Sassan RABET

Sassan Rabet, born 1972, holds a Master’s degree in Public Policy and Management. He joined the railway industry in 2001 and has been working in the fields of strategy, business development, product management and business process reengineering, before joining the Xrail Alliance as deputy CEO in 2010. As of 2013 Mr. Rabet became CEO of Xrail. Mr. Rabet is married and has two children.
Xrail – The European Wagonload Alliance
The Xrail Alliance is a Single Wagonload (SWL) production cooperation – commercial aspects and other rail transport modes are out of focus

**XRAIL INTRODUCTION**

- 7 Alliance members, representing about 2/3 of European SWL business
- Cooperation with clear focus on production / SWL business
- Common targets and mutually committed service standards as foundation
- Strictly out of scope of Xrail / competition remains between members for:
  - Block train business
  - Combined traffic
  - Any commercial aspects

Source: Xrail
Xrail aiming to significantly enhance competitiveness of int. SWL compared to full truck load by increasing customer benefits in 3 core areas

ALLIANCE TARGETS

Relevance for decision-making

Price

• Commercial aspect is not within the scope of Xrail

Reliability

• Xrail striving for a reliable execution of the defined trip plan / estimated time of arrival

Transport information

• Alliance members to increase transparency for customers before, during and after transport

Offer time

• Xrail members aim to provide standard transport quotes within max. 3 working days

Environment

• Rail transport is leading in environmental performance, particularly on long distances

Source: Xrail, customer surveys
Xrail has a pivotal role in driving innovation, improvement & standardization between the Xrail partners to enhance the international SWL offer

**XRAIL’S AREAS OF ACTIVITY**

- **Innovation**
  - Develop & implement concepts to enhance the SWL operations and customer benefits

- **Harmonization**
  - Standardize processes, interfaces, etc. between the members

- **Optimization**
  - Enhance efficiency and quality thru best practice and continuous improvement

- **Information**
  - Augment market perception and awareness of int. SWL as alternative to road
Xrail’s current solution / approach with relevant benefits for SWL customers – limited roll-out in open SWL systems identified as major handicap

**XRAIL CURRENT SOLUTION – INNOVATION STEP 1**

**Historic int. SWL**

- Limited transparency, pickup timetable only
- Wide variation of arrival times, no reliability
- Manual tracking of single wagons for selected customers

**Features & scope**

<table>
<thead>
<tr>
<th>Feature/Action</th>
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</thead>
<tbody>
<tr>
<td>• Limited transparency, pickup timetable only</td>
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**Signal to the market**

- Historic transport mode for historic customers
- SWL volumes constantly declining → downsizing by most incumbents

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**Xrail as of today**

- O/D* specific ETA (estimated time of arrival) based on pre-defined transport plans
- >90% reliability ambition
- **Track & Trace** (via ISR)
- Automated delay alerts
- New ETA in case of delay
- Strong sign of life for SWL
- Augmented perception of SWL
- Stop the downward spiral of losing volumes from existing customers

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*Origin/Destination Source: Xrail*
10 networks and 460 O/Ds* are served according to Xrail standards today – geographical coverage further extended to Northern-Italy in 2014.

**GEOGRAPHIC COVERAGE AS OF JUNE 2014**

- Served networks
- Planned networks for 2014

**Covered networks**

1. Sweden
2. Luxembourg
3. Belgium
4. Austria
5. Hungary
6. Switzerland
7. Czech Republic
8. Germany
9. Netherlands
10. Denmark
11. Northern-Italy (2014)
12. North East Italy (2014)

*Origin/Destination
Source:Xrail
Freight RUs today usually focus on managing capacity supply while levers to actively manage demand are not properly applied.

**LEVERS FOR RAILWAY UNDERTAKINGS (RUs) TO MANAGE CAPACITY**

<table>
<thead>
<tr>
<th><strong>Capacity demand</strong></th>
<th><strong>Capacity supply</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Key levers to adapt demand to better match given supply:</td>
<td>Key levers to adapt supply to given demand:</td>
</tr>
<tr>
<td>✓ Pricing (on yearly basis)</td>
<td>✓ Planning &amp; forecasting</td>
</tr>
<tr>
<td>✗ Capacity booking</td>
<td>✓ Flexible production system (to cover peaks)</td>
</tr>
<tr>
<td>✗ Yield Management</td>
<td></td>
</tr>
</tbody>
</table>

- ✓ Applied but only to a limited extent by most European SWL RUs without a booking system
- ✗ Not applied by RUs with open systems

Source: Xrail
By better managing the capacity the members can plan their networks more efficiently and offer more competitive products to the customers

**XRAIL CAPACITY BOOKING (XCB) – INNOVATION STEP 2**

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**Enhanced customer offer**

- RUs’ SWL systems to change from “open” to “controlled” capacities
- RU capacity management systems to be connected on international level via the central XCB broker enabling:
  - **Network-wide coverage** btw. the partners
  - **Seamlessly bookable** int. SWL
  - **Wagon / booking specific ETA** (based on capacities) provided at time of booking

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**Enhanced operations**

- Origin
- Yard
- Destination
- ETA
- Demand
- Trains
- Day

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**XCB initiative to support the development of a sustainable model for int. SWL**

Source: Xrail
Introduction of capacity management implies basic changes in focus and culture on RU organizational as well as on customer level

XRAIL CAPACITY BOOKING – BUSINESS MODEL CHANGES

<table>
<thead>
<tr>
<th>From</th>
<th>Change</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>One customer - one product / quality</td>
<td>Customer offer</td>
<td>Different products for different customers</td>
</tr>
<tr>
<td>Capacity seems (!) to be unlimited and always available</td>
<td>Capacity</td>
<td>Capacity is given and only always available to customers who really want / need it</td>
</tr>
<tr>
<td>Trains &amp; schedules</td>
<td>Unit focus</td>
<td>Shipments &amp; ETA</td>
</tr>
<tr>
<td>Trains &amp; schedules</td>
<td>Unit focus</td>
<td>Global optimization</td>
</tr>
<tr>
<td>Local optimization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First in, first out</td>
<td>Execution</td>
<td>First booked, first served</td>
</tr>
<tr>
<td>Plan as indication only</td>
<td></td>
<td>Commitment to plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Updated plan = reality</td>
</tr>
</tbody>
</table>

Source: Xrail
Xrail to connect the different Alliance partners’ booking systems and facilitate an int. wagonload ETA offer – ramp-up foreseen for 2016

**XRAIL CAPACITY BOOKING – BASIC SETUP**

- **Wagon booking**: initiated via RU’s customer service center or booking portal (depending on RU)

- **Booking party** receives booking confirmation incl. ETA after capacity check based on specific trip plan

Related IT developments and process re-engineering on RU / Xrail level ongoing based on aligned technical specifications and agreed-on business rules

Source: Xrail
And this is about how it will work...

XRAIL CAPACITY BOOKING – TRAILER

Source: Xrail
Thanks a lot for your attention!