

Facing the FUTURE

Major changes are affecting the market for passenger transport, the competitive environment, and the way in which organisations need to be structured and led to successfully respond. Giles K Bailey continues his regular look at the key issues and how to address them.



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Constantly connected: these days travellers want to use their computers and mobile devices at all times including when travelling and waiting for connections. They are looking for quality facilities but will now make use of almost any place as a workstation.

WORKPLACE WANTED for the Contemporary Connected Traveller

Travellers were once tempted by the simple pleasures of their journey: a time to reflect, relax and simply stare out the window. Or they just tolerated the 'wasted' time.

How things have changed! Nowadays, the modern traveller seeks to do all sorts of things on the go - make calls, check emails, do work, catch-up on a movie, listen to music. Either 'real business' or 'personal business' activities.

These needs and expectations are a challenge - and an opportunity - for passenger transport providers. The challenge is to enable and facilitate all these activities - and more - in terms of space, privacy, connectivity etc, whilst the opportunity is to make travel time productive and not a wasted resource, and in particular to match or beat equivalent time spent in the private car or even in the home or office. And that means time both onboard the vehicle, and whilst waiting for it, or in between connections.

Grand Railway Stations have always been known for their equally grand waiting rooms, salons and often adjacent hotels. Look for example to the, now beautifully restored and expanded, St Pancras International Railway terminal in London and the Renaissance

Hotel above it, the grandeur of Antwerp's Central station and New York City's Grand Central Terminal Vanderbilt Hall.

The role of, and need for, these particular facilities has declined over the years as railway travel became much more of a commodity for the masses and less of a premier means of travel for the elite. For the last few decades, typical railway station waiting rooms in most cities, let alone coach station waiting rooms, have been very basic, if not at times depressing, facilities.

The airline industry has led the way in advancement in the pre-journey waiting experience and the power that it has to differentiate and build the brand. Each major airline, or airline alliance, has been taking a more elaborate look at how to develop an efficient and pleasing waiting experience for their passengers and build brand loyalty, not to mention take a higher fee from the traveller for such facilities, and reward loyalty with lounge memberships.

For example, Virgin in late 2012 revamped its key lounges at New York's JFK and Newark Liberty airports with facilities including: a cocktail bar; a sunken lounge area where

visitors can relax; a brasserie; a screening room; as well as designer art and furniture. Total investment in the lounges, as well as on plane investment, as part of the upgrade to their Upper Class product was said to be £100m.

Servisair, long known as an airport ground handling agent, has been introducing 'Aspire' lounges at Gatwick North, Liverpool John Lennon, Helsinki, Birmingham and Luton airports. These lounges offer a range of facilities including complimentary food, panoramic views and a relaxing place to work while waiting for a flight.

Train companies and station operators have been going some way down the same path. However, progress has been cautious and underwhelming.

But before examining the modern needs of railway travellers in more detail, it is probably most helpful to look at some of the wider changes in the nature of 'work' in this increasingly digital world, as that is what's driving many of these developments.

For a number of decades, work used to be mainly done 'at work' - a place remote from home that was travelled to and from on a daily basis. At the end of the day, work ended and the commuter returned home with, occasionally, some papers or piecemeal work to be dealt with overnight.

In the 21st century this model is clearly fracturing substantially. Work is changing in nature, time and space, as well as fitting around a more diverse set of

'workers'. People increasingly want, expect or need to work at a variety of times and mix this with other opportunities, interests and duties - either those of their employers, or themselves, particularly if they are not actually employees but contractors, freelancers, partners or support staff. Diverse and multi-skilled modern workers expect and need to work both at home and at a variety of other locations. Teams need to be able to collaborate across time zones and remote functions and this often means conversations (and thus work) needs to occur outside of the traditional workday. Issues are expected to be dealt with as they arise, by connected teams, and this may mean by a phone call or an email, or increasingly by much more detailed 'live' linkages into core business data and systems.

There is clearly an element of 'push and pull' in this behaviour. The growth

in flexible, independent and freelance workers means the re-examination of the need for the centralized 'big office' for many employers and their workers, and the need to find locally available flexible (as well as cheaper) places from which to conduct business. Employers are downsizing their office estates and providing their workers with spaces that are supposed to be shared and used to collaborate, rather than to simply 'warehouse' the worker. 'Hot-desking' was the start, but more sophisticated ideas of 'drop in' space have been emerging too.

It's actually a two-way process, that isn't necessarily a negative story for many workers. There is an increase in expectations of 'flexibly' being able to balance caring responsibilities for older or younger family members with being in the workforce. The most talented employees are

not necessarily to be found in 'commuting' distance and to enable them to be attracted to a role, the employer may need to be flexible about the employee's chosen home, desire to maintain contact with friends and family, or connections in another country, or even continent.

Empowered, efficient and dynamic workers often don't see life as a bi-polar existence between work and non-work, and are attracted to employers that allow work activity to fit around what may be a range of other eclectic and passionate interests that take place throughout the traditional workday. All of these changes are enabled by the growth in digitally connected devices, systems and work practices. This is the style of work being adopted by many leading businesses throughout the world, and is the chosen aspiration of an increasing number of individuals - including new graduates who are searching for their best career move.

If this all seems somewhat remote and hypothetical for those providing train, metro or bus journeys just take a look at your local coffee shop, which will likely be wifi enabled, and populated by a very active crowd. Yes, some will simply be blankly enjoying a caffeine fix, but you'll find rather a lot working on laptops, tablets, or even pen and paper, while others will be conducting meetings, interviews, breakout sessions, or Skype calls. This behaviour is

being repeated in hotel lounges, public libraries and other comfortable, networked public spaces, as well as a growing number of re-vitalized 'private members clubs' in many cities. And not just for the metropolitan elite - as this behaviour is growing in the commuter belts, as well as smaller towns and villages that offer an attractive lifestyle to the independent, flexible worker. And in 'drop in' locations being visited by people 'on the road' too, including hotels near stations and motorway service areas.

Take a look at the cafés around any mainline railway station for the number of people busily working on devices, and at those who have chosen to use available benches or simply stand in the station while working, where there are no suitable facilities yet provided.

All of this is creating a business opportunity for the supply of more connected and better quality flexible workspace in or near railway stations. Regus, the fast-growing global serviced office business, have recently been adding new types of 'implant' facility expanding their "Businesspoint" office concept. Other providers offer a range of models that mix flexible offices, digital access and cafes as well as other ancillary services seen in the airline lounge examples. Sometimes these locations involve rebranding or refocusing of existing businesses - such as private clubs, or new businesses specifically targeted at this market.



Workspace specialist Regus has been introducing new facilities at stations with Netherlands Railways.

4G promises commute to be the most productive part of the day

The daily commute need no longer be an hour or so spent in the company of a newspaper and the sound of neighbours in the train carriage calling friends to tell them where they are.

The journey to and from work is being transformed thanks to the delivery by 4G of data at speeds never seen before on the move. So a laptop, tablet, phone and their user can stay connected with the 4G signal making the commute the most productive part of the day.

There are plenty of ways to stay connected - a 4G Mi-Fi connects wirelessly to a laptop (and iPad and 3G phone) and then to the internet via 4G. A Mi-Fi can provide multiple connections for those sharing the password. Or there's a USB modem that achieves the same end just for the laptop into which it's plugged.

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More and more transport operators have realised that it is now expected that they will provide free Wi-Fi on their vehicles though some still seek to link availability to premium tariffs.



Facing the FUTURE



... there are new traveller needs to meet

Regus' Businesspoint concept, already developed with Dutch rail operator NS and recently announced via a partnership with Swiss train operator SBB, will open business hubs at Berne and Geneva railway stations in 2013 and 2014. They will offer workspaces, meeting rooms and associated technology and services bookable on a short term, short notice flexible basis. The hubs will also be available for Regus loyalty card holders, for refreshments or somewhere to take a break on their journey. Regus has also announced similar agreements in other sectors such as at selected Shell motorway petrol stations in Europe.

This is an international trend and is evidenced by the roll out of paid access business hubs at major cities in Korea offering refreshments, travel information, meeting rooms and electronic business services. SNCF in France has meanwhile introduced Business Salons as part of its "Grand Voyageur" loyalty card programme. The Salons, which are distinct from standard waiting rooms, are now in place at the major Paris termini as well as key regional business rail stations such as Bordeaux, Lyons, Rennes and Strasbourg. Facilities include wifi, refreshments, complementary access to press, information and service support desks.

This new working dynamic poses numerous issues across the business community. Information Management and Compliance teams will be concerned about business being conducted in public and semi-

public spaces, and the resulting exposure of sensitive data. HR departments will be interested in the new work environments that staff request permission to use – or simply by their own initiative start conducting business in public places. However, quality, safe, secure and efficient places for workers to make effective use of their time are fundamentally in the interest of the business, and its employees.

And what does this all mean for the public transport operators? Is this just an interesting external business trend, or something that they need to be actively involved in? I would argue that there are significant elements of potential new revenue here, and potential losses in existing fare revenue for operators by not recognizing and indeed embracing this trend, as part of a continuing consideration of the transport operator's service provision.

The rail industry has generally accepted the need for safe and secure waiting areas at stations, and better working facilities on board trains, including at seat power points and free wifi as standard. But the need for quality space to work in may go further. Providing lounges as a secondary revenue generator, licensee opportunity or facility for frequent business travellers is also a way of building the loyalty and perception of the operator brand. It will also enable more customers to efficiently use the public transport network, and ultimately increase patronage and revenue.

When delays occur and crowds at stations soar another dynamic needs to be considered. How can flexible spaces make life more pleasant for travellers? Clearly, a typical business lounge will never be large enough for the demand when a major, or even minor, delay occurs and at a particularly busy time there will inevitably be a decline in the quality of the user experience. Can stations plan in sufficiently flexible open spaces to allow customers to still find at least a bench, a semi private space, or cafe where some efficient use can be made of the time while waiting for a delayed service? Is the public wifi in the lounge or station, fully scalable to meet the increased needs of the customers in these peaks? Should arrangements be in place with nearby hotels or hospitality venues to absorb the station overload – and real time information links be provided to call passengers back to the station when their services resume? Such issues are still ultimately the responsibility of the train operator as part of providing a comprehensive and contemporary level of service.

There are some other interesting dynamics as a result of these new ways of working. The move to more flexible work times and travel times will inevitably lead to shifting demand patterns. People may not travel at all, or choose to travel later or earlier to avoid peak trains in which it may be difficult to work. This may mean wanting to start or finish some work at or near a station while

waiting for a 'more comfortable' train. Again, this provides the operator with a range of choices in helping to manage the demand on the service. It also raises the issues of ticket conditions and prices and the range of flexible options to be provided to meet the needs of these more flexible workers. The simple tidal model of a 'to and fro' commute is likely going to be replaced for many workers by a much more complex and varied matrix of trips at varied times of the day and to varied locations, and different priorities from just the fastest journey.

In some cases the business lounge concept at the station could still be used to draw a client to the station to use the range of business facilities and still engage with the operator brand, without even making a journey on that specific day.

This is another story of the growing empowerment of the customer to work more flexibly and expect that the transport system can meet their changing and expanding needs. All kinds of industries are being disrupted as we speed through the early decades of the 21st century. This includes transport operators.

Indeed, the key point might be to stress that they are not just transport operators. These changes pose challenges, but do offer advantages in engagement with customers, and in providing new and useful services that are potentially a source of revenue business diversification and more efficient management of an increasingly pressurised transport system. ■