# VIRGINTRAINS CASE STUDY

**SONIA** 

#### **DATA SOURCE**

https://businesscasestudies.co.uk/virgin-trains/

# Case Study Virgin Trains

This case study describes how a successful private railway operating company doubled passenger numbers over a period of 12 years, partly through sound commercial management. Second, it describes the experience and lessons learned from franchising in an uncertain environment created by a major infrastructure investment by a separate railway infrastructure company.

#### 1 Rail Franchising in Britain

After nearly 40 years in the public sector as British Rail (BR), the British railway industry was completely transformed over the period 1994-1997, with the separation of infrastructure from operations, franchising of passenger services, and selling off freight operations.<sup>390</sup> BR's passenger rolling stock was divided into three rolling stock leasing companies (ROSCOs), which were sold in 1996. Since then, the ROSCOs have also leased most new locomotives, coaches, and multiple units to passenger train operating companies.

Since privatization, passenger rail services in Britain have been operated by private

#### **TASKS**

- 1. Analyze the business case using 5 W 1H & the Six Stage Problem-Solving Process and generate 3 business questions from business case.
- 2. Using SQL build at least four (4) tables with the necessary columns to support the solution that was defined under step 1 and 2.
- 3. Using SQL build the database diagrams for the tables generated from model.
- 4. Apply SCD SSIS to the data prepared for the business case.
- 5. Under SSAS platform develop a solution (model) to support a business model defined in the steps above.
- 6. Deploy the new solution to SQL and identify via SSAS' browser two data query solutions to address possible (if scenarios) discovered under section 1 and 2.
- 7. Visualize Results using Tableau or Power BI



# 5W 1HANALYSIS 1-WHO

#	Question	Answer
Q1.1	Who is involved?	Virgin Rail Group
Q1.2	Who is affected?	Virgin Rail Group, customers, Investors & Government
Q1.3	Who will benefit?	Virgin Rail Group, customers, Investors & Government
Q1.4	Who will be harmed?	Virgin Rail Group, customers, Investors

# 5W 1HANALYSIS 2 - WHAT

#	Question	Answer
Q2.1	What is your topic narrowed down in a simple phrase/sentence?	How the Virgin Rail Group successfully doubled passenger numbers & improved revenue over a period of 12 as well as the challenges & lessons in rail infrastructure investment.
Q2.2	What does your topic involve? (i.e. What are the different parts to it?)	<ul> <li>Running a successful Rail Company.</li> <li>Experience and lessons from Rail franchising in an uncertain environment.</li> <li>Challenges &amp; Lessons in Rail Infrastructure investing.</li> </ul>
Q2.3	What is it similar to / different from?	NA
Q2.4	What might be affected/change d by your topic?	NA

# 5W 1HANALYSIS 3-WHEN

#	Question	Answer
Q 3. 1	When does this take place? When will it take place? When will it take place? When should this take place?	This took place over the period of 1994-2009
Q 3. 2	Does when this takes place affect the topic?	Yes, it does as it helps us narrow down the specific time in the past when rail transportation was transformed in Britain.

# 5W 1HANALYSIS 4 - WHERE

#	Question	Answer
Q4.1	Where does this take place? (Where did it Where will it Where should it?)	It took place in Britain (Rail Franchising in Britain)
Q4.2	Does it matter where it takes place? Is it affected by location?	It is affected by the location because it is about the Rail Franchising in Britain

# 5W 1HANALYSIS 5 - WHY

#	Question	Answer
Q5.1	Why is this topic important? Why does it matter?	It is important because it explained the challenges & lessons learnt in the transformation of the British Rail system by Virgin Rail Group, Government and other partners.
Q5.2	Why do certain things happen? (What are some causes and effects within the topic?)	NA NA

# 5W 1HANALYSIS 6 - HOW

#	Question	Answer
Q6.1	How does this topic work? How does it function? How does it do what it does?	The topic explains the challenges, experiences, lessons & gains in privatizing Britain's rail network
Q6.2	How did it come to be?	This came to be because the British government wanted an improved efficiency in the Rail Sector.
Q6.3	How are those involved affected?	Profit for Virgin Rail group and other Investors, Cost saving & a source of Income for government, Passengers/Customers enjoy improved services in rail transportation.

# Six Stage Problem-Solving Process 1. Exploring the Mess

#	Question	Answer
Q1.1	What problems (or opportunities) did they face?	<ul> <li>Challenges centered around:</li> <li>Improving Customer experience in rail transportation</li> <li>Rail Infrastructure Investing.</li> <li>Challenges in rail franchising</li> </ul>
Q1.2	Where was there a gap between the current situation and the desired one?	Yes:The gap was that government wanted an improved efficiency in rail transportation architecture
Q1.3	What were the stated and unstated goals?	Stated Goals for the government was to improve rail transport operations and passenger services as well as save cost. The Unstated goal was the volume of income to be generated.

# Six Stage Problem-Solving Process 2. Searching for Information

#	Question	Answer
Q2.1	What were the symptoms and causes?	Symptoms were reflected in passenger complaints & poor operational services despite the huge investment in rail transport.  The cause of this was a lack of capacity and competence by the government (British Rail) to efficiently manage rail services
Q2.2	What measures of effectiveness seemed appropriate?	Privatizing and Franchising the passenger services and operations to improve Rail transport efficiency.
Q2.3	What actions were available?	Privatizing and Franchising Rail Transportation

# Six Stage Problem-Solving Process 3. Identify the Problem

#	Question	Answer
Q3.1	Which was the most important problem in this situation?	The most important problem was that of inefficiency which prompted government to privatize and franchise Rail services and Operations
Q3.2	Was the problem like others they had dealt with?	NA
Q3.3	What were the consequences of a broad versus narrow problem statement?	NA

# Six Stage Problem-Solving Process 4. Searching for Solutions

#	Question	Answer
Q4.1	What decisions were open to them?	One of the decision was what was done. Privatizing and franchising Rail services and Operations to improve rail transportation.
Q4.2	What solutions had been tried in similar situations?	NA
Q4.3	How did the various candidate solutions link to the outcomes of interest?	NA

### Six Stage Problem-Solving Process 5. Evaluating Solutions

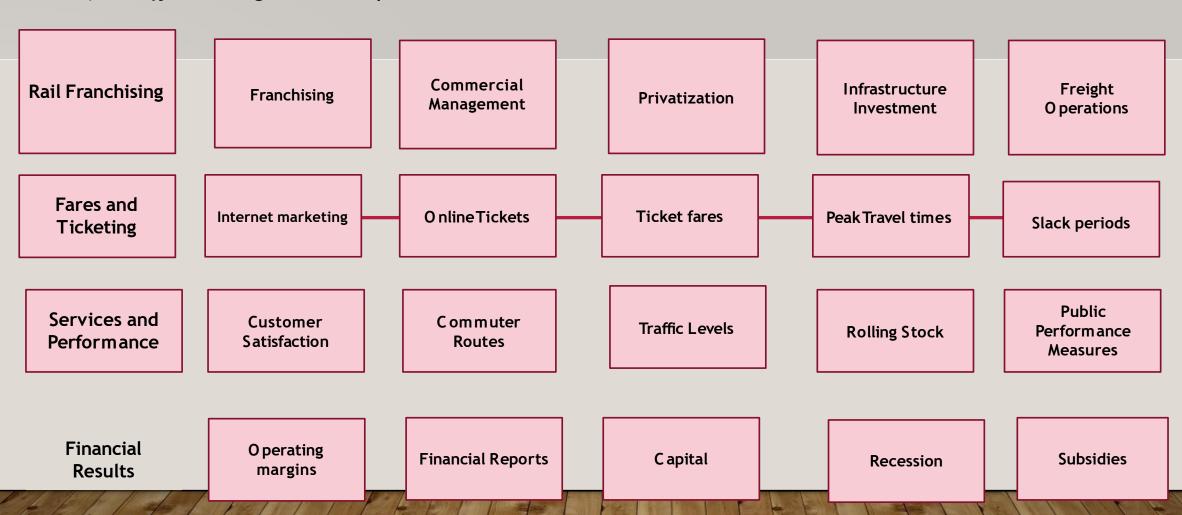
#	Question	Answer
Q5.1	How did the solution impact each of the criteria?	The solution to separate infrastructure from operations, Franchise passenger services and sell off freight operations was important because it turned out to be successful as Virgin Rail group was able to double passenger numbers in 12 years.
Q5.2	What factors within their control could have improved the outcomes?	NA
Q5.3	What factors outside their control could have altered the outcomes?	NA

# Six Stage Problem-Solving Process 6. Implementing

#	Question	Answer
Q6.1	What were the barriers to successful implementation?	NA
Q6.2	Where was there support and motivation, or resistance and conflict?	For the government, The motivation was to improve efficiency and cut cost. For Virgin group, it as to make profit, grow brand and provide world class customer services.
Q6.3	Were there resources available for successful implementation?	Yes: Government had resources to invest in the rail transport system while Virgin already had experience in air and Bus transport services.

#### **VIRGINTRAINS**

### A) Identify and Design Relationship



## **Data Dictionary**

# B) Define Core Terms

Definition type	Concept	Definition	
Franchise	Phrase	The right or license granted to an individual or group to market a company's goods or services in a particular territory.	
Privatisation	Phrase	Privatization occurs when a government-owned business, operation, or property becomes owned by a private, non-government party.	
Freight Operation s	Phrase	The practical work of moving goods from a shipper to a receiver, a subset of activities that constitute logistics (or supply chain) management.	
Rolling Stock	Phrase	Wheeled vehicles owned and used by a railroad or motor carrier. i.e., Anything on rail wheels.	
Online Marketing	Operationalized	<ul> <li>Measured Using:</li> <li>email marketing (Total emails sent &amp; opened by customers)</li> <li>Online Adverts (How many clicks per post)</li> <li>Press Releases &amp; Blogs (How many visitors &amp; how many read content)</li> </ul>	
Customer Satisfacti on	Operationalized	<ul> <li>Net Promoter Score (single survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.)</li> <li>Churn rate (The rate or measure at which customers stop doing business with a company over a given period)</li> <li>Customer Satisfaction Score (Metric that acts as a key performance indicator for customer service and product quality in all kinds of businesses)</li> </ul>	

### Data Modeling - Conceptual Model

### A) Causes and effects. Where's data?

# CUSTOMER EXPERIENCE

- Provide impartial information to customers about journey planning and ticket prices
- Meet the needs of customers with disabilities
- Inform customers about the handling of complaints

#### FARES & TICKETING

- Department of Transport
- Peak Travel times
- Slack periods
- O nline & digital marketing
- Innovation from airline ticketing
- Self service tickets vending machines

#### **RESULTS/OUTCOMES**

- Sound Commercial Management
- Improved Financial results
- Doubled passenger numbers over a period of 12 years
- Large scale Introduction of Tilting trains
- Government received payment rather payout subsidies

#### **VIRGIN RAIL GROUP**

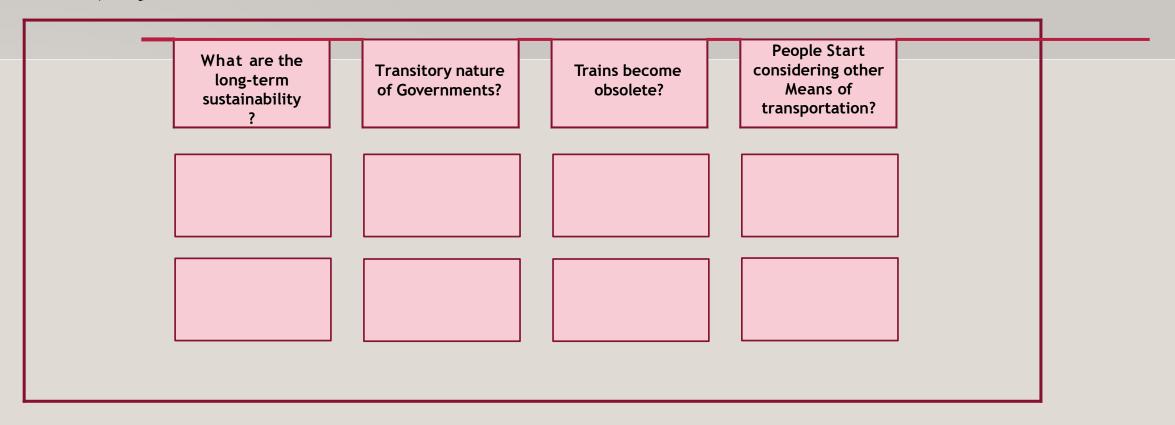
- Doubled Passenger Numbers
- Increased Profit
- Improved Operational efficiency

#### **HISTORY**

- British Rail (BP)
- Separation of Infrastructure from O perations.
- Franchising Passenger services.
- Freight Operations sell off
- West Coast & Cross
   Country Routes

### What-if

### C) Project Considerations



# **Business questions**

1.What were the names of the first 3 customers to purchase Tickets in 2008 and what Route did they purchase?

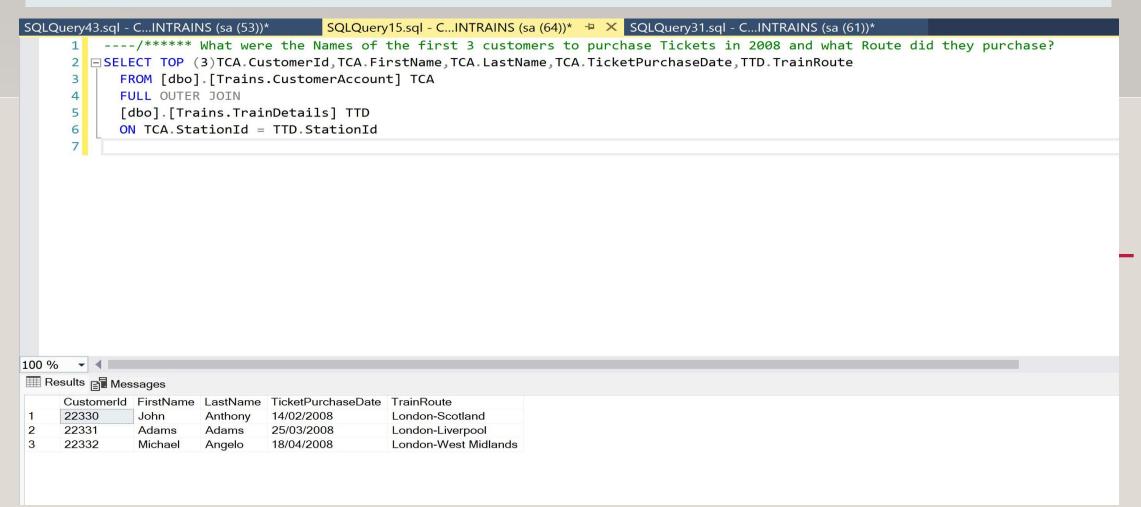
2. How much was the cost of the most expensive First-Class Ticket in 2008?

3. What were the total distance travelled, most ticket purchased by a customer and the average fare price of all travels made?

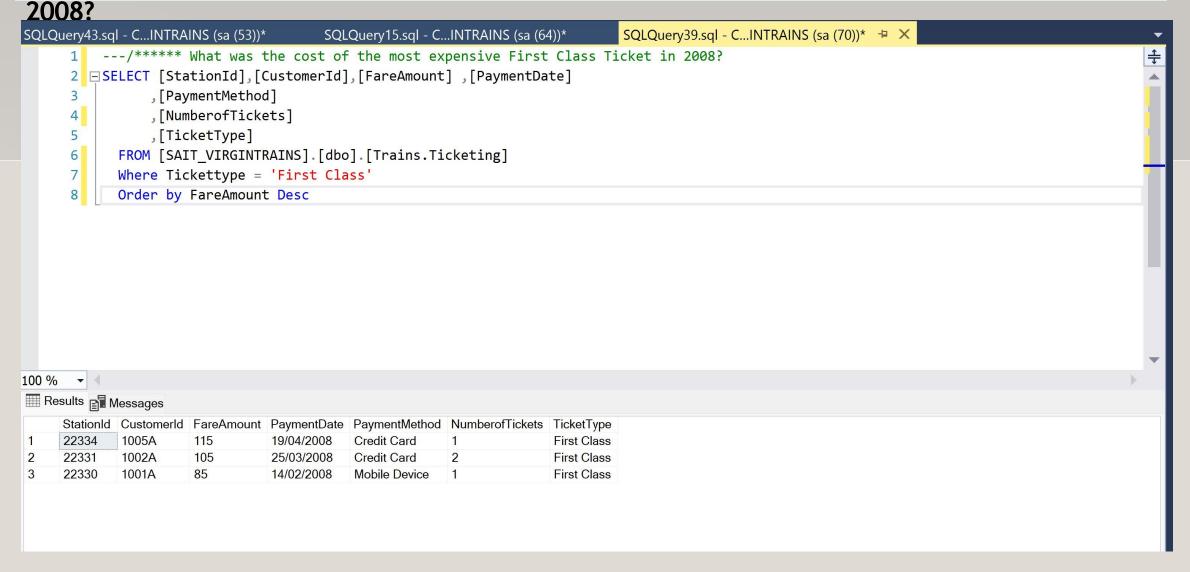


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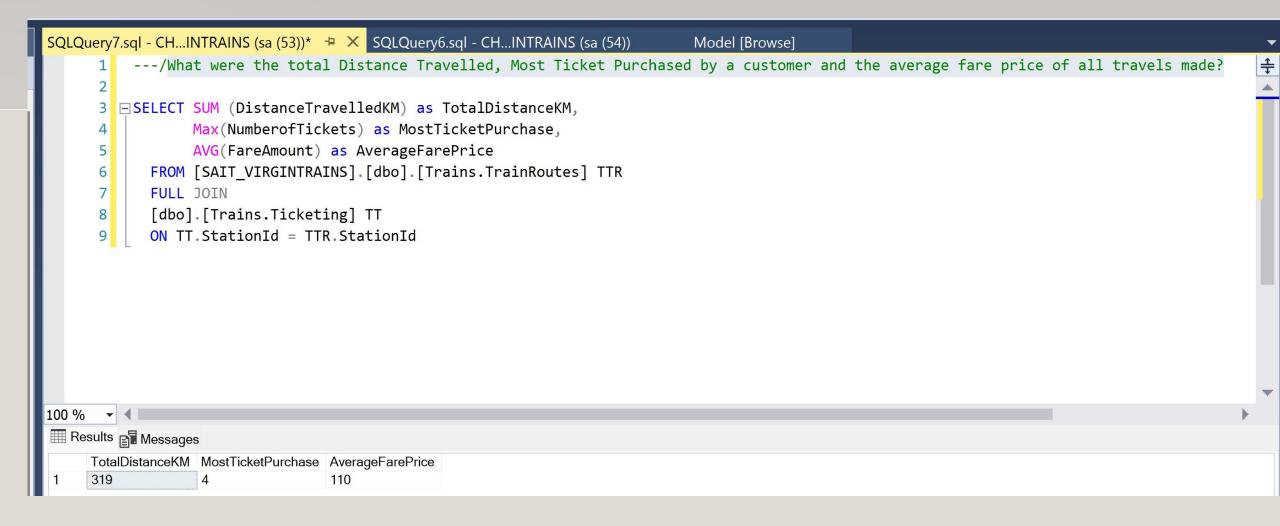
# Business Question #1: What were the Names of the first 3 customers to purchase Tickets in 2008 and what Route did they purchase?



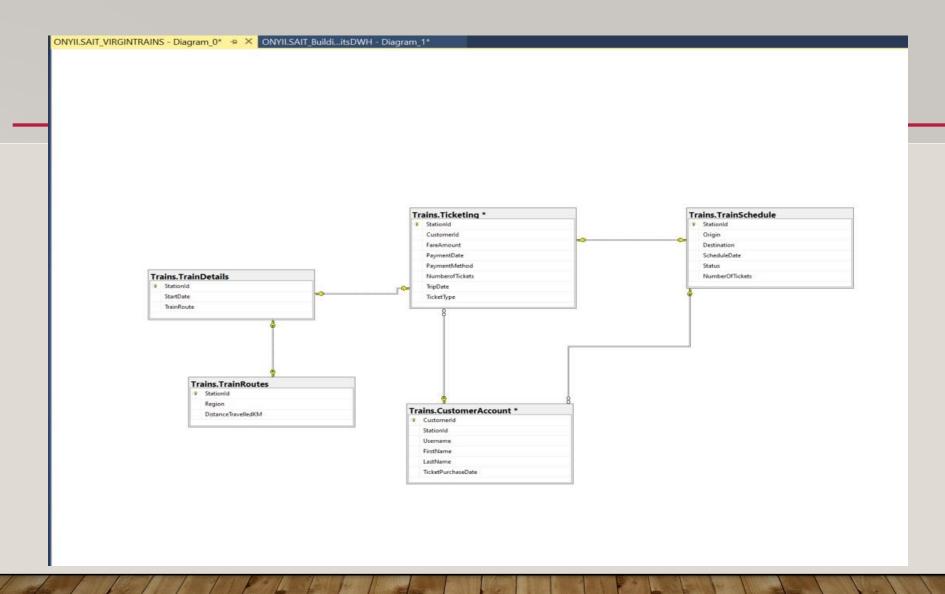
# Business Question #2: How much was the cost of the most expensive First-Class Ticket in



# Business Question #3: What were the total Distance Travelled, Total Tickets Sold and the average fare price of all travels made?

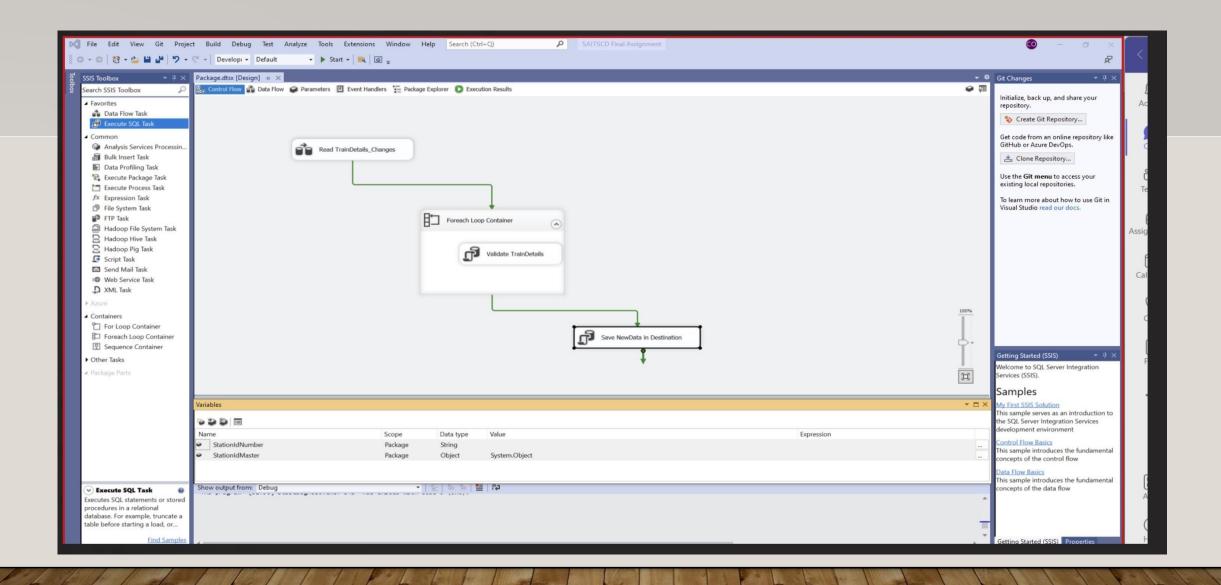


## **Database Diagram**

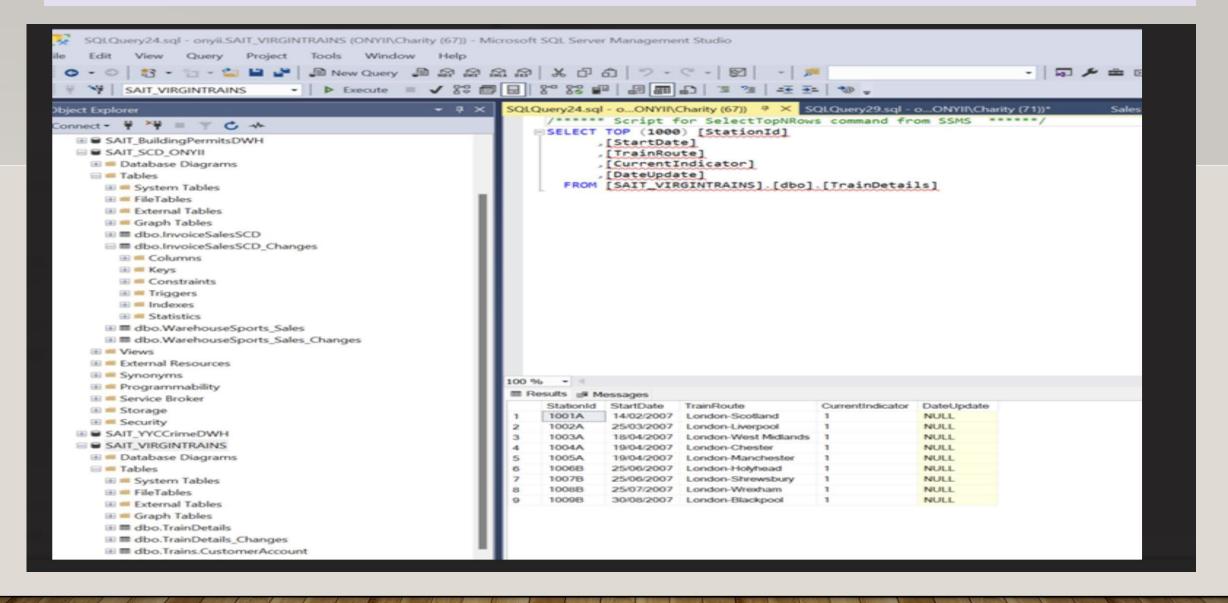




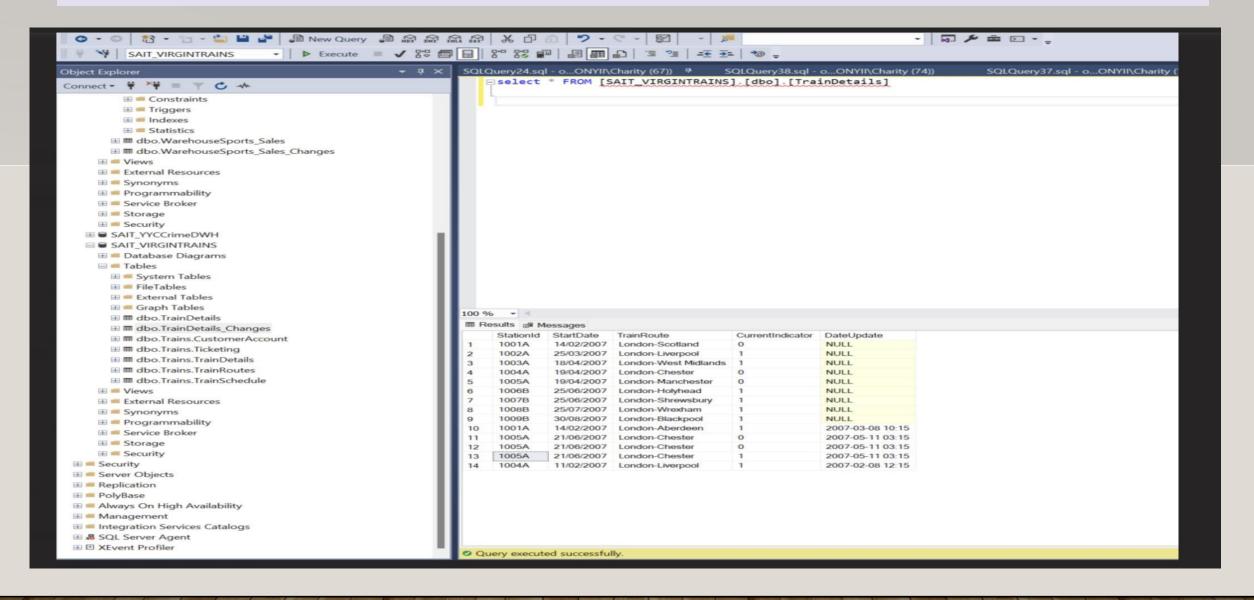
### **APPLYING SCD - SSIS CHANGES**



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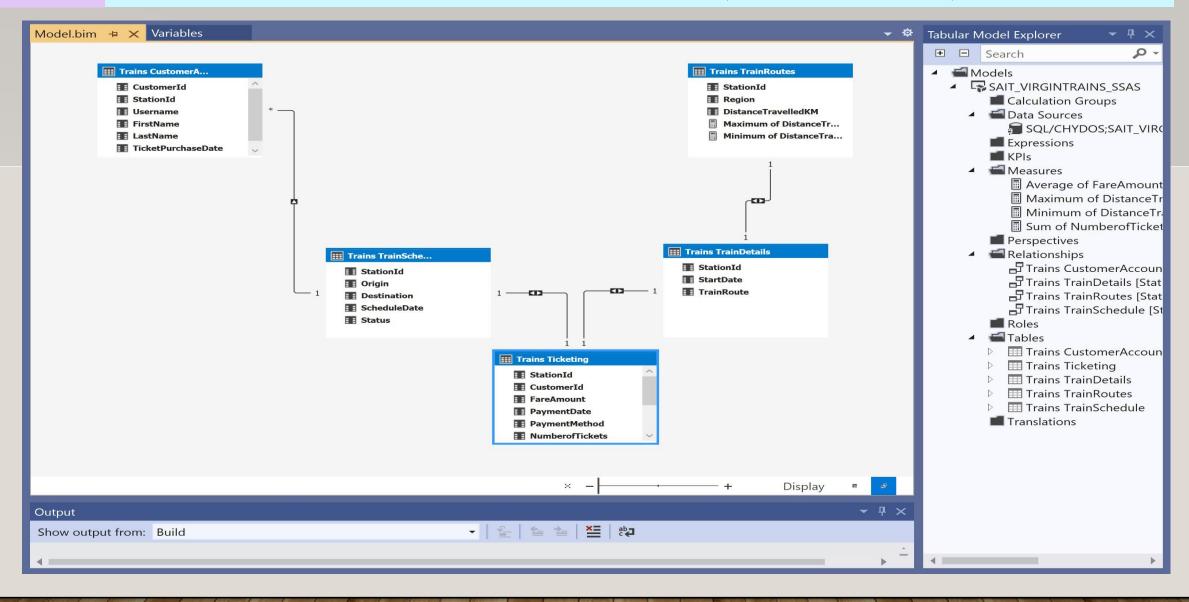


### **APPLYING SCD - SSIS CHANGES**

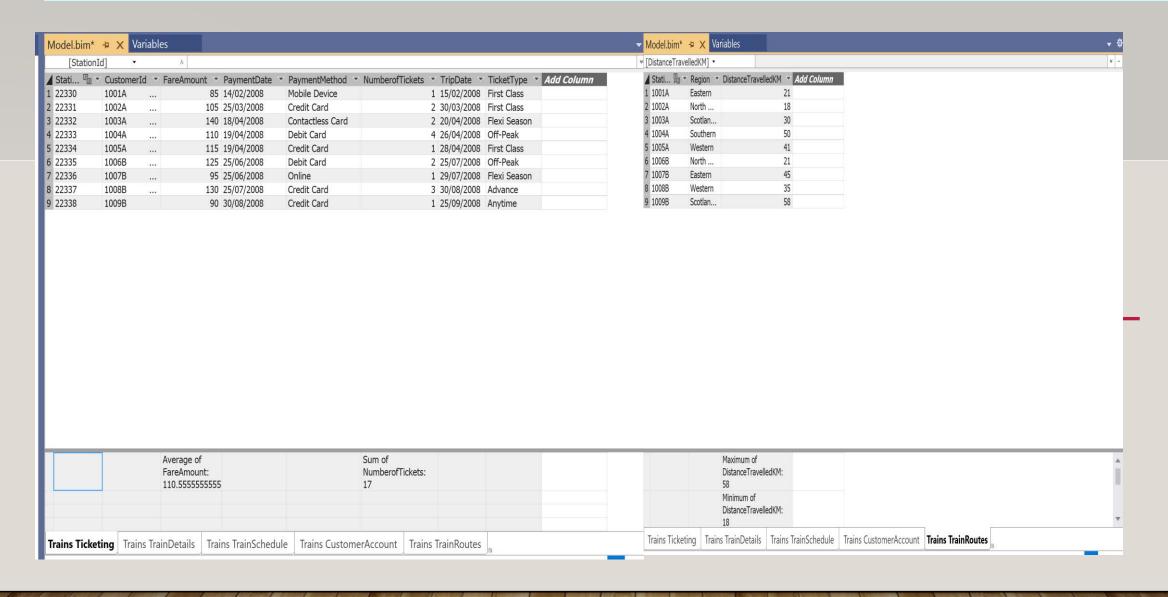




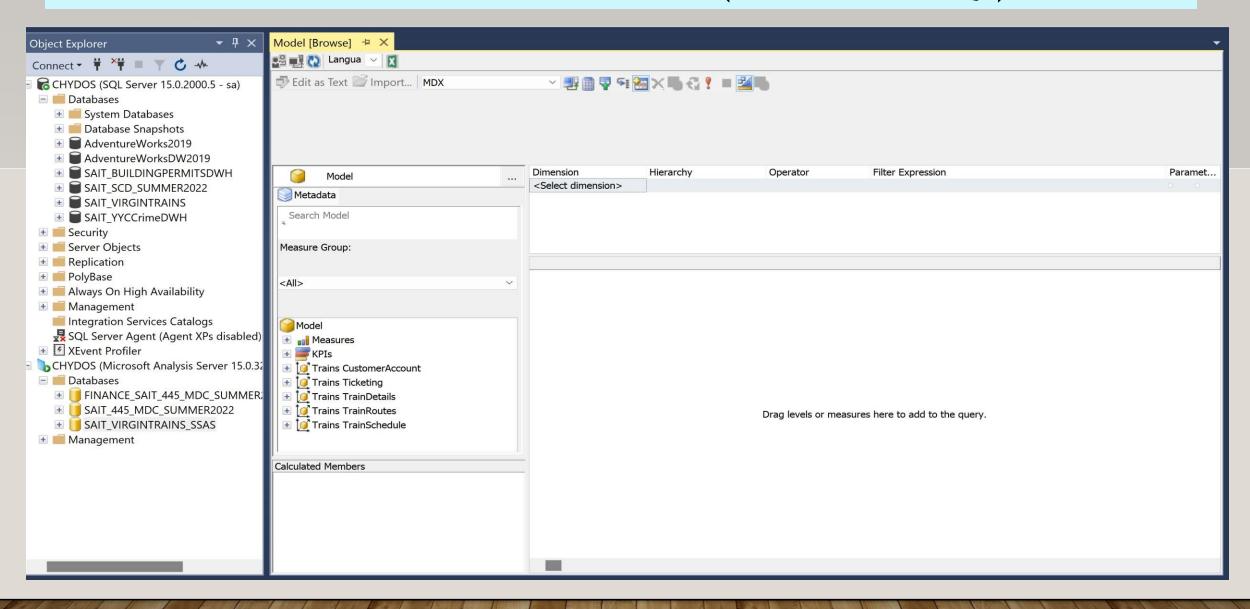
### SSAS PLATFORM/BUSINESS MODEL (RELATIONSHIPS)



### SSAS PLATFORM/BUSINESS MODEL (MEASURES)



### SSAS PLATFORM/BUSINESS MODEL (PUBLISHED TO SQL)

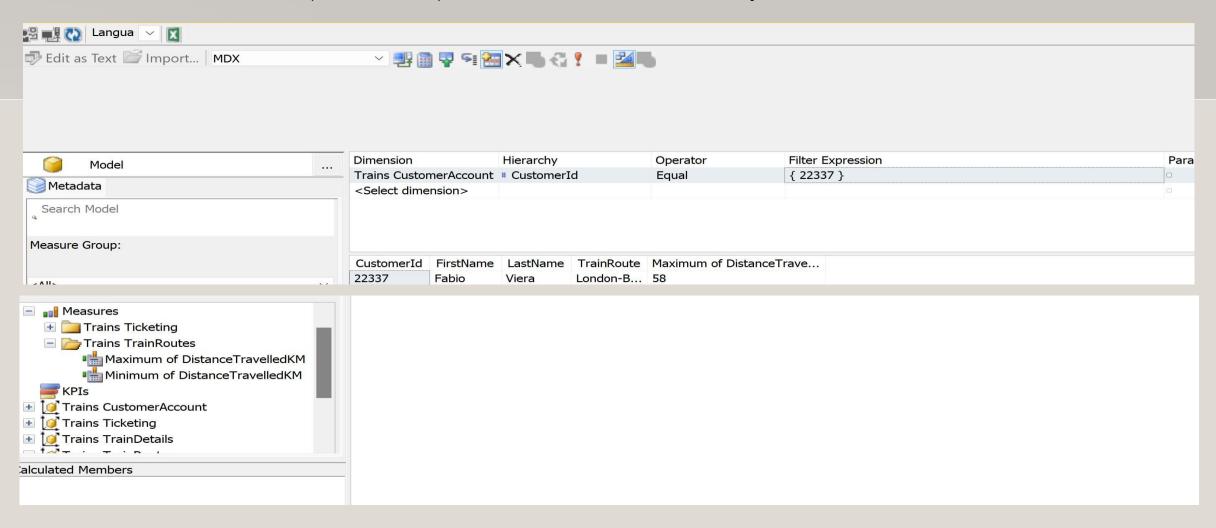




### SSAS PLATFORM/BUSINESS MODEL (SCENERIO 1)

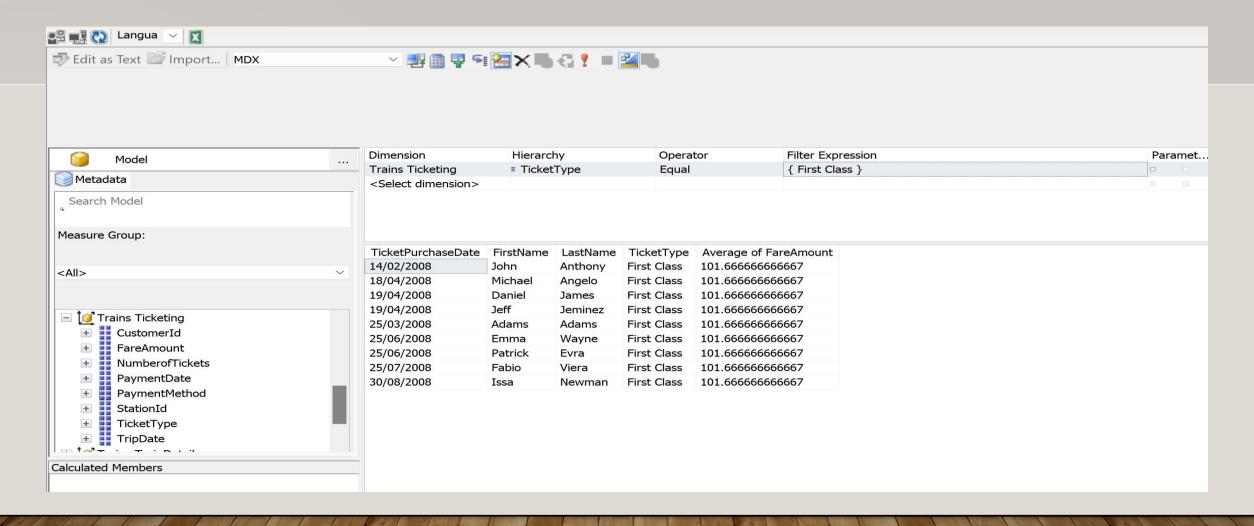
1. What was the route and the maximum distance Travelled by Customer "22337"

Ans: Customer "22337" (Fabio Viera) travelled via London-Blackpool and did a maximum of travel distance



### SSAS PLATFORM/BUSINESS MODEL (SCENERIO 2)

- 2. What is the average fare amount for first class tickets paid by customers?
- 1. Ans: £101.7





### **VISUALIZATION (TABLEAU)**

<u>Business question 1</u> [What were the Names of the first 3 customers to purchase Tickets in 2008 and what Route did they purchase?]

London-Liverpool	London-Scotland	London-West Midlands
Adams	John	Michael
25/03/2008	14/02/2008	18/04/2008

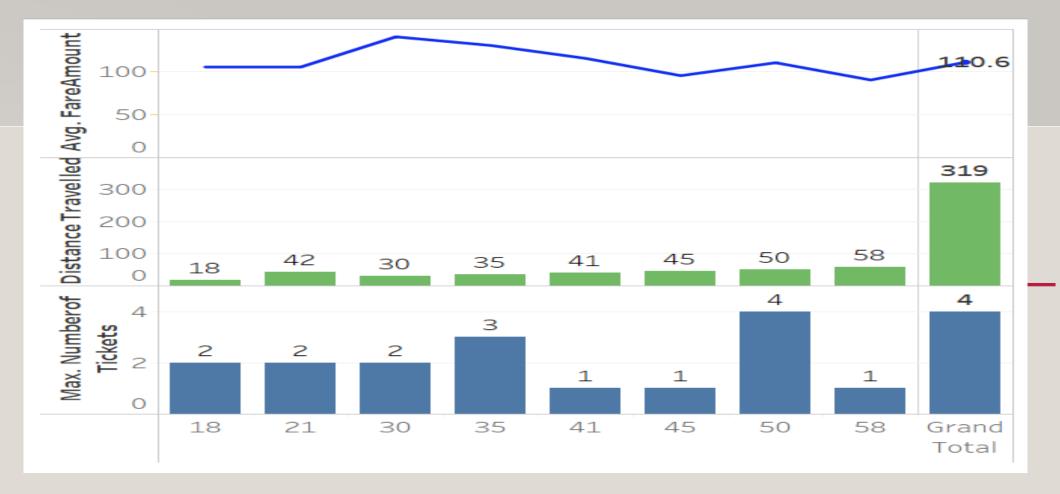
<u>Question #1 Answer</u>: Adams, John and Michael were the first 3 customers to purchase tickets in 2008 and they each purchased the train route "London-Liverpool", "London-Scotland" and "London-West Midlands" respectively.

### Business question 2 [How much was the cost of the most expensive First-Class Ticket in 2008?]



Question #2Answer: The cost of the most expensive First-Class Ticket in 2008 was £115.00

<u>Business question 3</u> [What were the total distance travelled, most ticket purchased by a customer and the average fare price of all travels made?]



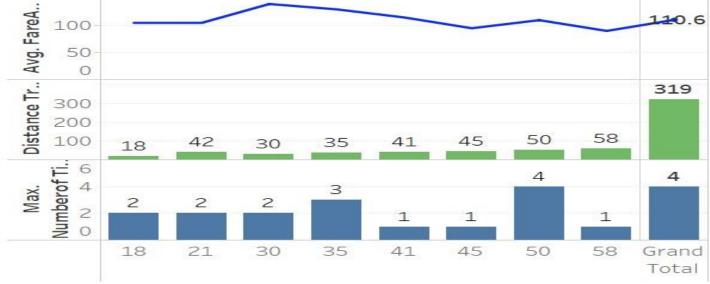
Question #3 Answer: The total Distance Traveled is 319 km, the most Tickets sold were 4(tickets) and the average fare of all travels made was £110

#### Dashboard in Tableau

What were the Names of the first 3 customers to purchase Tickets in 2008 and what Route did they purchase?

London-Liverpool	London-Scotland	London-West Midlan
Adams	John	Michael
25/03/2008	14/02/2008	18/04/2008

What were the total distance travelled, most ticket purchased by a customer and the average fare price of all travels made?



How much was the cost of the most expensive First-Class Ticket in 2008?



