

## A better Journey 4 Northern

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*Northern's Nick Donovan and Graham Shorter and Journey4's Jonathan Booth discuss their innovative strategy to drive change for the train operating company*

It has been some journey for train operator Northern since coming under public ownership. Brand new trains have entered service, more than 250 of its other trains have been refurbished, its Pacers retired and millions of pounds invested into station improvements.

The impact has been positively felt by customers and its own 6,000-strong workforce – evident by the fact the train operator has had four periods of no negative press coverage and, for the first time, last period saw a positive net promoter score.

“Our customers and staff are at the heart of everything we do and our goal back in March 2020 was to get the basics right and build from there,” said Northern Managing Director Nick Donovan. “When I joined the organisation, I was surprised how bruising the performance challenges had been to the people in the business, but then also the strength and resilience of the workers and their commitment to the railway.”

It has been no easy task to achieve. During a period dramatically affected by the COVID-19 epidemic, an initial 100-day plan was created that focused upon re-establishing a full and reliable train service, growing

capacity and delivering numerous important improvements for passengers.

“The 100-day plan created a springboard from which we could deliver a bottom-up review of what we needed to do to make the business work better and to make sure the customers that we serve were at the centre of the business,” Nick added. “But we wanted to go beyond just that and look at a destination for the organisation in the future – building a plan that would outlast any particular ownership structure.”

While franchise agreements can encourage train operating companies to concentrate on short term commitments, Northern saw an opportunity to use the period of public ownership, and the production of its 2021-22 business plan, to think more broadly and to consider its medium and long-term business objectives Northern capitalised on this opportunity by engaging strategic development experts Journey4.

Having already assisted in the successful development and submission of the 100-day plan and the detailed 2021-22 business plan, leading rail industry experts at [Journey4](#) were ideally placed to help shape and deliver the longer-term goals of the business.

“[Journey4](#) had already been doing work with our programme team and they understood the business well already – they were also able to mobilise a team to support us at short notice and helped to develop a quality business plan to a very tight timescale,” said Graham Shorter, Director of Strategic Planning at Northern.

“They quickly integrated with our teams and worked alongside us to provide the additional capacity and capability we needed and have subsequently helped us to bring the plan to life for our colleagues – ensuring clarity and strong structure to our work plan and some strategic writing capability to help our senior team to get their high-quality thinking onto paper.”



### **Customer-driven business model**

“There were a number of basic transactions that were brought together into a coherent programme of activities that became short-term priorities for the team. These were developed in parallel with, and complemented by, important medium to longer-term strategies,” said Graham.

“Another incredibly impactful approach that the **Journey4** team introduced was its distinctive customer driven model – a way of helping us to organise our strategy development and really put the customer at the heart of our planning.

“This is an ongoing journey with problems to solve and lessons to learn, but most of all it’s about creating enjoyable customer experiences.”

By applying the customer driven business model Journey4 and Northern worked collaboratively to ensure that eight high-level strategies combined to deliver a powerful and cohesive set of long-term goals for the business, that would provide real benefits to their customers.

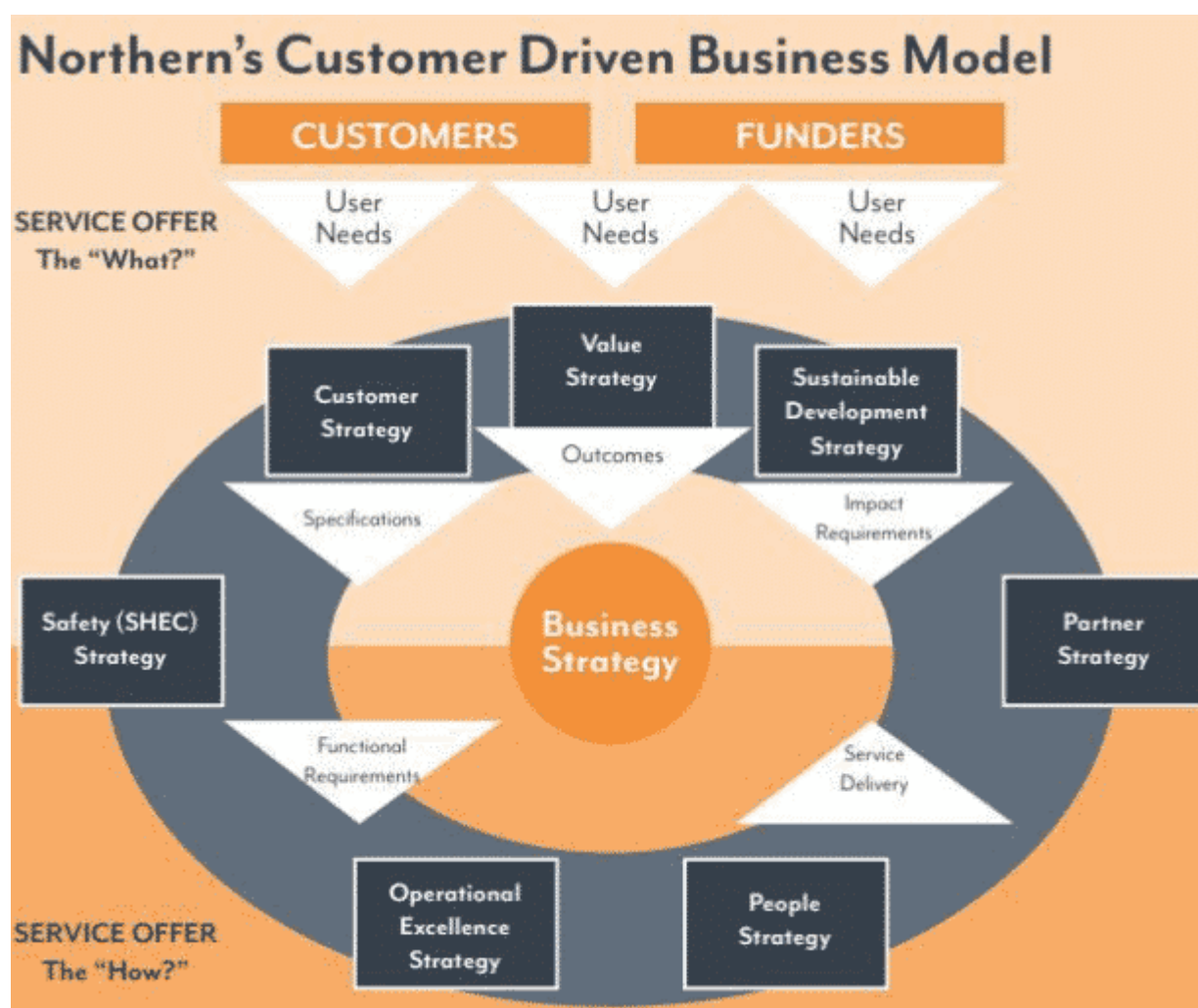
“We had been supporting the development of Northern’s 100-day plan when we were approached about the business plan last year,” said **Journey4** Director Jonathan Booth.

“Despite the tight timescales to get the business plan complete, I was very impressed by the attitude of

Northern's leadership team in wanting to also look at the longer term and really take a detailed look at the impact on the people and communities it serves.

"It was encouraging to work on a medium and long-term focus as well as just short term and it wasn't just all about the numbers – there was a clear commitment to create a plan that optimised the contribution Northern could make to the region by empowering the team to build on their capabilities.

"We like to work with clients where we can deliver change with them, not to them, and that is what the relationship has been like with Northern."



### Transforming the business

Jonathan puts the success of this assignment down to the train operating company's commitment to adopting the parallel planning principle and giving employees the opportunity to be part of the change process.

He said: "A lot of businesses tend to work sequentially – focusing on the short term, getting their heads down in the detail of the operation and talking about what they will do when they've done that later.

“Businesses that operate in that way will only ever achieve incremental change. It was clear from talking to the team at Northern that there was a desire to think about longer-term change and a commitment to delivering its vision for the region.

“We have encouraged the business to think about short, medium and long-term activities in parallel. On average senior leadership teams should be spending 70 per cent of their time on short term priorities, 20 per cent on the medium term and 10 per cent on the long term. The more you do that, the more you will achieve transformational change.”

## **Planning ahead**

As part of its transformation Northern has created a steering group of senior leaders who meet on a weekly basis to work through the business plan and strategies. **Journey4** facilitates these sessions, encouraging members to develop their own thoughts and solutions to the strategies they own.

This approach has successfully strengthened the capability of the steering group and its individual members while delivering a sense of ownership and accountability.

As the organisation prepares to submit its business plan for 2022-23, the business is now able to roll the 2021-22 submission forward and update the short-term plans in line with the long-term vision and strategies to ensure that the activities required to achieve these are built into the plan.

Nick added: “For me it has been critical to look at the long-term outputs and looking to unpack some of the processes that need changing to make our operation more customer focused and more efficient.

“We need the customers and non-travellers to be talking positively about rail. If they are not, it is inevitable that the revenue line will be suppressed and the only place a depleted revenue line hits is in the taxpayers’ pocket.

“We’ve seen a shift in people’s confidence in using rail at Northern.

“There has been a lot of great work taking place for several years in getting to this position which is leading to a desire for people to come back on board. “Our customer numbers are running ahead of the industry trend now at around 80 per cent of pre-COVID levels overall and weekend numbers are back to pre-COVID levels.”

## **Influencing the future agenda**

Jonathan added: “There is a confidence within people at Northern as well as they are being asked to think about the long term – planning long term and influencing the future agenda.

“We’ve been welcomed into the team and have been fully involved, spending a lot of time talking with Nick and Graham about how you do it, not just what you do, and how to ensure the whole team feels involved and the processes becomes fully embedded in the business.



“That is what makes the difference – how you take the team with you. People are excited by it and seem to be enjoying what they are doing.”

Looking to the future, Graham concludes that the work continues with Journey4 around the development of the medium to long term strategies with an emphasis on evolving and developing the use of the customer driven business model.

He said: “The process is helping Northern set out its strategic plan to build in a way which we think is congruent and helpful to the direction of travel of Great British Railways and the industry.

“I think we can get to a place where the quality of Northern’s strategic planning is continuing to be acknowledged, recognised, and held up as best practice, and I think in doing that we can add some real value to the industry and the evolution of the industry in the months and years ahead.”

For more information about this project, please speak with Stuart Pearce, Director, at [stuart.pearce@journey4.co.uk](mailto:stuart.pearce@journey4.co.uk)

