



Remember the people: The foundation for success in 21st-century infrastructure

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Bringing the consumer experience back into the infrastructure discussion.

Within the infrastructure industry, there is lively debate about innovation, renewal, and new capacity. What should we be building? How? Where do we find the funding? What

contract structures or regulations will entice private investors? Financiers, designers, and engineers discuss these questions constantly.

But there is something missing from this discussion: the consumer. Ultimately, it is people who use infrastructure and people who pay for it. The consumer experience matters. Infrastructure providers therefore need to tap into the disciplines and insights of great consumer service companies, such as movie studios, retailers, and tech companies. We can also learn from our industry's direct customers, such as airlines and railroads.

All infrastructure businesses know they have to concentrate on the nuts and bolts, literally, of their operations. But the best firms will go beyond the ABCs and add an "S"—for service, stakeholders, and sustainability. These "S words" will be critical for companies to create competitive advantage and to sustain long-term value.

Service: In the movies, airports are usually anonymous places where the characters undergo ritual processing. That may be artistic exaggeration, but we have to admit that there is something to it. In some of the focus groups we run at Heathrow, passengers say that airports can feel like machines where they are just cogs.

Of course, efficient and reliable service matters, but it is not everything. Great service businesses recognize that people don't just want to be processed; they also want to feel connected. Infrastructure providers are beginning to understand this. Consider the revamped St Pancras/Kings Cross station complex in London. Integrated into a revitalized neighborhood, the stations include distinctive Anglo-French themed shops (because Kings Cross is the last stop for the Eurostar train between France and the United Kingdom); premium apartments in a restored neo-gothic building adjacent to the station; and even fun cultural touches, such as a Platform 9 $\frac{3}{4}$ (derived from the Harry Potter books). Kings Cross is not only about the trains running on time. It is also a destination in itself—a place to visit, linger, work, and live.

At Heathrow Airport, we are focusing on this wider concept of service. In the new Terminal 2 (also known as the Queen's Terminal), which opened in 2014, we chose a shopping theme of the "best of Britain," accentuated with distinctly British touches, such as illuminated London cabs. The longest sculpture in Europe (79 meters), an aluminium icon known as Slipstream, welcomes people to the building.

Creating an emotional connection means that people providing the service need to connect, too. In opening Terminal 2, Heathrow invested heavily in a program known as "Walking in our Passengers' Shoes" to help us understand our passengers' needs. Everyone from frontline employees to top managers took on personas of key types of passengers – say a family on holiday, or someone in a wheelchair – to experience the airport journey through their eyes. The result was a new level of empathy and insight

that helped us to improve the airport experience, often in details that are hard to track on a dashboard but make a huge difference for a traveller in a busy place like Heathrow. We continue to reinforce that knowledge by constantly accumulating information, including from social media and instant feedback terminals.

As a result, consumer satisfaction is improving. On the Airport Service Quality Survey, Heathrow has moved from a poor position among European hubs to among the highest scoring, with Terminal 2 in particular scoring well. That has real commercial value – in terms of higher retail spending, more efficient operations, and growing numbers of passengers. There is a clear relationship between surveys of passengers' happiness at security and how much they spend in airport stores. A happy passenger is far more likely to unwind in the departure lounge by buying that extra bottle of perfume or whisky. Similarly, a frequent flyer changing planes has a choice as to where they connect for their next trip to Europe. They are more likely to choose the airport that made them feel like a person than the one that harried them from one aircraft to the next.

Stakeholders: Many infrastructure businesses—like airports—are a platform for other businesses (airlines, retailers) to serve consumers. Infrastructure is also by definition hard to move and lasts a long time. These factors mean that infrastructure businesses may have to answer to many different stakeholders. For Heathrow, this group includes local residents, unions, companies operating in the airport, commercial leaseholders, airlines, and local and national governments. All can have profound impact on strategy. For example, we do not set prices on our own airport passenger charges, and we must consult with airlines on our own capital investments. Politicians and local residents ultimately decide how big we can grow—as the continuing debate over whether to add a third runway at Heathrow demonstrates.

For a private investor, this might feel intrusive. Being part of this web of obligations, however, can also be a source of opportunity. For example, Terminal 2 implemented the world's first check-in that accepts passengers from different airlines at the same desk. This saves space and costs and adds capacity efficiently. But this change also required dozens of airlines to adapt their global processes—something that was only possible because they had been involved with the design and implementation of the terminal from early on. In effect, Heathrow had to let others help call the shots to provide better service. Fewer than 10 percent of the 76,000 people who work at Heathrow work for the airport company. We can only deliver service as part of a team.


Sustainability: Traditional consumer-goods businesses have led the way in developing distinctive leadership on social and environmental issues. But many environmental priorities, such as the transition to lower-carbon power, cleaner transport, and better water management, have obvious relevance to the infrastructure sector. We need to

continue to build infrastructure to support economic growth, but the public will not back projects that do not meet high standards.

Many infrastructure projects are, in fact, seeing big leaps forward in sustainability. For example, the new Terminal 2 reused nearly all of the building fabric, such as steel, brick, and concrete, from the old terminal. We have redeveloped Heathrow's expansion proposals so that fewer people will be affected by aircraft noise than today, even with more flights.

It is vital that we not only make objective progress but also ensure the public can understand how the new project will affect them. For example, we built upon an immersive "Sound Lab" developed for high speed trains to demonstrate aircraft noise scenarios via virtual reality. This has helped noise campaigners, policy makers, and investors to understand the issues and to work together to figure out ways to reduce the impact of noise.



The technical details of financing, design, and construction are important. But so is the human element. Consumers are voters and neighbors. They care about their families and communities. And they will only support development if they believe that their interests will be protected, and their lives enhanced. Remembering that may make building infrastructure more complicated, but it is also essential for success. 

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