



# Intercity Transport

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## ○ **Agenda**

- Introduction to the Division
- Current business context
- Our management priorities in 2011
- Conclusions

# InterCity: Investment summary



- Alsa is the market leading private operator in inter-city coach.
- Diverse exclusive concession portfolio of 139 routes with strong pipeline.
- Cost efficient, flexible operating model – adapts rapidly to volume change.
- Growing premium sector; strong branding and loyalty scheme.
- Improving competitive position relative to Rail.
- Defensive business, now returning to growth.



# Introduction

- Integrates all intercity road transport activities carried out by ALSA.
- Strong national leadership in intercity road transport.
- Management of Public Service Contracts (OSP), in a regulated environment.
- Business mix:
  - predominantly Scheduled Transport;
  - complemented with other synergistic activities.



# Introduction

- Cost efficiency and the control of our productivity are strategic key aspects of our leadership in the industry.
- Significant generation of network synergies: overlap in underlying business models and geography.



# Introduction



## ○ **STAFF (2010):**

- High proportion of operation staff – focus on delivering quality services.
- Low infrastructure costs.
- Local management very close to the business.
- Highly result-oriented professional management team.



# Introduction

## OUR TRANSPORT NETWORK:



- Only company with network presence at national level.
- 24 concessions for the Ministry of Public Works and 115 Autonomous Regions.
- Great connectivity.
- Organisational model in Areas.
  - RADIAL area.
  - MEDITERRANEAN area.
  - NORTHERN area.

■ Líneas empresa participada CONDA

City	Inhab.										
Madrid	3.273.049	Madrid									
Barcelona	1.619.337	ALSA	Barcelona								
Valencia	809.267		ALSA	Valencia							
Sevilla	704.198		ALSA	ALSA	Sevilla						
Zaragoza	675.121	ALSA	ALSA			Zaragoza					
Málaga	568.507		ALSA	ALSA	ALSA		Málaga				
Murcia	441.345	ALSA	ALSA	ALSA	ALSA		ALSA	Murcia			
Bilbao	353.187	ALSA	ALSA			ALSA			Bilbao		
Córdoba	328.547		ALSA	ALSA	ALSA		ALSA	ALSA		Córdoba	
Valladolid	315.522	ALSA	ALSA		ALSA					ALSA	Valladolid



# Current business context

- In 2010 we successfully managed the effects of a major economic crisis, securing profitability.
- To achieve this we:
  - Very quickly adapted supply and costs to new market size and new passenger needs.
  - Service quality not affected as only “bad costs” were removed.
  - Strict control over cash collection.
- Higher social willingness to use bus/coach public transport.
- Modal competition has stabilised.
- Concession renewal at the national level continues through the tender process. 2012 and 2013 will be key.





# Our management priorities

## 1. **SAFETY:** Main premise of our business.

### A competitive advantage.

- Vital in our positioning with regard to customers and regulatory bodies.
- Aim of being the safest company in the sector.
- New NEX **“Driving Out Harm” Project** is key:
  - Driver assessment;
  - Driver personal follow-up;
  - Standardisation of outsourced operators;
  - Follow-up on accidents;
  - Use of pick-up and drop-off times;
  - Black spots.



# Our management priorities

## 2. CUSTOMER-ORIENTED APPROACH:

- Introduction of product Improvement Plans.
- Clear extension of our Premium services.
- Commitment of Excellence.
- Based on the results of the market research undertaken, we will focus on the following **Quality Plan Improvement Actions**:
  - Services provided by third parties;
  - Extend “Commitment of Excellence”;
  - Improvement of Premium services;
  - Training for drivers;
  - Improved handling of lost and found items and luggage;
  - Complaint reduction programme.

# Our management priorities


## 3. COST CONTROL:

- Fleet reduction.
- Supply adjustments in those corridors affected by competition.
- Real quality policy.
- Flexibility in staff recruitment.
- Centralising operations:
  - Optimising operations;
  - Process standardisation;
  - Improved information systems;
  - Improved deviation control;
  - Eliminating unproductiveness.



# Our management priorities

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-  **4. BUSINESS DEVELOPMENT**
- 5. CONTINUITY OF OUR CONCESSIONS**
- 6. PRODUCTIVITY (COST CONTROL AND LEVERAGES)**

# Conclusion

- **A balanced businesses.**
- We work to be **the safest company**: a requirement for long term sustainability.
- **Gain customers through modal shift and a quality product.**
- Long term **management team** with expertise and know-how in operations and regulatory environment.
- **Flexibility and to adapt** to changes in the market.
- Range of **business opportunities** to increase volume of activity and maintain profitability.



## Q&A

