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FirstGroup brief

Introduction

FirstGroup (First) is the UK's largest transport operator. It employs more than 137,000 people in the UK and North America. In the UK, it runs rail services carrying around 275 million people a year. It is the UK's largest bus operator and also runs rail freight. In North America, it provides school transport for nearly four million students a day.

External influences

First has to identify what external changes are likely. These are changes that First may not have control over. It can do this by carrying out a PESTEL analysis. Each letter stands for an area of influence. External factors can present either a threat or an opportunity to the business. First has to assess which are threats and which are opportunities. It then must put in place strategies to respond to them.

Political and Economic factors

- **Political** . Efficient transport is very important to the country. In the 1980s, the government began to sell parts of the transport industry to private companies. It believed that competition would keep prices low. Competition encourages companies to try harder to give customers what they want. The UK government also wants transport businesses to reduce their effects on the environment. First provides safe and reliable services that encourage more people to use its buses and trains. This also helps the environment as more people choose to use public transport rather than their cars.
- **Economic** . First needs to respond to economic factors like changes in demand. For example, the demand for safer school transport has led to research into Yellow School Buses, based on the US model. Another factor is high tax on fuel. This may mean people use cars less and public transport more. First supports cars and public transport working together by running many park & ride schemes.

Social and Technological factors

- **Social** - Social changes include the fact that people are living longer. Many more people now have free bus passes. Local Authorities pay the costs of these passes. People travel more but are more aware of how this affects the environment.
- **Technological** – Technology helps First to improve services. First has introduced ftrs. These are highly advanced buses that look like trams but do not travel on rails. These carry more passengers and are more efficient. Other technology can make travel easier:
 - Text and email alerts can be sent to waiting passengers on some services.
 - Kneeling buses help elderly or disabled people to board.
 - Pre-paid smartcards can be used for fares on some buses for convenience.



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Environmental and Legal factors

- **Environmental** - First is reducing its own carbon emissions. Through its Climate Change Strategy, the company aims to reduce carbon emissions by 25% for bus and 20% for rail by 2020.
- **Legal** - Legal factors that affect business often link to political ones. First complies with all UK legal requirements and where it can, it does more than the law requires. For example, First is already taking steps to reduce its carbon emissions ahead of the government's 2010 targets.

Conclusion

Many factors are outside First's control. They may be seen as threats, but most can be turned into opportunities. PESTEL analysis helps First plan for the future.