

IARO report 5.01

Workshop, Madrid 3/4 May 2001.

Stress-free journeys -

⇒ the recruitment, selection, training and development

of customer focused staff

⇒ the use of IT to help the customer.

IARO Report 4.01: Workshop, Madrid 3/4 May 2001.

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Our mission is to spread world class best practice and good practical ideas among airport rail links world-wide.

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Introduction

This report summarises the output of the third workshop held by the International Air Rail Organisation (IARO), held in Madrid in May 2001.

The workshop opened with a visit to the very impressive Neuvos Ministerios site - a major redevelopment area towards the north of the centre of the city, with much new office space becoming available. This will be a major area for government activities, but there will also be significant commercial development too - basically because the area's function as a transport node is being significantly enhanced.

We were taken to Mar de Cristal station, today's terminus of the airport metro, and saw the worksite for its extension back into Central Madrid. We then caught the metro out to the airport, to see the plans for its development. On our return to the conference hotel AENA, the Spanish Airports Authority, entertained us to lunch.

Then to business. Two parallel sessions dealt with different aspects of the passenger experience - people, and IT.

Two facilitators led expert presentations on the issues. These were debated by the participants - delegates with a wide range of different experiences from very different transport operations around the world. Results were summarised, digested and reviewed at plenary sessions involving all of the delegates.

Thanks to our hosts, Metro de Madrid and AENA, we had an excellent welcome to the capital. This report is a reminder that we worked hard too. Lessons were learnt, ideas were discussed, plans were made to follow up some of the issues, and some business was done.

To our hosts and our organisers as well as to all our delegates, grateful thanks.

Andrew Sharp

Director General

List of abbreviations and acronyms

AB	Limited company (Swedish)
AENA	Aeropuertos Españoles y Navegación Aérea (Spanish airports and air navigation authority)
APM	Automated people mover
BA	British Airways
BAA	UK based airport operator - formerly British Airports Authority
CCTV	Closed circuit television
Cercanías	Local train network (Spain)
CRS	Computer reservation system
DB	Deutsche Bahn - German Railways
e-commerce	Electronic commerce
FAG	Flughafen Frankfurt AG - Frankfurt Airport Company (now Fraport)
Flytoget	Oslo's airport express railway
GSM	Global system for mobile phones
Hbf	Hauptbahnhof - main station
HPC	Hand held personal computer
IARO	International Air Rail Organisation
IATA	International Air Transport Association
ICE	InterCity Express (German high speed train)
IT	Information technology
KLM	Koninklijke Luchtvaartmaatschappij - Royal (Dutch) Airlines
km	Kilometre
km/h	Kilometres/hour
LH	Lufthansa
LRV	Light rail vehicle
m-commerce	Mobile commerce

MTR	Mass Transit Rail Corporation, Hong Kong
NS	Nederlandse Spoorwegen - Netherlands Railways
PC	Personal computer
PDA	Personal digital assistant
Ptas	Pesetas
RER	Réseau Express Régionale - regional express network (usually Paris)
SAS	Scandinavian Airlines System
S-Bahn	Suburban railway (Germany/Switzerland/Austria)
SBB	Schweizerische Bundesbahnen - Swiss Railways
SMS	Small messaging system
SNCF	Société Nationale des Chemins de Fer Français - French National Railways
TGV	Train à Grande Vitesse - French high speed train
Thalys	French/Dutch/Belgian high speed train service.
UK	United Kingdom
US or USA	United States of America
VAL	Voiture automatique légère - light automatic vehicle (and APM system using these)
WAP	Wireless application protocol

The Madrid Metro and the extension of the airport service to Nuevos Ministerios.

[incorporate this] RGI 6/03 p288. "Spanish Prime Minister José Maria Aznar officially opened the latest addition to the Madrid Metro network on May 21, the 5.9 km extension of Line 8 from Mar de Cristal to Nuevos Ministerios. Serving one intermediate station at Colombia, the new line enables passengers to reach Barajas Airport in 12 min from the city centre.

Nuevos Ministerios now has a 2 000 m² in-town check-in facility for airline passengers, equipped with 34 desks and managed by airport authority AENA. Luggage can be checked in up to 2 h before flight departure, and moves in secure containers loaded on board Series 8000 trainsets. Extending Line 8 and providing the new facilities at Nuevos Ministerios has cost 236.8m Euros."

Our workshop took place in Madrid, a city of 5.5 million inhabitants. Metro de Madrid has shown impressive growth - it has added 38 new stations to its network between 1995 and 1999. The network grew from 70 route km in 1975 to over 180 today. Because of an uninterrupted programme of work, it has one of the lowest construction cost/km figures anywhere.

Farebox revenue covers about 55% of operating costs.

Line 8 of the metro started as a 2.6km shuttle between Mar de Cristal, on the cross-city line 4, to the trade fair site at Campo de las Naciones. This opened in June 1998, at a cost of Ptas. 9bn. The 4 km on to the airport was covered by a bus shuttle for two years. Then the line was extended 5.6 km under the airport to a new terminus at Barajas village. The cost of the extension, which opened on 14 June 1999, was some Ptas. 15bn. The bulk of the Ptas. 24bn came from the European Union's Cohesion Fund (with contributions of Ptas 3bn from the Spanish government and 1.8bn from the Madrid Autonomous Community).

The four stations (all underground) on line 8 have lifts and escalators to the surface. All have television screens displaying local and metro news and information.

A further extension in towards the city centre at the major office development of Nuevos Ministerios is under construction. The 6.5km extension is projected to cost some Ptas. 35bn, and to be completed in 2002. It will have one intermediate station at Colombia.

Nuevos Ministerios station is at the intersection of metro lines 6 and 10, and on the local rail network Cercanías (lines C1, C7, C8, C10). The station on line 10 has been closed until 2002 for the construction works.

In the new station, a major interchange, there will be 160 parking spaces and 150 taxi parking places.

Check-in facilities will be provided at the rebuilt station, directly above metro lines 8 and 10. There will be 26 desks, available to all airlines, and manned by airline staff. These will provide the same quality of service as at the airport. It was said that security checks (including x-ray scanning) would be done at the station and not at the airport.

There will be no charge to users: cost sharing arrangements with the airlines have yet to be finalised, but it is likely that they will own the desks and pay a nominal rent to the landlord - Metro de Madrid - for use of the check-in area. There is a long term aspiration for two-way check-in.

Forecast patronage of the new line is 42,000 passengers a day - employees and air passengers. This compares with 25,000 today.

Trains will operate every 5 minutes, and take 12 minutes to get from Nuevos Ministerios to the airport (12 km). It is planned that the service will run between 5.00 and 2.00 each day.

The rolling stock currently in use on the line is relatively old, comprising four series 2000 trains. The line was built to accommodate the newer series 6000 trains, but at the moment only series 2000 trains can run on it. This is because the line has a connection with Line 4, which has a smaller loading gauge.

This causes two operating complications.

First, an extra 20-cm deep section had to be added to the edges of all the platforms on line 8 so that the relatively narrow series 2000 trains could run without leaving an excessive gap.

Second, the voltage will change from 600 to 1500 when the new trains are introduced.

The extension to Nuevos Ministerios will enable new trains to be brought into service on the line, and remove these two problems. The air-conditioned trains, built by CAF/Alstom, will each have six 18-metre cars taking up to 200 passengers/car. Maximum speed is 65 km/h.

It is likely that checked baggage will be accommodated in locked compartments in the trains. Space for four containers will be provided on each train, taking about a third of a car.

A fourth terminal is under construction at Barajas airport, to the north and east of the existing three terminals. It would be possible to extend the metro to the new terminal - indeed, AENA said that the station box had been built into it - or alternatively an APM could be built.

AENA and the airports of Spain

Madrid Barajas, new terminal, Ciudad Real

Is this the future?

Before the workshop split into the two streams, Matthew Coogan showed a Japanese video showing the possible future of travel, where a journey could be planned and made significantly easier by use of mobile telephone technology.

All of the features shown were currently available except for the fingerprint scanning and transmission for positive identification purposes.

IT session - introduction and discussion

Before Jan Lundin's presentation, Matthew Coogan invited participants in the IT stream to introduce themselves and to explain what their interest was.

Common areas of interest emerged as in-town check-in, baggage and distribution.

In-town check-in

Eva Deussen said that Deutsche Bahn intended to run an in-town check-in operation at Leipzig Hbf. This ideally needed an integrated pan-airline system which unfortunately would not be available in the timescale (2 years).

The point was made that with the A380 series of new generation large aircraft, remote check-in would be necessary. Existing airport-based systems would find it difficult to cope.

There were concerns that, if in-town check-in was provided at stations, would it still be necessary in a few years time - or would it be made obsolete by home check-in?

It was explained that, on Hong Kong's Airport Express Line, airport related procedures were dealt with at the airport. The role of the railway was to accept and carry bags. This reduced security issues.

Cionzia Farisé, from Malpensa Express, said that they surveyed customers every six months to find what improved customer services were needed. This had led to a number of minor improvements. There was no great demand for an upgrade of the present hand baggage check-in facilities (which are only available to passengers of Alitalia and partners) to a full hold baggage check-in system. This was because much of the traffic was short-stay business passengers - many out and back in a day, with little baggage.

Distribution

Matthew saw an interesting element in the future of payment systems being the transition from smartcards to payment through mobile phones.

The video shown by Matthew at the start of the session caused some discussion - in particular, on privacy and control issues. It was pointed out that no doubt one would be able to opt into or out of some of the options.

There was some discussion on the cheapest way to sell tickets.

The use of IT in the stress free journey

Positioning paper on IT trends in the travel industry - Arlanda Express by Jan Lundin, Managing Director of Nocom Travelutions AB.

1 Background

1.1 Nocom Travelutions AB - company background

Nocom Travelutions AB have since inception solely focused on travel distribution chain issues, focusing on helping travel companies - internally, to increase utilisation and efficiency for example by revenue and yield management; and externally to maximise reach and optimise marketing channels, combining existing technology with new developments like e- and m-commerce technologies.

Travelutions has successfully assisted in the implementation of Arlanda Express (high speed rail link between Arlanda airport and Stockholm) in all phases of the project from planning, implementation and launch of the rail service. Today Travelutions are Arlanda Express's outsourced partner in key functions such as IT and marketing, covering everyday issues and long term planning of distribution strategy and technology.

With individuals from senior management and board positions within airlines, GDS, rail companies, car rental, hotel companies, tour operators and ferry companies we provide a combined top level cross industry knowledge base second to none. In addition to this Travelutions have built an organisation of technical architects, consultants and developers with in-depth knowledge of the travel industry in general and distribution systems in particular: this enables us to act on a high strategic level with our customers' top level management and improve the core processes and technologies within travel distribution.

1.2 Arlanda Express - the objectives

In the planning and building process of Arlanda Express's technology and distribution platform, an in-depth study was made of the future trends of the travel industry in general and the individual traveller in particular. The distribution portfolio was then designed to meet future demands in both e- and m-commerce technologies, from the perspective of maximising reach and market penetration.

In line with this work, early on in the process we positioned the Arlanda Express service as an integrated part of the air travel process, highlighting the ability for Arlanda Express to seamlessly link into the air journey as a natural extension of the airport and arrival service. This was not just as a logistics traffic flow function, but was intended to be part of the perception of the traveller.

The traveller needed to be able to receive an unbroken chain of service from his travel vendor - the capability to book and ticket the rail journey as swiftly as the air journey on the same documents or travel passes. Therefore we would like to share some of the conclusions that the Arlanda Express distribution and IT strategy is based upon.

Arlanda Express is active in the market with the highest degree of travel automation, and the highest penetration of the Internet and mobile phones in the world. They will have to react and respond to new trends and possibilities long before they reach the broader market. Therefore it is of great interest for travel providers like Arlanda Express to take part and share in the experience and conclusions drawn by Arlanda Express.

2 Market overview

2.1 Travel

Travel - the world's largest industry - is undergoing major restructuring as a result of significant transformations in social and economic environments, such as the accelerating spread of technology, airline industry deregulation, the globalisation of economies, increasing competition and the increasing sophistication of end travellers. Travel providers such as airlines, railways, hotels and ferry companies are facing the serious business challenges of having to reduce distribution costs, increase utilisation and improve relationships with customers to generate loyalty. Hence travel providers are looking to build lasting competitive advantage through full-access fully integrated distribution, innovation, brand development and customer value maximisation.

2.2 Online travel and electronic commerce

Travel is currently the number one category in online Internet consumer spending, with almost half of all Internet financial transactions in 1999 being travel or travel related. Travel is forecast to remain the number one online consumer category right through 2002, by which time all forms of Internet commerce are forecast to quadruple.

Travel and travel related services have effectively been elevated into Internet "killer applications". These "killer applications" are generating significant interest amongst major international corporations who wish to build significant electronic commerce business activities, and many are seeking to secure online travel services as enablers for their electronic commerce activities.

Online travel distribution has been used very effectively to move market share, and a number of existing travel providers, as well as new start-up distribution intermediaries, are achieving annual online sales exceeding US\$100m a year. Online distribution channels are forecast to capture as much as 30% of all travel bookings by 2003 (according to Ovum).

These business transformations pose both threats and opportunities for travel providers and travel intermediaries alike. However, for those companies that lead the development and deployment of new distribution channels, significant opportunities exist to build strategic business alliances with companies from both inside and outside the travel industry to create whole new market opportunities.

2.3 Mobile working and mobile telephony

The trend towards personal mobility is unrelenting. Workers are becoming increasingly mobile, and mobile communications and mobile computing have significantly increased the productivity of mobile workers across the US and Europe. At present, one third of the workforce in the US (some 43 million workers) is mobile, spending 20% or more of their time away from their primary workplace. In the United States the portable computing market is growing at 23% annually and in 1999 represented over 25% of all PCs sold, whilst the desktop computer market is growing at 12% annually. The trend towards personal mobility is also strongly evident in Europe and Scandinavia.

In line with the trend towards mobility, mobile telephony is one of the major successes of modern times. It continues to experience phenomenal growth rates and by mid-2000 there were over 700 million mobile phone users world-wide. Like Internet usage, mobile telephony has a high penetration rate in Scandinavia. Alongside continuing growth in the overall numbers of mobile telephony customers, mobile networks are constantly increasing their coverage, competition between operators is bringing down the cost of calls, and customers are spending more and more time on their mobile phones. Mobile data is one of the fastest growing market segments, and with the emergence of smart phones capable of browsing the web, together with hand held personal computer (HPC/PDA) devices, mobile data together with mobile Internet is forecast to be a significant growth market over the next few years.

Of significant business interest is the overlap between mobile phone users and Internet users. Currently approximately 40% of Internet users are also GSM subscribers, depending on the specific market in question. This overlap is closer to 100% in the high end, high use segment. This highlights an emerging mobile Internet market, and also the opportunity of online travel, the Internet commerce “killer application”, becoming a similar sized opportunity for mobile Internet business.

It is difficult to predict who will occupy the new market space created in the converging market. It will either be new players or existing organisations who will draw the benefits of the new mobile distribution channel with new products and services.

Judging by the research made by Kairos Futures (2000), when they interviewed 45 leading m-commerce experts, they all stated that it will be the content owner that will win this battle.

2.4 Mobile electronic travel commerce

Mobile electronic travel commerce characterises the convergence of a number of high interest, high growth market activities, namely mobile working, frequent travel, online travel, Internet commerce, mobile telephony, mobile computing and mobile Internet. It is evident that mobile electronic travel commerce services can make a significant contribution to addressing the challenges faced by travel providers and travel intermediaries.

Wireless travel services, targeted at developing value added mobile travel services for delivery on mobile networks and mobile consumer devices, such as telephone handsets, hand held personal computers (PDAs) and notebook computers, aim to leverage the success of online travel, as the engine of Internet commerce, into the mobile data/mobile Internet arena to effectively build the mobile commerce networks and services of the future.

2.5 The value proposition for end travellers and travel providers

End traveller consumer behaviour is changing, evolving, as peoples' lifestyles change. Consumers are becoming more aware and more experienced, have higher expectations and are more demanding. Consumers are also becoming increasingly familiar with new technologies, thereby broadening the scope for information and service delivery. These changing consumer demands are leading to the decline of mass travel markets and the emergence of more sophisticated travellers with wide ranging travel requirements, who are looking for improved and personalised travel experiences.

Travel providers and distribution intermediaries are having to respond with improved service quality, more value added services, increased destination choice and niche offerings, together with improved product and service information and increased numbers of integrated distribution channels.

Wireless travel management services to create and deliver significant value propositions for both end traveller and travel provider alike:

End travellers will benefit from instantaneous, up-to-date personalised and location based travel information and booking, service convenience, simplicity, ease of use, improved customer service, and increased choice of appropriate channel.

Business corporations will benefit from widespread travel policy compliance from their most frequent travellers, greater booking and expense management automation, staff field support and benefits management, as well as mobile worker productivity and efficiency gains.

Travel providers will benefit from improved customer relationships, increased customer loyalty, competitive positioning, brand enhancement and differentiation, additional direct distribution channels and increased travel bookings. For travel providers, wireless travel services are effectively a direct push marketing channel in the pocket of their most valuable customers with the ability to conduct personalised, one-to-one interactive communication.

2.6 Fixed Internet or mobile Internet

Until today fixed Internet services and mobile Internet services have lived more or less separate lives - mainly because development has been mainly technology driven rather than value based. Therefore, mobile Internet has not been part of content providers' distribution strategies.. The same phenomenon was obvious in the early days of the Internet, where new players were offering Internet based services and more traditional organisations were not seriously integrating the web into their marketing mix. Today, almost a decade down the road, marketing departments perceive the Internet as an integrated part of their communications strategy.

The penetration rate of mobile phones has so far been unprecedented in modern history. The implementation of new wireless technology such as WAP has in two years reached a penetration level of 50 million users, something that took radio 35 years and television 13 years to achieve.

Therefore it is commonly believed that mobile Internet services will rapidly become an integrated part of the marketing mix. As the technology evolves, wireless services will become ubiquitous and fully integrated in all aspects of the organisation.

By providing the market with more alternatives to consume the travel providers' services, it also extends the reach of the product offering to its customers. The objective for any enterprise is to get customers, keep customers and grow customers. The product dimension of such a strategy could be to always be the lowest cost producer - however, competing in price, which is the easiest component to copy by your competitor, is a strategy which can leave you vulnerable.

The customer dimension of the same objectives would be to make it easier for your customer to do business with you. You achieve this by remembering the customer when he comes back (by building profiles), and giving him access to the information he needs when and where he needs it. by extending your internal business processes (for example information search, booking and ticketing) down to the end user you actually achieve both cost reduction and a higher perceived value by your customer.

3 Current situation for Arlanda Express

Arlanda Express currently customers several international and national corporations as customers. The largest group of travellers - 77% of all Arlanda Express ticket purchasers - comprises those travelling on business. It is important to retain and expand this segment.

One of the challenges facing Arlanda Express is to build a closer relationship with the individual traveller and to communicate on an individual basis, since they are by and large unknown.

Arlanda Express are also frequently asked on behalf of large corporate accounts to give volume discounts for their travellers, both directly from the corporations and from travel management organisations. All discounts lead of course to less revenue, which is undesirable, and therefore Arlanda Express is seeking ways to improve on the service delivery rather than direct price cuts by implementing new value added services for the traveller and the corporations.

IT session - discussion

Jan Lundin elaborated on some of the key points in his paper.

Airline and travel provider web-sites were currently the most successful sites on the internet, especially in terms of selling the host's own products.

Activity on the web was growing, as is mobility. A third of the workforce is mobile (out of the office at least one day each week): two thirds of business travellers booked a journey on line in 2000.

There were changes in the travel value chain, with more (and more complex) ways of communicating between end user and travel provider.

A key to the relationship was filtering information - providing what the customers want and not what they don't want.

Arlanda Express, carrying 10,000 passengers on the average weekday, was a valuable case study - it had needed to be part of the air system and part of the rail system.

About 15 years ago, there had been negotiations with IATA whereby 3800 different domestic destinations within Sweden had been given IATA codes. The destinations included bus stops, railway stations and addresses (based on a post code). This facilitated Sweden's impressive Tåg-plus integrated through ticketing system, whereby lottery kiosks can sell (among other things) anywhere to anywhere multi-modal tickets.

A new development was a system to allow people to make a purchase using their mobile phone and paying for it through the phone bill. There was also potential for linkage with other transport providers - like taxis.

Jan said that, when looking into the future, it was possible to see many different solutions and many different problems. It was important to get it right: we were not yet there.

IT session - feedback and open forum

Matthew Coogan led the feedback session in which the main presentation had been by Jan Lundin of Nocom Travelutions. Matthew also referred to the Japanese cartoon which had been shown the day before illustrating the potential use of mobile phones in the travel experience. Matthew noted that the dynamics of the meeting made it fun.

Jan Lundin's presentation had looked at the needs of the customer and the industry, analysing the trip from the point of view of push and pull factors. Push factors include customers asking for information, whereas pull involves informing customers without them having to ask. Currently, technology is not sufficiently developed and is inconsistent, but trials are taking place on ticket purchasing through mobile phones in Stockholm in a controlled environment with a few large companies. Arlanda Express is involved in the trial and will share their experiences.

Points which arose during the open forum included:

- Paul Ellis had spoken of the blurring of the definition of check in, with for example baggage deposit for pre checked in passengers. Options are now available using IT.
- Xavier Duclairoir noted that the A380 is opening people's minds about the need for flexibility on airport handling.
- There is a strong interest in getting early commitment to using rail, or even better to early sale, although the traditional cost of around \$3 for an airline segment is not appropriate for a rail ticket costing as little as \$1 or \$20 at most.
- If technology does everything, it is vulnerable to failure and there is an over-belief in what technology can do.
- How can we educate the customer into using the product fully? Studies of the mobile phone market have shown how it has matured, for example with younger users using text more than speech
- Travel solutions on the web are often bad translations of travel agents' systems. The revolution may come on the travel agents' desk rather than in a hand held device
- Airlines are moving from GDS reservations systems to low cost, simple, internet information systems with many entrances. The driver is trying to achieve a one-to-one relationship at the lowest cost

- Simple information about air-rail links is not currently available
- Could there be a universal airport express ticket, with the downtown terminal as the destination?
- Would it be possible to integrate public transport with airline information, similar to the targeted mobile phone messages sent when you log on?

The overall conclusion from the discussion was an acceptance that the 'holy grail' of a ubiquitous solution has not been found. Current technologies still do not provide the answers so we need to build relationships with other businesses and service providers.

Do you want to feel old?

The people who are starting college this fall across the nation were born in 1980.

They have no meaningful recollection of the Reagan era and did not know he had ever been shot.

They were prepubescent when the Persian Gulf War was waged.

Black Monday 1987 is as significant to them as the Great Depression.

There has only been one Pope.

There has only been one Queen of England.

They can only really remember one president.

They were 11 when the Soviet Union broke apart, and do not remember the Cold War.

They have never feared a nuclear war. "The Day After" is a pill to them, not a movie.

CCCP is just a bunch of letters. They have only known one Germany.

They are too young to remember the Space shuttle blowing up.

Their lifetime has always included AIDS.

Tienamin Square means nothing to them.

The Compact Disc was introduced when they were 1 year old.

Atari pre-dates them, as do vinyl albums.

The expression "you sound like a broken record" means nothing to them. They have never owned a record player.

They have likely never played Pac Man, and have never heard of Pong.

"Star Wars" looks very fake and the special effects are pathetic.

They have no idea what a pull top can looks like.

As far as they know, stamps have always cost about 32 cents.

Zip codes have always had a dash in them.

They have always had an answering machine.

Most have never seen a TV set with only 13 channels or a black and white TV.

They have always had cable.

There have always been VCR's, but they have no idea what Beta is.

They cannot fathom not having a remote control.

They never took a swim and thought about Jaws.

Roller-skating has always meant inline for them.

The Tonight Show has always been with Jay Leno.

They have no idea when or why Jordache jeans were cool.

Popcorn has always been cooked in a microwave.

They do not consider the Colorado Rockies, the Florida Marlins, The Florida Panthers, The Ottawa Senators, the San Jose Sharks, or the Tampa Bay Lightning "expansion teams"

They have never seen Larry Bird play, and Kareem Abdul-Jabbar is a football player.

The Titanic was found? I thought we always knew where it was.

Kansas, Chicago, Boston, America, and Alabama are places, not groups.

McDonalds never came in Styrofoam containers.

The Vietnam War is as ancient history to them as WWI, WWII or even the Civil War.

They have no idea that Americans were ever held hostage in Iran.

They can't imagine what hard contact lenses are.

They never heard the terms "Where's the beef?", "I'd Walk a mile for a Camel", or "de plane, de plane!".

They do not care who shot J.R. and have no idea who J.R. is.

People Matter: Introduction and discussion

Stream 2 - Delivering the passenger experience - staff recruitment, selection of customer-focused staff, and training.

INTRODUCTION

This stream began with a presentation by Peter Cotton, the Managing Director of Gatwick Express, following which there was an open discussion. The next day the key themes were reported back to the whole workshop and there was a further open discussion. This report summarises the issues raised.

THE GATWICK EXPRESS EXPERIENCE

A copy of the slides used in Peter Cotton's presentation is attached to this report. Some of the key issues emphasised were:

- Gatwick Express's mission statement refers to its people, because:
 - ⇒ it is a service, rather than a system, business
 - ⇒ customers take functional service for granted
 - ⇒ customers are impressed by personal service
 - ⇒ the only place it matters is the front line
- Transport is a fragile business, so you need initiative to gain motivation, confidence and competence
- Rail link customers are infrequent users, expect airline standards, are under stress
- Gatwick Express needs to differentiate itself from its competitors

- Training must be a part of the overall culture
- Leadership is key, and we should treat our people well
- Gatwick Express's aim is to have high standards, to be open and honest, fair, to treat people as individuals and to encourage team spirit
- The people cycle is: recruit, train, retain, replace
- Use line managers for recruitment and assessment
- Training should be in induction, competence and attitude
- Replacement means getting rid of the bad apples

Finally, refer back to the mission....

People Matter: recruitment, trainingetc.

The Gatwick Experience – Peter Cotton, MD Gatwick Express

Gatwick Express (GX) does not claim to represent best practice but has 17 years of air-rail experience from which to learn! Peter Cotton's presentation will make the following argument.

1. Air Rail links – as service and transport businesses – are especially dependent on people who are competent, confident and positive.
2. This requirement places a special emphasis on recruitment – training – retention – replacement. But none of these – and particularly training – can be seen separately from the company culture and training content must be consistent with it. For example, if the content of training programmes is inconsistent with the example set by senior management or with other company procedures/processes, it will be wasted.
3. In looking at recruitment and training, it is necessary to distinguish between a green field operation (such as Heathrow Express) and a long established one (such as Gatwick Express).
4. Recruitment: GX believes that for several reasons, it is important to exhaust internal promotion opportunities before looking at external recruitment. However, it is crucial not to raise internal expectations to unrealistic levels. In addition, it is crucial to give feedback when internal candidates for jobs fail.

When recruiting outside the company you must be aware that recruitment ads influence the wider public as much as regular advertising.

GX now makes heavy use of the internet for recruiting.

5. Training: GX looks at training in three parts: Induction, competence, attitude/behaviour. The first two apply to new recruits, the third to all staff.

Induction: GX believes this is critically important: “You only get one chance to make a first impression!”. GX's induction course lasts 5 days and the MD speaks at all courses.

Competence: Competence training takes place both in the training centre and on the job. New recruits have a team leader to mentor them. Progress is monitored through a systematic review process.

Attitude/Behaviour: Examples of such training are disability awareness, customer service, conflict avoidance, service recovery.

6. Retention: It is important to distinguish between “Hygiene Factors” and “Motivators” and to be clear about what people want from their working lives. This is especially critical for service businesses in competitive markets.

A good performance appraisal system is important. It must deal with personal development but must not encourage unrealistic expectations. The system should include everyone: it is an aspect of treating staff as individuals.

7. Replacement: Inevitably, people leave. GX always conducts “exit interviews” with leavers.

If you have high standards, it is necessary sometimes to fire people. It is critical to face this. It should be done fairly: but it must be done, to be fair to the people who work hard and do a good job. It shows you care about high standards.

People matter - discussion.

Paul Le Blond chaired the discussion session which followed Peter Cotton's presentation.

MTR's experience as a mass transit rail operator spans 20 years. However, when the airport link opened in 1998, it was a new business with new people recruited to provide a premium service.

Skills like courtesy and language ability were significantly more important than on the rest of the MTR network, where there are few customer-facing staff. For the Airport Express Line, train attendants were expected to provide a highly proactive approach to passengers and are therefore trained very differently.

On the Airport Express Line, there are also baggage porters at stations.

Turnover rates are high in MTR, so retention is an important objective.

Partly because there are differences between European and Oriental work practices, MTR had drawn up established procedures to be followed in the event of an emergency, rather than relying on staff using their initiative.

This led to a debate about the potential for conflict between the disciplinary and discretionary approaches. Some people are naturally better at following procedures while others prefer the initiative approach, under which they react better. Is it really possible to have fully multi-skilled staff who can both drive trains under a strict safety regime and offer more flexible customer service? The conclusion was that it was important to ensure that everyone knows in what circumstances initiative is appropriate, rather than following the rules.

Essentially, safety issues do not lend themselves to initiative while customer services issues are more susceptible to interpretation.

An example from Oslo illustrated the customer service dilemma. A train attendant, having checked with a duty manager, followed the rule that required a passenger to leave the train at Oslo Central because their ticket only took them that far, even though the passenger actually wanted to go on to the western suburban station of Asker. Other passengers noticed this and wrote in to complain. In this case it would have been better to allow the passenger to carry on without a ticket, even though there may be a concern about deliberate fraud.

There was speculation about the effects of allowing employees to run the organisation for, say, six months.

Modern recruitment practices tend to start by seeking candidates with experience and qualifications. These candidates are then tested at assessment centres and undergo psychometric tests as well as interviews.

The tendency is to choose people with a background of customer service and who have an empathy with passengers and are adaptable.

The relative merits of young and old, male and female staff were debated and it was clear that each have their merits and that a range of different types provide all the skills, even though there might be some conflicts within teams. It is important to recognise the diversity of staff within the management structure.

The turnover rates experienced by some companies seem high, but it needs to be remembered that an average stay in a job of three years (quite a long time for a younger person) gives a turnover rate of 33%. People are likely to seek personal development elsewhere if internal promotion prospects are limited.

Bonus schemes are also helpful in achieving targets. Delegates gave examples, including a customer service related scheme in Flytoget and a profit related scheme at Gatwick Express.

People matter - feedback

Delivering the passenger experience - staff recruitment, selection of customer-focused staff, and training.

The theme of this stream was the selection, recruitment, training and retention of customer focused staff.

Peter Cotton, Managing Director of Gatwick Express, discussed the people issues faced by Gatwick Express under the heading of the Gatwick Express experience.

Some of the key issues emphasised were:

- Gatwick Express's mission statement refers to its people, because:
 - ⇒ it is a service, rather than a system, business
 - ⇒ customers take functional service for granted
 - ⇒ customers are impressed by personal service
 - ⇒ the only place it matters is the front line
- Transport is a fragile business, so there is a need for initiative to gain motivation, confidence and competence
- Air-rail link customers tend to be infrequent users of trains, expect airline standards, and are under stress
- Gatwick Express needs to differentiate itself from its competitors
- Training must be a part of the overall culture
- Leadership is key, and the Gatwick Express philosophy is that we should treat our people well
- Gatwick Express's aim is to have high standards, to be open and honest, fair, to treat people as individuals and to encourage team spirit

Peter commented that the people cycle is recruit, train, retain, replace. In Gatwick Express, line managers are used for recruitment and assessment.

Training should be in induction, competence and attitude. Replacement was an important component: it means getting rid of the bad apples (people who do not perform, who pull down the performance of the whole organisation).

Finally, he referred back to the mission statement.

IARO's action plan

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Task Group reports are usually the topic of all or part of an IARO workshop.

Copies of the reports of the first (in Berlin in 1999) and second (Milan, 2000), are available price £250 (free to IARO members).

These workshops are very focused, dealing in detail with a restricted number of key issues, and complement the regular Air Rail Conferences. Workshops and conferences have been held as follows.

1993 - Zürich

1994 - Paris

1996 - London (and Heathrow Express)

1997 - Oslo (and Airport Express Train)

1998 - Hong Kong (and Airport Express Line)

- Frankfurt (with the AIRail station and the Cargo Sprinter)

1999 - Berlin workshop (and the Schönefeld link)

- Copenhagen (and the Øresund Link)

2000 - Milan workshop (and Malpensa Express)

- Paris (and plans for CDG Express)

- Washington (and Baltimore-Washington International Airport)

2001 - Zürich airport: Air rail links - improving the partnership

- Madrid workshop (and its airport rail links)

- London Heathrow (and Heathrow Express)



Planned workshops and conferences

2002 - "Help - there's an airport on my railway". Seminar for railways serving airports - but not as their main job. Venue to be arranged

- New York (and the Airtrain projects)

- Kuala Lumpur (and Express Rail Link)

2003 - Sydney and Brisbane (and their rail links)

- Frankfurt/Stuttgart and air rail integration

Details are available from IARO. Future plans are subject to change.