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BUSINESS & TECHNOLOGY

THE MAGAZINE FOR EUROPEAN RAIL DECISION MAKERS

SOCIALLY FRIENDLY AUTOMATIC SYSTEMS
AN IMPOSSIBLE EQUATION?

SPANISH RAIL INDUSTRY MAKES
ITS WAY IN THE WORLD

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DIABOLO PUTS NEW SPIN ON
AIR-RAIL RELATIONS



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SILVERRAIL

RAIL DISTRIBUTION FOR THE 21ST CENTURY



Aaron Gowell and Will Phillipson founded SilverRail in 2009 after 10 years solving some of the travel industry's most complex problems. Gowell was formerly CEO of National Leisure Group (NLG), a 2000-person travel technology company that created the first online booking system for the cruise industry. Phillipson was NLG's lead product architect, and later a product lead at ITA Software - now a division of Google - where he helped solve journey planning, pricing and availability for the airline industry.

"Will and I love solving complex distribution problems, particularly in areas that the GDS has stumbled. In rail, there is a clear disconnect between the huge advancements being made by rail suppliers and the failure of the distributors to keep up", said Gowell.

"Rail is making significant infrastructure investments in speed, rolling stock and network growth that are yielding huge benefits for their customers, enabling them to truly compete with airlines. Yet, on the distribution side, neither the GDS nor large agencies are making progress to make it easy for consumers to find and buy rail."

"It doesn't make sense to me that we are not seeing major travel sellers, like Expedia, the

SILVERRAIL TECHNOLOGIES HAS BUILT THE FIRST GLOBAL DISTRIBUTION PLATFORM FOR RAIL - SILVERCORE. WHERE OTHERS HAVE FAILED, THIS 3-YEAR OLD UK-BASED START-UP HAS FINALLY CRACKED THE CODE. SILVERRAIL IS SOLVING RAIL'S MOST VEXING DISTRIBUTION CHALLENGE: HOW TO MAKE RAIL PLANNING AND BOOKING AS EASY AS AIR.

world's largest travel agency, selling rail.", said Gowell.

Phillipson saw an opportunity to combine a packaging platform with advanced search to create the first truly global platform for rail.

"The two major innovations that were needed were a set of rules and standards to define things like station codes, and designing a settlement system for handling the transactions," said Phillipson. "By creating a single settlement system, which ensures carriers receive their money, we are able to sell any supplier's product, in any currency, in any country."

Added Gowell, "Creating a single platform enables suppliers to open up huge new distribution channels while lowering distribution costs. At NLG we created the first platform for online cruise distribution. That opened up Expedia and Priceline, plus channels like Wal-Mart Vacation's program and US Airlines, which experienced significant cross-sell. All of that led to over \$1 billion in new sales, all through our connection, while cutting the supplier's distribution costs by almost 35%."

"But the key to opening these very sophisticated channels," added Phillipson, "is to build a system that can handle high volumes of searches and transactions, while at the same

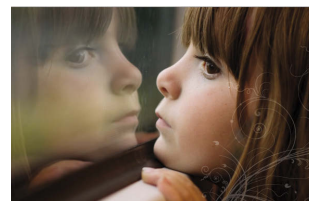
time protecting the supplier's systems from those volumes. We've built SilverCore to enable sellers to connect to us via a single API, which can give access to any supplier we're connected to. Our goal is to make searching and buying rail as easy as air".

HAS SILVERRAIL SOLVED RAIL DISTRIBUTION?

"We're well on our way", said Gowell. "We have five major rail systems fully integrated, plus a dozen major travel agencies connected and selling tickets. We're about to go live with ebookers.com in the UK, which will be the first time a global online travel agency has truly integrated rail."

"We see ourselves as a 3rd party direct-connect system for the suppliers. These customers belong to the supplier, not to SilverRail or the agency, and the supplier is always in control," added Phillipson.

WHAT'S NEXT?



"We need to get the rest of the European suppliers onboard. I think they like what we're

doing, but several firms, such as the RailTeam project, have come before us and failed. So, I think they are hopeful we'll succeed, but are waiting to see us prove it. At least it is finally real" states Gowell.

"The next step," adds Phillipson, "is to focus on two further innovations. First, cross-supplier journey planning. At ITA, we built the best air search system in the space, and we're going to do that again here in rail. Secondly, we're building a "mirror" inventory system, which enables suppliers to have a second, independent copy of their inventory system hosted by us. It enables SilverRail to process all the searches, which eliminates all of the query costs for the suppliers through these high-volume search channels, like ebookers or Google."

Gowell summarizes: "the suppliers have done such an exceptional job with their high speed products and networks, yet the distribution systems are in the stone-ages. We're hoping to step into that void and fix this massive distribution problem ■"

MORE INFORMATION

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