



How to break into the rail sector

The UK spends more on rail infrastructure than any other European market and with several major rail projects currently underway such as Crossrail and Transport for the North, the rail sector's supply chain is full of opportunities. National rail infrastructure is currently estimated to be worth £88 billion, according to the UK Government, with rail operators expected to invest £35 billion into new services and equipment over the next 15 years.

The UK Rail Industry:

- 2500 stations
- 1.7 billion passenger journeys a year
- 50% growth in rail usage in the UK since 2006
- 216,000 employed across the rail industry and its supply chain in the UK
- £10.1bn of gross value generated each year

In order to make the most of the opportunities that exist within the rail sector, there are a number of key points that SMEs need to be aware of before they enter this diverse supply chain.

How does the UK rail industry work?

Many of the opportunities within the rail sector are focussed on procurement around three main areas: rolling stock leasing companies and train operators, freight operators and the Department for Transport.

Trains are often referred to as rolling stock, and the majority of rolling stock that runs on UK railways is owned by three private companies and not the train companies operating the services. These private companies are known as rolling stock leasing companies (ROSCOs) and the three biggest companies are Angel, Eversholt and Porterbrook. They lease their rolling stock to train operating companies (TOCs) for them to use on their own services.

Many of the procurement opportunities for ROSCOs and train operators are within maintenance and services, as well as modifications to rolling stock, while freight operators procure locomotives and wagons, and the Department for Transport procures new passenger rolling stock.

Meeting the requirements of the Rail Industry Original Equipment Manufacturers (OEMs)

Whether you're interested in supplying major train parts such as seating and glass windows, or consumable parts such as raw materials, you should be aware of the main OEMs operating in the Rail Industry such as: Alstom Transport, Bombardier Transportation, Hitachi Rail Europe, Siemens Mobility and CAF.



The Supply Chain Network – Making Opportunities, Visible, Accessible and Winnable!

That said, there are lots of OEMs operating in the rail sector and understanding the raw components and parts that are needed to create trains can help you identify how your business could supply these OEMs. We've split this into three different tiers:

Tier 1 – major train parts such as the drivers cab, toilets, seating, glass and doors.

Tier 2 – Individual parts such as brackets and trims.

Tier 3 – bolts and raw material such as concrete, steel and timber sleepers and bearers.

As the sector works towards becoming more efficient, a growing number of opportunities are presenting themselves for suppliers of digital software and business services. These include everything from basic service provision provided by rail operators and customer-facing staff to intelligent infrastructure such as rail infrastructure monitoring, technical consultancy and telecoms.

Projected volumes

New and ongoing projects such as the Crossrail and the Great North Rail Project means there will be an increase in the number of opportunities that are available to suppliers interested in working within the rail sector. We can expect a significant increase in projected volumes for carriages and rail wagons, new facilities covering hard services and soft services, overhauls of stations and upgrades to stations and rolling stock.

Becoming a rail supplier – top tender tips

The growing number of opportunities within the rail sector also means competition to enter into the supply chain can be fierce. To ensure your business has the best chance of success when it comes to winning tenders and new opportunities, it's important to consider the following points in relation to the sector.

- What are the unique selling points of your business?
- How competitive tenders are will depend on what tier you're bidding for, so carefully consider which tiers your business is best suited to.
- Ensure your capability and the capability of any suppliers you work with in advance of bidding for any new work.
- Check which industry certification standards you have to meet and make sure that they are all in place
- Consider any pre-qualification requirements
- Don't make assumptions without noting them– every assumption should be fully documented in your quotation
- You may need 3rd party accreditations to be successful in bids (such as IRIS standard systems certification or RISAS supplier systems certification, among others) so make sure that you have all the necessary accreditations in place.

Stay up to date with the opportunities that are available via [The Supply Chain Network Opportunities Map](#) or contact your dedicated Business Advisor.