

Putting the customer at the center of infrastructure development

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FORESIGHT

A Global Infrastructure Perspective



Let's face it: today's infrastructure development is primarily shaped by cost considerations. Whether it is the cost of debt, the cost of funding or operational costs, project owners, managers and – increasingly – users are fixated on cost.

Given the current economic climate and condition of the public purse in many jurisdictions, this is hardly surprising. But a growing number of project owners are starting to find that putting cost considerations above all else may not always lead to long-term success.

The value of customer-centricity

Recently, there has been a public sector project whose owner and project manager took a different track: one focused on the end-user. And by putting customer satisfaction at the top of their objectives, they have demonstrated that infrastructure projects can be delivered in a way that appeals to owners, operators and users equally.

What is more, they have shown that they can drive higher net revenues over the long term by taking a more consumer-focused approach to everything from customer sales and billing through to marketing and communications.

A case in point

The project, which centered on the improvement of the Port Mann Bridge in Vancouver, is vitally important to those living and working in Canada's third largest city. More than 120,000 vehicles cross the bridge daily, making Port Mann the city's primary goods movement and commuting corridor.

To finance and fund the necessary improvements, the Province of British Columbia (the jurisdiction responsible

for the Provincial Highway network) decided that any capital, operating and maintenance costs would need to be recovered through the use of tolls. This was, at the time, one of the first toll implementations for the city in decades and was therefore met with some concern by the population of Vancouver.

Making the project suit the user

From the outset of the project, the owners and managers agreed that a customer-centric approach would be the guiding objective for the project. This emphasis on the customer would be embedded into the business rules of the Crown Corporation (Transportation Investment Corporation or TI Corp) that was created to implement the improvements.

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Take, for example, the decision that everyone – regardless of the technology used – should be permitted to pay the lowest toll possible for crossing the bridge. This required TI Corp and its advisors to focus their technology decisions around the customer rather than forcing customers to adapt to a preferred technology, while recognizing that the highly-trafficked route would – by necessity – be an ‘open road’ tolling system.

This, in turn, helped the project team to define their technology requirements to ensure that the system would be highly-automated, easy to use and widely accessible. The team also looked at other customer-focused business sectors for best practices in managing customer accounts. Solutions such as pay-by-phone methodologies, the installation of top-up style kiosks in high-trafficked areas and internet billing were quickly adapted from the banking, telecoms and online service industries.

Communication is key

With a focus on the customer as a primary lens through which project decisions were made, the team also placed high value on customer interaction throughout the design and development process. In a recent edition of KPMG’s *Insight Magazine*, Mike Proudfoot (CEO of TICorp) noted the importance of customer communication.

“We’ve gone through great lengths to communicate all of the work that we are doing as part of the improvement of the area, much of which goes unseen by the public and some of the stakeholders. We’ve also focused on ensuring transparent and clear communications about the impact that our development will have on every-day issues such as traffic flow and road closures. These are the issues that could easily derail a project unless they are clearly communicated,” he said.

The customer-centric approach is already paying off for Port Mann. By combining a slick marketing campaign

with introductory offers that included free rides and reduced registration costs, the team was able to enhance registration which – ultimately – will lead to higher net revenues overall. In fact, before the system had even opened, more than a third of all vehicles in the Greater Vancouver Area had been registered and full billing and credit card information had been secured for 380,000 new accounts.

An important lesson for the sector

To be clear, this is in no way a suggestion that project owners and managers disregard cost in favor of customer-centricity. Projects must be financially viable, sustainable and affordable if they are to succeed across their life cycle.

However, Port Mann’s experience may provide an important lesson for the infrastructure sector at large: those projects that place a higher focus on the needs and demands of their final customers are more likely to enjoy long-term returns from their individual assets.

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