

De Lijn: a smarter cost model for smarter mobility

Mobility is one of the main contributors to a region's economic health and the overall quality of life. In Flanders, public transportation company De Lijn has developed an ambitious vision to help tackle the region's environmental and economic challenges. The finance team was closely involved in that process: a new cost model will provide increased insights and transparency and, as such, pave the way for increased accessibility.

In 2018, the Flemish government rewrote its mobility policy. The guiding principle changed from 'basic mobility' to 'basic accessibility'. "The goal is to better attune public transportation to the needs of commuters," explains Werner Jacobs, CIO and CFO of De Lijn. "An important step in doing this was to redraw the map of public transport in Flanders: instead of being divided according to Flanders' five provinces, the new mobility network contains fifteen 'transport regions'. This new setup has important budgetary consequences, which led us to completely reconsider our existing cost model."

1 Insights and simulations

"The goal was to not only have a clear picture of the expenses made across connections, but also to be able to simulate what the budgetary impact would be of adding or subtracting certain services," Werner continues.

To establish this new cost model, De Lijn appealed to the experts at delaware, with whom the company already had a long-term partnership for ERP support. Werner: "We also reached out to other potential service providers, but ultimately decided on delaware because of their profound knowledge of our systems. This gave them an important head start over competition."



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"First, we needed to get a clear view of what we wanted to accomplish," explains Ben Reynaert, Senior Business Consultant at delaware. "We organized a number of workshops with De Lijn's controlling teams in an effort to align business strategy with technology. This approach immediately gave us an insight into whether the ideas made sense for the business and were technologically feasible."

For De Lijn, the most important requirements were transparency and usability. "Werner included the responsible users — the ones that were going to need to analyze the data — very early on in the project," says Kurt Rommel, SAP CO Senior Consultant at delaware. "This obviously helped to get everyone on board from the get-go. In addition, we tackled the various challenges in a technology-independent way, always trying to find what would work best for De Lijn and its people."



2 Driver-based model

In this case, that approach translated into a complete redesign of the SAP CO module to prepare cost parameters for the most important cost influencers (e.g. bus type, timeslot, etc.). These will be picked up in a driver-based model using technology that people at De Lijn are already familiar with, like TM1 and public transport planning tool Hastus.

"The sector in which we work is evolving very fast," Werner concludes. "This new approach is helping us to simulate certain scenarios and determine their impact on our budget. It also allows us to work pro-actively and offer better services, which in turn helps us to stay relevant."