

Steve Cockerill is an expert at helping clients capitalise on the business opportunities that digital disruption brings. As the Managing Partner for Telco, Media & Entertainment at Capita's new consulting business, he is expertly placed to help customers find ways to apply new business models and technologies that help address the business challenges of the telecoms and media industry.



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# All change: rail, digital and Covid-19

## **The Covid-19 pandemic continues to have a significant impact on every aspect of the UK.**

During this time the vast majority of the population has found itself in enforced isolation — unable to travel freely, go to work as normal, visit friends and family, attend cultural and sporting events or even go shopping for anything but the essentials.

The economy has ground to a virtual halt. Recent estimates from the Bank of England suggest that the economy shrank by 3% in the first quarter of 2020, and is forecast to decline by 25% in the three months to June. Factories, offices, distribution centres, hotels, bars and restaurants, leisure facilities and construction sites — most, if not all, have been closed. Millions of people have been working from home — many for the first time — and only those employed in essential sectors and services have been authorised to turn up for work as usual.

Since the government announced lockdown restrictions on 23 March, public transport operators have seen a catastrophic collapse in passenger numbers. By 30 March, passenger traffic on Britain's railways — the backbone of the country's national transport infrastructure — had plummeted by almost 90%. For a sector already under huge pressure from a combination of critical challenges — ranging from the chronic lack of capacity to franchise chaos and record levels of customer dissatisfaction — this is critical.

It might seem counter intuitive to some, but with rail activity at an all-time low, this is a good time for the industry's key stakeholders to take a serious look at a subject they have either been unable or unwilling to embrace for some time: digital transformation. The

digital railway is the nettle the industry is going to have to grasp sooner or later — and now is the opportunity to do so.

Current innovations in digital technology have the potential to deliver a vast array of improvements to services, customer experience, working practices, productivity and general efficiency on our railways. This is not a long-term, aspirational agenda. Forget about Rail 2050 or Rail 2100 — this is Rail 2030 and the kind of changes envisaged can all be comfortably made over the next 10 years or so.

Improving customer experience through digital is an obvious and straightforward opportunity, where significant scope exists to develop a fully integrated on-board AI system to provide passengers with increased visibility of timetables, running times, customer support and entertainment.

Similarly, so are capacity and scheduling issues. By exploiting real-time digital data in a more comprehensive and structured manner, it is entirely feasible to envisage a fully integrated data network between trains, track, timetables, weather, energy consumption and passenger behaviour, leveraging artificial intelligence (AI) to do the 'heavy lifting' in terms of interpreting data feeds to optimise running times and frequency.

Whilst the full digitisation of the UK's rail infrastructure will take time, there are many incremental digital opportunities to exploit data already collected. Digital solutions can also be deployed to improve track safety, staff wellbeing, cybersecurity and environmental concerns, to name but a few additional areas that are ripe for digitalisation.

By embracing the digital agenda now and taking full advantage of the current lull in the normal, everyday challenges facing the network, our savviest operators can likely steal a march on the competition.

When this crisis has ended, Britain's railways will still face a broad array of significant challenges. The Williams Review — initially due last Autumn but now postponed indefinitely until the current crisis passes — is expected to lay out a blueprint to overcome many of those challenges.

Whilst the work of Keith Williams and his team is to be commended, we mustn't lose sight of the fact that digital has the potential to answer many of the questions he is attempting to tackle. But because of cost, timing and other investment priorities, digital keeps getting pushed down the track.

No longer. Williams has called for 'revolution not evolution' in transforming Britain's railways. Digital answers that call. Seize the day now and embrace disruption. Don't follow the crowd - lead it. The digital railway is coming. There's no stopping it. The question is: do operators want to be behind the curve or ahead of it? In short, it's time to stop talking digital and start doing digital.

Walt Disney once famously said: *"You may not realize it when it happens, but a kick in the teeth may be the best thing in the world for you."* If the current pandemic is the rail sector's kick in the teeth for 2020, embracing digital might just be the emergency dental treatment it needs to usher in a brighter future.