Workshop 3
Emerging business models and implications for the transport ecosystem
Chair: Prof Rico Merkert
Rapporteur: Yale Z Wong
17 participants · 12 technical papers

Countries Represented:
- Australia: 6
- France: 2
- Japan: 1
- Netherlands: 1
- Singapore: 1
- South Africa: 1
- Switzerland: 1

Participant Affiliation:
- Government / Authority: 3
- Academic / Researcher: 9
- Consultant / Media: 1
- Operator / Association: 1
What is a business model?
Theme 1: What are the successful business models now and into the future (holy grail)?

• What is the definition of success?
  • Stakeholder-specific, spatial context; short/long-term
  • Mission/vision/purpose (including sustainability and reinvestment into community)
  • Static vs. dynamic future—responsiveness of business model (adaptation)

• Low cost vs./+ complementary vs. differentiate vs. niche vs. hybrid

• MaaS not business model but ecosystem

• “Hammer looking for nail”—technological determinism—context/needs—clarity of purpose

• Why collaborate/alliance? Why change/reinvent? Do successful business models even exist?

• Viability and sustainability—resilience, tenure, 3BL perspective; reinvesting in community (trust)

• Market boundaries/definition
  • Value in integration/market sector blurring (vertical/horizontal) integration
  • What is core business?—outputs → outcomes wish to drive (many claim to be in tech sector)

• Compete for providing mobility within supportive regulatory framework
Theme 2: What is the role of ownership?

- Consider asset ownership & company (holding companies, PPPs, etc.)
- Allocation of risk—asset light vs. control of assets
- Everything as a service
- Chris says handsoffourassets.com.au
- Making own assets available to others (i.e. AV; spare bus)
- Incentivisation through contract specifications
- Asset specifications and who specifies might lack interface with operator/customers
- Chasing of technology—asset life
- Value of vertical separation—ROSCOs, Lessors
- Barrier to entry—competition; scale of procurement
- Does govt/firm want assets in balance sheet?
- Correlation vs. causation – Success
  Dependent on Ecosystem incl. TC vs. NC
Theme 3: Do business models apply across modes/sectors?

• Integration—trade-off/synergies/competition
• Diversification (incl. macro-micro)
• Price—revenue model—modal equalisation
• Collaboration models on trunk/feeder vs. public/private
• New modal technologies—uberELEVATE, etc.
• Application of business models in transport and other sectors
  • Transit-oriented vs. transit adjacent
Theme 4: What is the scalability of different business models?

• Small vs. large businesses
  • Large—tax advantage, FDI
  • Small—bottom-up
    • Hybrid? Local ops/community relation management but global HR/IT etc.

• Global citizen vs. decentralised/family business? (community?)

• Developed vs. developing economies

• Business management structure

• Risk and sector (e.g. telco vs. rail vs. data centre)
Theme 5: Implications of tech for business models?

- Which technologies?—AVs, EVs, data analytics, 3D printing, drones, hyperloop, telematics
- End user ‘buy-in’ crucial for ultimate impact + customer service (apps, real time)
- Businesses competitiveness/efficiency
- Technologies as true disruptors—MaaS on margin
- Elimination of entire layer in the ecosystem—e.g. chassis supplier; bus operator if labour heavy
- EV—blurring of sector boundaries—electric/distribution networks—dem. of power source

- Government ‘obsession’ (?) with innovation and adoption
- Security—who owns data, containing, access, management
- Labour force/economic restructuring (i.e. AV)
- How do you & consumers ADAPT over LT?
Theme 6. Customer expectations

• Technology → improved customer service => expectations, concerns
• PT free expected in Europe (?) vs. user pays (WHO?) → value adds a potential business opportunity
• Who pays?—employer, taxpayer—no such thing as free lunch
• Hypothecation vs. consolidated revenue
• Price as nudging mechanism—optimising demand and supply
• Cultural layer—people do not appreciate if service is free/public
Theme 7: What else drives business models?

• Consider sustainability, equity, governance structures, context, labour
• Customers, technology, opportunities, strategic visions, policy/regulations/legislations, innovation
• FAILURE, with reflections/learning
• CAPITAL—make business sector attractive to investment—need funds to innovate/R&D
• Do you have to make money to R&D—Uber attracts $$—Softbank etc.
• Ways of working together—collaboration
• Risk attitude/entrepreneurial spirit
• Academics/research – Research priorities
  • Barriers to collaborations
  • Transition from no tech to full tech ecosystems
  • Economic restructuring/unintended consequences (AVs, incl. MaaS/DRT and TC/NT as linked)
Theme 8: What’s the next big thing? What will we be talking about in 10 years?  ➔ Recommendations for Thredbo 17

- Active transport/health—linking transport to health outcomes—fusion of sectors—Competition concerns
- Telecommuting, co-working spaces, Transient communities—need to travel
- Rising degree of affluence—consumer-centric vs. social inclusion
- Why do we subsidise PT/transport?—why, how, who
- Millennials running the show
- Climate change, weather events—infrastructure resilience
- Parking; sharing economy; ownership of cars/housing
- Servitisation of entire mobility value chain (incl. IT and OEMs)
- Is Google the dark force that will destroy my family (business)?
Policy recommendations

- Learning from comparable and diversified contexts + Documenting experiences and attending Thredbo
- Enabling/embracing innovation/collaboration
- Clarity and purpose in strategic objectives and operationalise—definitions lacking
- Bringing everyone to the table—who is not at the table?
- Trusting partnerships—beyond legal/commercial—along supply/value chain (unwritten/unquantifiable factor deciding success)—beyond collaboration
- SDGs etc. continuing discourse on global commitments; supranational organisations
- Policymakers allowing market players to adapt; Watch out for unintended consequences
- MaaS should not be rolled out unilaterally by govt but ensure open system and many providers in market
- Consider main players as well as potential entrants; complements along value chain (Blurring boundaries)
- HORSES FOR COURSES – No one size fits all, as usual 😊
- MAKE TRANSPORT GREAT AGAIN (?)