

# Change Management Recommendation

## Introduction

The purpose of this document is to provide recommendations for change management that should lead to the successful implementation of socio-economic evaluation in the capacity partitioning/allocation in case of capacity shortages and the reluctance of affected stakeholders to reach a compromise within the timeframe given by the process. The criteria and process explored by the Task Force Allocation Principles are not part of this document. The recommendations are based on the interviews and observations of the socio-economic model projects in Sweden, Norway and Finland, conducted by FTE with RNE/TVS support. It is important to recall here that these national approaches have not applied these principles to international capacity cases and thus should not be followed or copied as is. Nevertheless, in all three cases, the change management was successful and moved the allocation from the old “train category list” to a model reflecting “socio-economic value for society”. In this sense, the following elements should serve as a basis for how to present the socio-economic approach to international/national rail stakeholders. The change management and acceptance of this approach will largely depend on the involvement of these stakeholders

We express thanks to TRV (IM SE), Bane NOR (IM NO) and FTIA (IM FI) for sharing their experience.

## Before implementation

- Implementation by the IM desires that **there are economic experts** either within the IM and/or outsourced; in the case of the latter, the extra time for the tendering process has to be considered.
- The **realistic timeline for implementation** from the very first discussion to the final socio-economic model publication in the network statement **is a minimum 1.5 years**.
  - The initial project took 3 years in SE, 2 years in NO and 1 year in FI (in FI, the external consultant was already pre-contracted). None of the initial projects covered TCRs.
  - The update/revision projects tend to have shorter timelines, it took 1 year in NO, 2 years in SE (including the TCR inclusion). The study that FTE-RNE aims to tender should also decrease the workload of future projects.
- It is recommended to **set up a project plan and project timeline** (target timetable period).
- Within the project, the demand for an IT solution shall be defined since the decision-making and optimisation has to be automated as much as reasonably possible. The experience from NO, SE shows that the usage can start even with an excel solution.

## Acceptance and sector involvement

- **The key is active, transparent and (public) communication** from the project beginning, not only once the results are available. A noticed good practice in SE was that the IM presented the project at customer events and even transport/railway fairs to increase awareness and motivate for involvement.
- **Actively involve the applicants already in the model development**, all projects established a group/workshops with applicants. In FI, the RUs were not only part of the draft model discussion but also part of the decision-making on the overall model framework, even before the draft model was built. In both NO and SE, the IMs consulted the draft model with the RUs and tried to incorporate their findings and evaluate their doubts. Although it is usually not possible to consider all remarks (due to the conflicting views) the fact that the opportunity is given in a transparent and open discussion increases the acceptance. The consultation should also be collective (joint workshops/events), not only bilateral IM-applicant.
- **Ensure that all market segments are included**. The experience from SE and NO shows that it is not necessary to motivate all applicants to the table, but the participation of part of them is enough. Nevertheless, the sample has to represent all market segments and include applicants of different sizes.

- It can be again highlighted that **consultation only via Network Statement is not a good approach**. All studied projects included active involvement of RUs and the sector. For instance, in SE, a public hearing dedicated to this “revolutionary” change was organised before the draft Network statement consultation to ensure that the model is explained and communicated properly.
- **The regulatory body should be involved** to ensure non-discriminatory supervision. The experience from FI shows that it is not entirely necessary that the RB is actively taking part in the model development/discussion but still has to be informed and have access to the information. Active **involvement of ministries can be considered** but was not observed in the projects. In FI, the ministry is given the political power to decide on the initial line-priority-coefficients to ensure that the line is used mainly for the purpose it was built for. What was also noted as good practice is to ask the ministry to confirm the model compliance with the national and the European law.
- **Distribute simulations, model prototypes and examples**. It significantly helps in sector acceptance if the model is not only theoretical but used in some real situations, thus giving the applicants the possibility to check the possible implications. In NO, the model is published on the website as an excel file, and everyone can test the model output on real/hypothetical examples. The IM in SE, during the project, distributed an excel-macro prototype to stakeholders and demonstrated potential usage in some conflicting situations that might happen in reality on the network. Moreover, the acceptance seems to be higher, in case the new model does not significantly destabilise the market, but in the beginning, more-or-less slightly optimises the status quo (FI).
- It helps when there is a **clear signal from the policy-makers that a model has to be implemented** (it does not have to include instructions on what and how). This can be a European and or national law (NO, SE). The experience in SE shows that having a clear binding deadline supports the willingness of the sector to come to a compromise.

#### *After implementation*

- It can be expected that **further remarks and opposition can appear again in the moment when the socio-economic model is used with real consequences**, and thus, the first “players-not-getting-exactly-what-requested” speak up. Nevertheless, the opposition seems not to be towards the socio-economic model itself but towards the variables and coefficients in the formula (NO, SE).
- It is recommended to **plan certain evaluations and expect a potential revision of the first model after 2-3 years of usage**, only the practice would show in which aspects an improvement is needed, but this is all natural and should also be communicated in this way from the beginning (not model failure, but fine-tuning). In SE, some stakeholders were unsure whether some standardised values of paths/TCRs are not under/overestimated. In FI the regulatory body conducted a check and asked the IM to clarify whether the rules are only for congested or also not-congested situations.

*Important note: the studied implementation projects introduced only national socio-economic models. According to the given information, none of the IMs currently has experience with international capacity shortage/conflict to be solved by the socio-economic model, where both IMs have different results – leading to conflicting allocation/partitioning. In the wider European implementation, it will be most likely necessary to supervise internationally that the models fit each other, or a transparent international escalation process (with a clear and timely enforced final decision) is defined in case conflicting results are coming from national models.*

You can find more information about the project and the socio-economic modelling here:  
[https://www.forumtraineurope.eu/allocation\\_rules\\_principles/](https://www.forumtraineurope.eu/allocation_rules_principles/)