Standard Gauge Railway (SGR) passenger train, eagerly stepped in to fill the void on major routes. Passengers lost faith in Modern Coast and flocked to carriers perceived as 'safer', one transport analyst noted, adding that rivals were rapidly eroding the company's market share during this period (www.nation.africa/kenya).

Modern Coast was allowed to resume operations in late November 2022 after complying with NTSA conditions, including inspecting all buses and installing new speed governors (www.tuko.co.ke). However, the relief was short-lived. Barely a month after returning to the road, yet another tragedy struck. On 28 December 2022, a Modern Coast bus travelling from Mombasa to Homa Bay plunged into a river at Masosa, Kisii County, after the driver lost control on a bridge.

The accident killed one passenger and injured dozens (www.tuko.co.ke; www.nairobileo.co.ke). Given the timing (peak holiday season) and the company's recent probation, the incident drew immediate condemnation. Kenya's Transport Cabinet Secretary at the time, Kipchumba Murkomen, responded within 48 h by revoking Modern Coast's licence again on 30 December 2022.

> 'Following the December 28th accident, I have directed NTSA to suspend all operations of Modern Coast Bus Company with immediate effect', Murkomen announced, calling for investigations (Muriuki, 2022).

This government directive effectively shut down Modern Coast's passenger transport services for a second time in 6 months.

Caught in an existential crisis, Modern Coast's management attempted a partial workaround. The company announced that, while Kenyan domestic routes were halted, it would continue operating certain cross-border routes that ostensibly fell outside the NTSA's direct purview (Malala, 2022). In a public notice in January 2023, Modern Coast informed customers that buses would continue to ply the Nairobi–Kampala (Uganda), Nairobi–Kigali (Rwanda) and Nairobi–Bujumbura (Burundi) routes, as those interstate services were licensed by other authorities (Ruto, 2023). It also kept its parcel (courier) offices open to serve logistics customers (Ruto, 2023). This move was somewhat controversial, as Kenyan officials warned that the ban applied to all operations, yet enforcement across borders was complex. Still, it reflected the company's desperation to generate any revenue and maintain a presence while the domestic suspension lingered. After negotiations and inspections, NTSA lifted the suspension on 18 January 2023, allowing Modern Coast to resume all routes under strict monitoring (www.kenyans.co.ke). By then, however, the damage to its reputation was deep.

The implications of the accidents and regulatory actions were profound for Modern Coast. First and foremost was the human toll with lives lost and injuries sustained, not only causing pain and suffering but also triggering a string of lawsuits and compensation claims. Dozens of victims' families sued Modern Coast for negligence, and courts began awarding or approving settlements for damages (hospital bills, death benefits and so on) (Kimani, 2023; *The Guardian*, 2022). These legal liabilities ran into tens of millions of shillings, further draining the company's coffers. Second, insurance costs for the fleet skyrocketed as underwriters classified Modern Coast as a high-risk client, hiking premiums to punitive levels or even refusing to cover certain routes (Insurance Regulatory Authority, 2022). Third, regulatory compliance costs mounted. To regain its licence, Modern Coast had to invest in new safety equipment, comprehensive driver retraining programmes, and external audits to demonstrate roadworthiness (Kimani, 2023; *The Guardian*, 2022). All of this diverted scarce financial and managerial resources.

Perhaps most critically, Modern Coast's public image was irreparably harmed. Continuous media coverage of crashes, with graphic images of wrecked buses and grieving families, led to a collapse in customer trust. In a service industry where safety is paramount, many travellers decided 'Modern Coast is not worth the risk'. Even after services resumed in 2023, passenger loads were markedly lower as people opted for competitors perceived as safer (*The Guardian*, 2022). Online, the company's social media pages were flooded with angry comments, and news articles chronicled each stumble. Modern Coast tried to rebuild confidence by issuing public apologies, emphasizing new safety measures, and even rebranding some buses. These efforts had limited success. The Modern Coast name had become synonymous with fatal accidents, and in Kenya's transport sector, that kind of reputational stain is hard to remove. Some industry observers even drew parallels to *Mololine* and other operators that had faded after past safety scandals.

Even after the major accidents of 2022, safety incidents continued to plague Modern Coast. In December 2024, for example, a Modern Coast coach carrying 60 passengers caught fire en route to Nairobi, near the Gilgil weighbridge. Figure 3 shows the December 2024 bus fire that renewed public concern about fleet reliability. Fortunately, everyone was evacuated safely, and there were no injuries, but passengers lost their belongings as the blaze consumed the bus's rear section (Olage, 2024). Video clips of the burning bus circulated widely on social media, reinforcing concerns that something was fundamentally wrong with Modern Coast's operations. Although mechanical failures and electrical faults can occur in any fleet, the company's string of mishaps suggested that preventive maintenance and safety oversight were still inadequate. Each new incident became another setback in regaining public trust. By 2025, Modern Coast's brand was severely battered. What had once been 'The Ultimate Leader' in luxury bus travel was now a cautionary tale of how quickly a reputation can unravel following crises..

Financial Distress and Attempts at Recovery

The combined impact of family infighting, operational chaos and reputational damage pushed Modern Coast to the brink of insolvency by 2024. With passenger numbers down and legal and insurance costs up, the company struggled to meet its debt obligations. A particularly revealing episode was the Stanbic Bank loan dispute that surfaced in late 2024. Modern Coast had borrowed approximately KSh 485 million (about $3.75 million) from Stanbic Bank Kenya in 2016, with the proceeds intended to fund fleet expansion and cross-border growth (www.nation.africa/kenya). Over the years, the company repaid around KSh 344 million (~$2.7 million) but then fell into arrears as cash flow dried up. By mid-2024, roughly KSh 141 million plus interest



Figure 3. A Modern Coast Bus Burning near Gilgil Weighbridge on the Naivasha–Nakuru Highway on 7 December 2024. All 23 Passengers were Safely Evacuated.

Source: Screenshot from an amateur video circulated online; reported by Citizen Digital (2024).

remained outstanding. After months of default, Stanbic lost patience. In November 2024, the bank publicly announced plans to auction off Modern Coast's prime properties, notably the Miritini bus depot in Mombasa (the company's main yard) and Haroon Butt's family residence, to recover the debt (Muyanga, 2025). This move signalled that Modern Coast had entered a severe financial crisis and was unable to meet its loan commitments.

Haroon Butt and Modern Coast's lawyers rushed to court to block the auction. They argued that Stanbic had not given the company a fair chance to restructure the loan in light of 'prevailing harsh economic times' and the extraordinary challenges the business faced (Kimani, 2023; *The Guardian*, 2022). In December 2024, the High Court granted a temporary injunction stopping the asset sale, providing a brief respite. Under pressure, Stanbic agreed to negotiate, and by January 2025, both parties informed the court that they were seeking an out-of-court settlement (Muyanga, 2025). Modern Coast proposed a revised payment plan, offering to pay KSh 2.2 million per month towards the debt, and sought an order to formally restructure the loan over a longer term (*Daily Nation, 2024)*. The bank, cognizant that a forced liquidation might yield less value (and amid public sympathy for the hundreds of jobs at stake), showed a willingness to compromise. As of early 2025, this loan restructuring was underway, effectively staving off bankruptcy in the short term (Muyanga, 2025).

The Stanbic episode underscores how precarious Modern Coast's finances had become. A company once flush with revenue from packed buses now had to beg for leniency to save its headquarters from the auctioneer's hammer. It also highlighted governance concerns. Regine Butt publicly questioned where the money borrowed in 2016 had gone, insinuating mismanagement by Haroon, since the investments had evaporated, leaving the firm indebted (Sanga and Karani, 2023). Haroon retorted that external crises, such as licence suspensions and disruptions from the COVID-19 pandemic, had derailed their business plans, not incompetence or graft. Regardless, by 2025, Modern Coast was essentially in survival mode—cutting costs, selling off old buses, and relying increasingly on its parcel delivery arm to generate cash. Indeed, some observers noted that Modern Coast had *all but exited the passenger transport business, focusing on cargo services* as a last resort (a sentiment echoed on industry forums).

Internally, efforts were made to stabilize operations. In 2023–2024, with the legal battles resolved on paper, Haroon was affirmed as a major shareholder, while Regine's side was also given a substantial stake. There was hope that the family could unite to revive the company. A few non-family executives were hired for key roles, including safety manager and operations director, bringing experience from other transport firms. Modern Coast also quietly downsized and rationalized the fleet, trimming routes that were consistently unprofitable or reputationally risky. For example, the Nairobi–Mombasa night service (which had been involved in multiple crashes) was reduced in frequency and eventually rebranded. At the same time, more emphasis was placed on daytime schedules when visibility is better. The company also explored revenue from charter services (renting buses to groups or events) and sought government transport contracts to keep buses running (www.peopledaily.digital).

By mid-2025, Modern Coast Express was operating at a much-reduced scale. Whereas at its height it dispatched over 50 bus trips a day, only a handful of routes are active now. Market competitors had gobbled up a significant

Table 1. Selected Timeline of Publicly Reported Events.

Date	Event	Operational or Governance Significance	Public Source
1985 (reported)	Company established in Mombasa as part of a transport enterprise.	Origins of a long-distance brand: early growth required route discipline and fleet investment.	Company background in public reporting; secondary summaries
11 July 2014	Founder died intestate (estate record).	Succession and ownership transition begins; governance risk increases.	Kenya Law (2022)
December 2019	NTSA suspension later lifted (reported).	Signals compliance risk and potential service disruption costs.	Omondi (2019)
24 July 2022	River Nithi bridge crash; at least 33 deaths reported.	Major reputational shock; triggers intense regulatory scrutiny.	Kimani (2023), The Guardian (2022)
Late July 2022	NTSA suspends Modern Coast operations after Nithi crash.	Immediate operating shutdown; compliance conditions introduced.	Kimani (2023), The Guardian (2022)
30 December 2022	Government suspends operations again after additional fatal accidents.	Signals ongoing safety governance concerns and tighter oversight.	Muriuki (2022)
7 December 2024	Bus fire near Gilgil weighbridge; passengers evacuated safely, no casualties.	Reinforces reliability narrative; influences customer confidence.	Olage (2024)
31 December 2024	KSh 485 m loan dispute reported in court.	Financial strain intersects with operating continuity risks.	*Daily Nation* (2024)
23 January 2025	Settlement talks reported; loan restructuring discussions.	Potential pathway to stabilize financing if linked to turnaround plan.	Muyanga (2025)

Notes: This table summarizes publicly reported events used for teaching. It is not an internal operational log. NTSA: National Transport and Safety Authority.

Table 2. Operational Footprint Map (Text-based Service Clusters).

Route/Service Cluster	Typical Demand Drivers	Operational Demands	Risk Hotspots (Illustrative)
Coast-Nairobi corridor (e.g., Mombasa-Nairobi)	Business travel, trade, family travel, tourism spillovers	Night operations, high fleet utilization, turnaround discipline	Overnight fatigue risk; highway enforcement checks
Coast-Western Kenya corridor (e.g., Mombasa-Kisumu)	Trade flows, labour mobility, student travel	Long haul maintenance load; multi-stop route coordination	Road condition variability; incident response delays
Coast-Northern/Eastern corridors	Regional commerce; connections to inland towns	Driver scheduling complexity; route security monitoring	Accident-prone segments; emergency access constraints
Courier and parcel add-ons	SME logistics; bus-embedded parcel transport	Handling processes; liability management; tracking and controls	Loss/damage claims; compliance and documentation gaps

Notes: Service clusters are illustrative and intended to support discussion of operating complexity and risk management. SME: Small and medium-sized enterprise.

portion of its customer base. Notably, Easy Coach (a Kenyan bus firm known for reliability) and Guardian Bus gained many former Modern Coast passengers, especially on western Kenya routes. In contrast, Mash Poa and Tahmeed buses increased their share of the coastal and regional routes where Modern Coast once dominated. The introduction of the SGR railway between Nairobi and Mombasa also permanently siphoned off a chunk of the middle-class ridership—by early 2023, the SGR was often fully booked during holidays, as travellers opted for rail over road (Kenya Railways Corporation, 2021). Industry analysts estimated that Modern Coast's market share in the inter-city transport segment fell to under 5% by 2025, down from roughly 15%–20% a decade earlier (www.nation.africa/kenya). In essence, Modern Coast's competitive position had been severely weakened. Tables 1 and 2 summarise the company's key public events and the operating complexity of its service clusters.

Despite the grim outlook, there were signs of a turnaround. After the January 2023 relaunch, the company saw a gradual return of passengers on specific routes, aided by discounted fares and loyalty promotions. In 2024, Modern

Table 3. Scale, Growth and Stress Metrics (Public Signals Dashboard).

Metric or Signal	What Public Information Suggests	Why it Matters	Illustrative Source
Fleet scale (founder's estate report)	About 209 vehicles were reported in the wider estate context, many described as luxury buses.	Shows scale and capital intensity; large fleets require strong maintenance systems.	*Business Daily Africa* (2014/2020)
Regulatory downtime (suspensions)	Multiple suspensions and enforcement actions were reported over several years.	Downtime creates cash flow shocks and can trigger customer switching.	Omondi (2019), Muriuki (2022) Kimani (2023), *The Guardian* (2022)
Safety incidents (high severity)	Repeated major incidents were publicly reported, including the 2022 River Nithi crash.	High-severity events drive regulatory response and trust erosion.	Kimani (2023), Nation.Africa (2022)
Financing stress signal	A KSh 485 m loan dispute and discussions on restructuring were publicly reported.	Debt terms shape fleet renewal and maintenance capacity.	Muyanga (2025) *Daily Nation* (2024)
Ownership complexity	Estate distribution and trusteeship responsibilities were detailed in court records.	Fragmented ownership increases the need for formal governance and clear decision rights.	Kenya Law (2022),

Note: Signals are built from publicly available sources and are provided for teaching and analysis.

Table 4. Ownership and Governance Snapshot Based on Public Court Records.

Element	What Public Records Indicate	Implication for Governance and Succession Planning
Founder's estate and corporate shareholding	Court judgement set an estate distribution formula and applied it to verified companies, including Modern Coast Express Ltd.	Ownership is connected to legal processes; governance requires clarity on decision rights and fiduciary duties.
Estate distribution formula (illustrative shares across verified companies)	Akhtar 6.25%, Regine 6.25%, Haroon 35%, and two minors 35% and 17.5% in the documented formula used across verified companies.	Fragmented ownership heightens the need for formal board oversight and clear boundaries of professional management.
Trusteeship and minors' interests	The court referenced trusteeship responsibilities for bequests made in favour of minor children.	Raises the bar for governance discipline and documentation, especially where cash flows and asset control are contested.
Operating company realities	Operations require fast decisions on safety, compliance, maintenance and financing.	A succession transition without a clear governance architecture can translate into operational drift.

Note: Derived from public court records. Percentages shown reflect the formula applied across verified companies in the cited judgement and summary.

Coast advertized new vacancies for drivers and booking clerks, indicating an effort to rebuild staff capacity as operations normalized. The courier service (Modern Coast Courier) remained profitable and even expanded to offer same-day delivery between major towns, using the company's reduced passenger buses for cargo-only trips. Haroon Butt reached out to potential strategic investors and partners, including international coach operators, regarding a possible joint venture, though no deal had materialized by 2025. Additionally, Modern Coast doubled down on compliance and safety initiatives to repair its image, instituting annual third-party safety audits. It joined an industry road safety association to adopt best practices. Whether these steps can truly restore public trust is uncertain, but they demonstrate that Modern Coast was fighting to survive, not simply waiting to wither away. Tables 3 and 4 consolidate the public signals of scale, distress and ownership complexity relevant to the turnaround decision.

Acknowledgements

The author is grateful to AfOx (Africa Oxford Initiative) for the invaluable opportunity to train at the University of Oxford and to learn to write impactful business teaching case studies. A special thanks goes to my Oxford collaborators, Professors Paulo Savaget and Aoife Brophy from Saïd Business School at the University of Oxford, for their support and guidance.

Finally, the author acknowledges using Grammarly, which helped me improve the structure and clarity of this text.

Declaration of Conflicting Interests

The author declared no potential conflicts of interest regarding the research, authorship and/or publication of this article.

Funding

The author received no financial support for the research, authorship and/or publication of this article.

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