

Amtrak

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The National Railroad Passenger Corporation, commonly known as Amtrak, is a government run corporation working in the railroad passenger industry.

The organization started its operation in 1971 headquartered at Union Station in Washington DC. The US federal government owns Amtrak's whole preferred stock. The Amtrak's board of directors is appointed by the US President with the approval of the US Senate. Currently, the company provides employment to over 20, 000 people. The firm runs approximately 300 trains each day and operates 34, 000 km passenger service on freight railroad tracks. The company's train service connects nearly 500 destinations in 46 states. The company information indicates that Amtrak served 30. 2 million passengers and achieved ticket revenue of \$1. 9 billion in 2011 fiscal year (AMTRAK, 2008). It would be recommendable for the Amtrak to introduce its railroad services to Denmark, one of the most developed economies in the world.

Although Denmark is an economically and industrially developed country, its railroad industry is still struggling to provide superior services to passengers.

“ Railroad transport is not competitive in Denmark and is only being sustained by higher subsidies than other modes of transport” (OECD, 1999, p. 77). Denmark remains to be one of the Western European countries with limited number of long distance bus transportation. Today, a large number of passengers depend on bus transportation for their journeys, and hence Amtrak services are most likely to be accepted by the Denmark's railroad passenger industry. Currently, the country has roughly 2, 600 km of railway lines and passenger trains are a common mode of transport in Denmark. In addition, the country has well developed infrastructure facilities, which is a <https://assignbuster.com/amtrak/>

vital element for railroad passenger industry. Denmark has some major rail connections to its adjacent countries including Germany and Sweden. Although there are numerous positive factors for Amtrak to introduce its services in Denmark, some operational barriers exist in the new global country. The OECD report (1999, pp. 77-78) reflects that increased governmental regulations have become a growth impediment to Denmark's railroad passenger industry. The report also points out that Denmark does not effectively seize transportation opportunities provided by its neighboring countries. As a result, such government level restrictions may limit the operational efficiency of the company in Denmark. In addition, Denmark has only limited number of electrified railway lines and this condition would cause many difficulties to Amtrak. Finally, Amtrak may face potential competition threats from well established and reputed market rivals like DBS.

However, Amtrak can overcome those barriers through effective operational strategy development and excellent managerial performance. If the company can convince the Denmark government that Amtrak's services will assist the country to offer cost effective and quality passenger services, the government would allow the company to enter Denmark's railroad passenger industry. An effective pricing strategy (like low cost pricing policy) may be beneficial for Amtrak to attract passengers at the initial stages of the business launch. Finally, market surveys may aid the company to clearly identify passenger needs and thereby redesign its service strategies.

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