



# AN INTERVIEW WITH ANDREAS MATTHÄ



**ANDREAS MATTHÄ**

CEO AND CHAIRMAN OF AUSTRIAN FEDERAL RAILWAYS (ÖBB)

## INTRODUCTION

**ÖBB – or Österreichische Bundesbahnen – is an Austrian railway mobility and logistics service provider that was first formed in 1923. Today, ÖBB has over 40,000 employees, and it transported over 320 million passengers and 94 million tons of goods during 2021. ÖBB had a national monopoly on the railway in Austria, but since 2011 this monopoly has been broken up, and ÖBB now needs to prove its worth to its customers every day. One vital part of staying at the top of their customers' minds is having a clearly defined purpose to guide strategic decision-making. In 2018, Eurobarometer's survey showed that Austrian railway passengers were among the most satisfied in all of Europe. Today ÖBB is a modern company that is well positioned for the future – operating Europe's second-strongest railway cargo company and largest night-train fleet, competing with short flights.**

Andreas Matthä has had a long career at ÖBB, starting in 1982 as a Construction Supervisor and advancing into different management positions ranging from Team Leader to Head of Finance & Controlling. In 2016 Andreas became ÖBB's Group CEO. In this interview he shares fascinating personal insights about his journey at ÖBB and the future of the European mobility market.

## HOW HAVE YOUR VARIOUS PERSPECTIVES AND ROLES HELPED YOU IN YOUR CURRENT POSITION AS CEO?

As a professional bridge engineer, I started at ÖBB with the knowledge that bridges only work if there are stable abutments and strong foundations on both sides. Using this as a metaphor for ÖBB as a company, it means balanced relationships with residents, clients, stakeholders, suppliers, and society are important to keep all our projects on track – in time and on budget. Our focus must always remain on people and a sustainable prospect for society and the economy.

In addition, I would like to emphasize that a single person cannot manage a huge company group such as ÖBB. It needs teams at all levels – cross-functional and cross-cultural – and a spirit of trust.

## WHAT HAVE BEEN THE BIGGEST AND MOST IMPORTANT DEVELOPMENTS (SUCH AS MARKET, TECHNOLOGY, REGULATORY) IN THE AUSTRIAN RAIL INDUSTRY, FROM YOUR PERSPECTIVE, DURING YOUR YEARS AT ÖBB? HOW HAVE THESE IMPACTED ÖBB?

40 years ago, ÖBB was purely a railway company. It was stable and traditional, but the road – cars and trucks – and airplanes stood for modernity and innovation. That has changed tremendously over the years. Today, ÖBB has a refreshingly young image; it is a modern, sustainable and smart mobility and logistics provider!

The basis for this change in image and customer loyalty involved huge investments by Austrian taxpayers in railway infrastructure and trains – new lines, fast tracks, modern railway stations, and a rather big new-train fleet. In addition, there has been an enormous push toward digitalization, which made rail travel and transport faster, easier, and more efficient. At ÖBB we are quite proud of our good cooperation with the Austrian railway industry. This has allowed us to take up a pioneering role in many technical fields in the European railway sector. At the same time, our willingness to pilot new solutions has increased the domestic industry's innovation power and strengthened its worldwide market position.



In recent years, railway market liberalization has drastically changed conditions for ÖBB in its passenger home market. We have to prove ourselves every day and deliver the best offer and service for our customers. ÖBB has successfully met this challenge, and we have managed to remain the leading mobility provider in Austria. Furthermore, with our new brand, "ÖBB Nightjet," we have initiated a sort of renaissance for night trains in Europe, successfully stretching our network from France to Poland and Belgium to Croatia.

## COMPANY PURPOSE

**YOU HAVE REVISITED YOUR PURPOSE TO GUIDE STRATEGIC DECISION-MAKING. WHAT MAIN TRIGGERS MADE YOU LOOK INTO AND MORE CLEARLY DEFINE YOUR COMPANY PURPOSE?**

I am strongly convinced that purpose and commitment drive people to their best performance – to do their best for their clients, their company, and their country. At ÖBB we have always observed this energy of purpose in times of crisis – throughout the company's 100 years of history. When the going gets tough, the cohesion and crisis management power of railway workers is enormous – as you can see now in Ukraine, with the railway people of Ukrzaliznytsia (UZ) doing an incredible job keeping the country going during wartime.

And it is this energy, this driving force of purpose, that I want to use for pushing ÖBB forward.

**MANY COMPANIES TEND TO FOCUS ON THE "WHAT" AND "HOW." WHICH IMPACTS AND BENEFITS HAVE YOU OBSERVED FROM HAVING A CLEAR AND ANCHORED "WHY" (PURPOSE) ACROSS THE ORGANIZATION?**

Revisiting ÖBB's purpose helped us redefine our strategy and refocus the leadership team on the major market challenges. It also helped us manage the multiple crises we have faced in the past three years – starting with the massive impact of COVID-19, especially in the passenger transport sector, which was followed by a shock in the cargo sector caused by the energy and supply chain crises due to the war in Ukraine.

However, ÖBB's purpose is also an asset in the labor market. Today the "why" behind a job, a service, is a major incentive for young people to take up a job and to join a specific company. This goes especially for ÖBB, with its strong commitment to sustainability and climate protection. We now see a lot of young, high-qualified people who would like to join ÖBB because of its clear purpose – its beneficial contribution to healthy, sustainable development of the society and economy. Therefore, our purpose, the bigger meaning behind railway jobs, is now a crucial part of our recruiting activities and campaigns.

## **HOW HAVE YOU WORKED TO ALIGN AND DECIDE ON A COMMON PURPOSE ACROSS SUCH A LARGE AND COMPLEX ORGANIZATION AS ÖBB?**

We have put quite a lot of energy and workforce power into the definition of ÖBB's purpose – actually, it has been more of an excavation project, as our purpose has always been there. It has always been part of railway workers' DNA, without having been verbalized or written down. However, now we are in the middle of a massive generation switch. About half of our 40,000 employees will be leaving the company within the next seven years. So we need to transfer the strong ÖBB purpose to the next generation of railway workers – and this can no longer be done by a slow oral history transfer. In 2017, with the guidance and support of ADL, we started a company-wide program of workshops, surveys, and interviews to excavate and write down ÖBB's purpose. The next step was to transfer this purpose to our market and employer branding. This was done in 2018, again with a company-wide set of interviews and workshops. More than 800 colleagues were involved in this two-year, multilevel program.

## **WHICH LEVERS AND MEASURES HAVE YOU TAKEN TO "ACTIVATE" THE PURPOSE IN THE WIDER ORGANIZATION?**

The company's purpose and values must be clear and consistently communicated through all channels. Every employee must know what the company stands for. It is even more important everyone practices the values daily. Of course, the executives and the management team of ÖBB play a very special part as role models.



## BUSINESS RESILIENCE

**TODAY EUROPE IS FACING SEVERAL CHALLENGES IN TERMS OF ENERGY SCARCITY, SUSTAINABILITY, HIGH INFLATION, AND GEOPOLITICAL TENSIONS. WHICH MAIN MACRO TRENDS ARE CURRENTLY IMPACTING AND TRANSFORMING YOUR INDUSTRY, AND HOW DO YOU SEE ÖBB CHANGING IN THE COMING YEARS?**

We have all gone through difficult challenges in recent years, whether this was the COVID-19 pandemic or the energy price crisis. Nevertheless, the biggest and most threatening challenge for our society and economy is the climate crisis. The transport sector plays a crucial role here, as it is the one sector in Europe's economy still with growing rates of CO2 emissions. However, the climate crisis provides us with the opportunity of shifting traffic from road and airplane to rail.

The European railway sector is ready to start the transformation and greening of transport. But to reach this, politics at both the national and European level have to set the necessary framework conditions – such as cost transparency and a level playing field concerning regulations, taxes, and standards for all modes of transport.

## WHAT WOULD YOU CONSIDER TO BE SOME OF YOUR KEY ACHIEVEMENTS IN TERMS OF INNOVATION, PARTNERSHIPS, AND NEW OFFERINGS AND/OR CUSTOMER EXPERIENCE? WHAT WERE THE MAIN DRIVERS FOR THESE AND WHAT BENEFITS DO YOU SEE?

The railway sector has changed dramatically in the past 20 years – moving from a public administration approach to a customer-focused service sector. For example, look at our rail stations: They are modern mobility hubs, directly connecting trains with buses and individual

***MANY EUROPEAN RAIL OPERATORS HAVE ABANDONED THEIR NIGHT TRAINS. ÖBB HAS ALWAYS BELIEVED IN THIS SEGMENT, AND CONSISTENTLY EXPANDED ITS NIGHT-TRAIN SERVICES SINCE 2016.***

shared mobility. With our new service, “ÖBB 360,” we offer sharing of bicycles, e-bikes, scooters, and ÖBB Rail&Drive cars for the last mile.

Many European rail operators have abandoned their night trains. ÖBB has always believed in this segment, and consistently expanded its night-train services since

2016. Today, we are the leader in Europe with our Nightjets, offering the most environmentally friendly way to travel across Europe. Since the demand and political pressure for night trains is increasing in many countries, there is broad interest in cooperating with ÖBB. We now have agreements with Deutsche Bahn, SBB, SNCF, and the Dutch NS to further expand the night-train network.

## LASTLY, YOU'VE BEEN WORKING AT ÖBB FOR 40 YEARS – CAN YOU DESCRIBE WHAT YOU THINK ÖBB WILL LOOK LIKE 40 YEARS INTO THE FUTURE, IN 2062?

During the last 40 years I have spent at ÖBB, the railway system has changed dramatically, and I am sure this trend will continue for the next 40 years. As the cleanest, most climate-friendly mode of mass transport, railway will play an even greater role in the future

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traffic system than now. All major European cities will be connected by high-speed rail, which will reduce travel times significantly and thereby replace short- and mid-distance flights. Rural areas will be far better integrated in public transport schemes thanks to sharing and alternative means of transport. Connectivity between the various modes of cargo transport

will become closer, and the number of trains in the European rail infrastructure network will almost double thanks to digitalization. And still, railway people will be proud of their trains and their strong contribution to a sustainable society and a high-performing economy.





**ARTHUR  LITTLE**