

## 'Daring to Jump'

### FlixBus boss Jochen Engert is right where he always wanted to be: at the helm of a company

**Business consultant Jochen Engert, a graduate of the University of Stuttgart, was working on his Ph.D. when he learned that the market for long-distance bus travel was about to be thrown open. He lost no time in seizing the opportunity together with two friends and founded a startup. Today his long-distance bus company FlixBus, better known to many as FlixBus, is the market leader, offering digital strategies, economically priced tickets, and a lot of feeling for the lifestyle of its young customer base.**

The Stuttgart University graduate doesn't look very adventuresome at first glance. 'Sheltered' is how Jochen Engert describes his childhood in Gosmannsdorf am Main, a town of 1,000 near Ochsenfurt in Germany's Unterfranken Area, in a close-knit family, and his active membership in the soccer club. School was followed by military service, after which he thought for a long time about his future course of studies. Now 34 years old, he reminisces, 'I wanted a mix of economics and technology'. The University of Stuttgart offered precisely that in its 'Technical Applied Economics' curriculum. 'It was a full-scale economics degree course with a technical flair - exactly what I was looking for.'

#### **Smooth as silk**

His choice of courses was deliberate, strategic, and target-oriented; he wanted to 'get as much content as I could.' In particular, he delved at the University - interspersed with two semesters abroad at the University of Ottawa - into Controlling and Finance and learned how to manage company-type organizations. Business consulting in particular aroused his interest, and even as a student he gained practical experience. Following his graduation, Jochen Engert joined the Boston Consulting Group (BCG) where he

worked for two and a half years as a consultant for customers all over the world, enjoying the diversity of projects and issues which he encountered. It went 'smooth as silk', and with his degree in Business Administration he was well on the way to an assured professional future. In 2010 he took a sabbatical in order to write a doctoral thesis at the Otto Beisheim School of Management in Vallendar on 'Industrial Service Pricing'. But even then, quite another idea was simmering just beneath the surface.

#### **The moment of decision**

'I always had an urge to start up my own company,' he says, as if this were self-understood. For years he worked out the ramifications of different business ideas with his present business partners Daniel Krauss and André Schwämmlein. 'And then, just when my Ph.D. thesis was underway, we heard about this issue of market liberalization.' That was the moment of decision.

After 75 years during which the German Bahn had a monopoly on long-distance travel, the German government at that time debated whether to open up the domestic German long-distance travel market in the interest of economically priced alternatives. A new market segment was possible. Although whether and when were still speculative, the three friends pricked up their ears. 'It doesn't happen very often that a market in front of our doorstep is liberalized,' smiles Jochen Engert. It was a once-in-a-lifetime opportunity - but the three young men let it go by at first.

#### **Why leave a secure job?**

'We took it for granted that the German Bahn would come and do this itself,' says Engert. 'The Bahn is the biggest transport company in Germany, with the biggest impact and the most options.' But then the unexpected happened: the Bahn turned up its nose at the idea. 'They didn't find the market attractive,' says company boss Engert today. 'Once again,



# FLIXBUS

When the long-distance bus travel market opened up in 2011, Jochen Engert and two friends seized the opportunity to found a startup. Today FlixBus is on the road all over Europe.

Photo: Foto: FlixBus/Jan Röder

we started paying attention, and then we thought through various business models, with the question: 'Where is there added value for us? Which idea might work?'

A time of intensive work began. At first, the Ph.D. thesis and the startup proceeded parallel to each other. Engert's BCG colleague André Schwämmlein was also working on his doctoral thesis at the time, and business informatics specialist Daniel Krauss was working for Microsoft. 'And then we reached a point where we had to decide: do we finish our Ph.D.s and then go back into consulting? Do we stay with our secure jobs? Or do we make the jump and start up a company?' Everybody knows the answer: The long-distance travel market opened up on January 1, 2013, and the three were at the starting line with FlixBus GmbH.

### **Actually more of a technology company**

The three-man startup, founded in Munich in 2011, with its first busses on the road on February 13, 2013, has now become a Europe-wide long-distance bus travel company with about 1,000 employees. More than 1,000 FlixBus brand busses are now rolling for FlixBus GmbH to more than 900 destinations in Europe. FlixBus has build up more than

100,000 points of connection and carried 20 million passengers in the year 2015. At the moment, FlixBus dominates the market with more than 80 percent in Germany, not least because it has bought up various competitors - just recently Postbus. The company is now also the market leader in France and Italy.

What is special about the concept is the 'partner model'. FlixBus does not own its own busses and drivers, but prefers to work Europe-wide with more than 250 mostly medium-sized bus companies. The heart and soul of the company, which describes itself as more of a technology company than a bus company, is the 'FlixBus App', a technology platform offering a booking system, delayed scheduling management, and GPS live tracking. There is also a marketing approach under the motto 'green mobility' which specifically uses targeted online marketing to make the 'old-fashioned' bus industry attractive for a younger interest group. This involves a uniform look for all partners, with green busses, intuitive booking of tickets via an app, no-cost WiFi, electric outlets for smartphones, Infotainment during the trip, friendly bus drivers, and very reasonably-priced tickets. Now there is even an online charter platform.

*Linny Bieber*