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Chasing the shiny toys - Will the latest toll technology help your agency achieve success?

Seven steps that will lead executives to the right answer

In the near future, the toll industry will witness a historic eclipse of in-vehicle technology, personal technology and roadside technology. Their convergence will have a profound effect on the U.S. toll and transportation industries. Even now, there are a host of technology startups, all clicking open their briefcases to reveal smartphone apps, which they claim will be the preferred way people pay tolls in the future.

And, who can argue? The largest U.S. demographic, Millennials, ages 18 to 34, will reshape the tolling industry. They have more buying power than all generations combined. They spend more than 78 percent of their time buying goods and services online - more than 60 percent of that is done through mobile technology. Their attitudes about privacy are vastly different than those of their parents and grandparents. And, with the proliferation of smartphones, marketing to them has become personalized and highly targeted.

Granted, Samsung and Apple aren't intentionally creating new toll collection technologies, but they have provided a platform that allows entrepreneurs to develop applications and technologies that could have a profound effect on tolling. If Google Wallet were to become a widely accepted payment platform, for example, it could dramatically affect how tolls are collected.

Back at the toll authority, agency executives are feeling pressured to evolve their systems to meet the coming tidal wave of demand ... *Should we be investing in one of these new technologies? What happens if we don't? Will the industry leave us behind?*

These are thoughtful, legitimate questions. A little more than a decade ago, cashless tolling was considered groundbreaking. Today, it is relatively commonplace. Wondering, "What's next?" and wanting to be prepared for it is a natural business reaction.

Three truths of tolling

Toll executives, struggling to keep pace with a rapidly changing industry and uncertain future, can be assured of three things:

1. They are not alone in feeling pressured. Nearly every agency is feeling the same way.
2. They are not being left behind technologically. Right now, there's more talk and posturing than actual production and implementation.
3. The toll industry is changing quickly, but, historically, change does not happen overnight. Right now, there is no one-size-fits-all solution. Existing transponder technology and video tolling are alive and well.

Agencies that are considering new technology should proceed cautiously. The real question isn't which new shiny toy to buy, but are these new technologies better than the agency's current solution? Seven steps can lead executives to a confident answer:

1. Understand your agency's business case and financial situation.
2. Identify customer preferences.
3. Opt for small steps instead of a technology leap.
4. Ask "what if ...?" Considering what the next 10 years may bring is an important exercise.
5. Define what success looks like for your agency. The resulting vision may or may not align with the solution you are considering.
6. Tap into the knowledge and experience of industry and cross-over associations.
7. Test new technologies.

Then, decide. Not only will executives have arrived at a confident decision, it will be one they can justify.

Stick with what you know

There is no denying the U.S. toll industry is seeing rapid change. And, we can be certain more is on the way. But exactly what those changes will look like remains to be seen. The best course of action? Stick to what you know. Go back to your business case and your customer profiles and let those insights be your guide. Remember, the underlying purpose of a toll agency is to deliver customer services in the form of high-quality, reliable transportation services for the benefit of their traveling customers and the economy, not to have the newest shiny toy.

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