

BUSINESS CASE FOR YOUR SHUTTLE OPERATION: IS NOW THE TIME?

By Jeff Agur | VanAllen

Today's travel environment is evolving rapidly. Rarely do we have a chance to observe a paradigm shift of such dramatic magnitude. The volume of commercial travel has reduced due to an abundance of caution. We have all embraced technology more and more to fill the need to "connect." Yet, there will still be a need for you and your organization to travel. The negative impact to the airline service will last for years, leading to less efficient travel options and increasing costs. Now may be the best time to evaluate the business case for your shuttle operation.

The two key ingredients that lay the foundation for a shuttle business case are A) an on-going need to move a volume of travelers between specific destinations and B) your organization's value on the time and well-being of its employees. If both exist within your organization, review these eight considerations that will better qualify your business case.



1. **Historic Travel Data** – Collect the historic travel data between your key destinations. Include data for travelers who are using options like rail or rental cars.
2. **Examine the Travel Data** – Look at the overall demand to determine things like volume, seasonality, and weekday distribution. If you live in an area with multiple commercial airports, consolidate the travel data to better represent your potential demand.
3. **Project Future Usage** – With the dramatic shift in how we consider travel today, don't rely on history being an indicator for future needs. Talk with some of your business leaders and most frequent travelers that will be key users of your shuttle. Inquire about their needs and demand.
4. **Determine a Shuttle Category** – Based on the usage data, you will have a better understanding of what the shuttle may look like. A 6-seat turboprop or a 30-seat regional jet? Daily service or once a week? Can you squeeze it into your existing aircraft resources? Don't plan on capturing 100% of the demand. Many travelers will still opt to use commercial options for various reasons. Run your model at different levels to understand the impact.
5. **Understand the Commercial Options** – Examine the existing commercial options to see how they have changed. Has the number of commercial flights been reduced? Do they now require connections? Has the price changed?
6. **Time Comparison** – Between a shuttle service and the commercial options, what does a travel day look like in terms of hours? Consider security lines, baggage, rental car pick-up/return, and even selection of airports relative to their destinations.
7. **Value Proposition** – Discuss with your business leaders about their perceived value of a shuttle service. Explore their sensitivity to things like productivity, health safety, employee morale, and employee retention.
8. **Dollars & Sense** – No business case is complete without an understanding of the costs. Be realistic, be comprehensive, and be prepared. Your decision makers will compare the cost versus the benefit to determine if there is enough value to justify your business case.

No two shuttle business cases look alike. Plan that your organization's needs will change and ultimately the behavior of your shuttle passengers will evolve. Use this foundation to start the dialogue and design flexibility in your program as you move forward.

Contact VanAllen to learn more.