

# Embrace change, it's the only way forward

**T**ECHNOLOGY is advancing at a faster rate than ever before, and the pace of change is impacting many areas of business and industry, with some of the innovators firmly intent on disrupting the status quo.

For rail transport, this is tough to cope with because most railways are large traditional organisations, which makes change difficult to achieve. The problem is that if railways do not act quickly, all the advances of the last few years which have enabled the industry to grow, will be lost, and rail could face a bleak future once more.

As Mr Bernt Reitan Jenssen, CEO of Oslo public transport administrator Ruter, explains (p20), public transport is not a door-to-door service and is often unpleasant to use, and while there has been strong growth in recent years, because some of the alternatives are even worse, this is a very risky situation to be in. "It is just waiting for someone to come up with a better idea," he says, which could have a dramatic effect on operators.

The European Railway Industry Association (Unife) has just published a position paper on railway digitalisation (p42) which sets out some of the challenges facing the industry and what steps need to be taken to reap the rewards promised by digitalisation. Unife identifies six disruptive trends in transport including intelligence, automation, new entrants and cyber security.

Unife also points to some of the opportunities that digitalisation presents to make far better use of the technology already available, including switching from periodic and preventative maintenance of both rolling stock and infrastructure to a predictive system. This could reduce costs and improve

reliability dramatically, both of which are essential for rail to be more competitive.

Unife wants to see a step change in asset management by using innovative technologies, new economic models, and enhanced standards. But it says there needs to be common priorities and objectives, a clear roadmap, and a deployment plan to achieve a digital



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transformation. It wants the industry to work together to achieve this with assistance from the European Commission. Unife also wants the European Union to offer more financial support.

Several railway organisations are already seizing the opportunities which digitalisation affords. German Rail (DB) and Britain's Network Rail (NR), for example, have strong digitalisation initiatives underway, while French National Railways (SNCF) has sent teams to Silicon Valley to see what is possible (IRJ September p50).

Others are taking very bold steps to radically change the way they work. Ruter, for example, has decided to replace its already successful smartcard ticketing system, which accounted for 60% of revenue, with one based on smartphones. "The future is not more hard work, ticketing machines or barriers, it is cloud-based," Reitan Jenssen, told IRJ.

Barcelona Metropolitan Transport (TMB) has taken the opportunity presented by the opening of its first driverless

metro line to completely rethink the way it operates and maintains the entire metro network (p32). Traditional jobs such as drivers, station masters, operating managers, and maintenance technicians have been swept away and replaced with customer care agents and operating managers on conventional lines and operating technicians on the automated lines. The change has brought staff much closer to customers and eliminated many repetitive tasks resulting in much greater job satisfaction and a reduction in absenteeism.

MTR has also worked hard

at trying to improve staff morale on its Stockholm metro concession (p28) by weeding out managers who are not willing or able to change the way they work, and having employees who are engaged and empowered to make improvements.

Railways also need to be much more customer-focussed than they are now. "If we continue to ignore the wishes of our customers, and continue to come up with inferior solutions, we will be gone in a couple of years," Reitan Jenssen warns.

MTR recognises this and has done a lot to improve customer satisfaction since it took over the concession to operate the Stockholm metro in 2009. In a two-year period, MTR took 800 actions to improve customer performance with the result that customer satisfaction improved 10% in three years.

Rail transport also has its disrupters in the form of new operators which are having a major impact on the market. These include NTV which forced a step change in the overall quality of high-speed rail services in Italy; Leo Express, Czech Republic, which has expanded rapidly; SNCF's Ouigo high-speed operation in France which demonstrated to its parent company that it is possible to run a high-speed service more efficiently; and now MTR Express in Sweden which expects to be in the black next year (p36). Brightline in Florida could also become a disrupter if its soon-to-be-launched inter-city service proves a success, as this is the first private passenger operation to launch in North America for at least 50 years.

The rail industry can continue to develop and prosper provided it takes the necessary steps to change. This requires companies to be agile, imaginative, and willing to embrace new technology and ways of working - things which railways have struggled with in the past. The alternative is, however, too grim to ponder.

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