

# Railinc Drives Down Costs, Defect Rates with Application Outsourcing

Keane Brings Transportation Industry IT Provider the Flexibility to Meet Changing Business Requirements

## Abstract

When Railinc was spun off from its parent company, the Association of American Railroads, the organization needed a vendor it could trust to maintain core business applications while Railinc addressed strategic IT projects for its customers. Railinc sought a long-term relationship that could produce ongoing cost reductions in its application maintenance budget. Keane assumed responsibility for managing and supporting 95 percent of Railinc's legacy mainframe portfolio. Over time, that relationship has continued to grow and today Keane plays a large role in the development and maintenance of Railinc's applications. This has enabled Railinc to focus internal resources on strategic initiatives that create customer value and company viability.

## Client

Railinc is a leading provider of information technology and related business services to the North American railroad industry. Railinc operates one of the nation's largest Electronic Data Interchange (EDI) networks for critical

document exchange and Value Added Network (VAN) services. It also hosts a variety of rail industry revenue, equipment, and operations management applications, maintaining the most extensive database of rail transportation information in the world. Railinc's mission is to provide high quality computer and communications systems and services to the transportation industry.

## Challenge

As a result of the transition from the Association of American Railroads in 1998, Railinc needed to transform itself from a division of a non profit organization to a for profit enterprise. In addition, it was consolidating operations in Chicago and Washington DC and moving to the Research Triangle Park area in North Carolina. Railinc required an application outsourcing solution to cost effectively manage core business applications and free up resources to focus on application development projects for its major customers. The Company also sought to maximize its return on investment to ensure that its business critical technology infrastructure operated effectively and seemingly defect-free. A primary requirement was an outsourcing partner who possessed proven, high-quality application maintenance processes and throughput.

## Solution

Keane maintains a longstanding record of success in exceeding client expectations for cost reduction, as well as a world-class global delivery model that incorporates onsite and offshore capabilities. Based on this value proposition, Railinc selected Keane for

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**"Our information and telecommunications network is the backbone of our business. Outsourcing application support to Keane helps us to run both an efficient IT organization and focus our resources on providing additional value to our customers."**

E. Allen West, Vice President of Information Technology, Railinc

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its application outsourcing expertise and leveraged a local management team with delivery through the Keane India Advanced Development Centers (ADCs). By capitalizing on Keane's 20 years experience in offshore delivery, Railinc has optimally distributed its mission-critical applications among resources onsite in North Carolina and offshore at Keane's Hyderabad and Delhi ADCs. Railinc has taken full advantage of the flexibility of Keane's global sourcing solution to address changing business needs by adjusting the number of offshore resources being used based on enhancement, upgrade, skill, and project demands.

At the onset of the engagement, Keane quickly established transition teams in numerous Railinc locations in the US and at Keane's India ADCs, before taking primary application maintenance responsibility. Since the completion of this transition, Keane has extended its relationship with Railinc to provide ongoing software changes and routine data processing to ensure required system uptime, support new business functions, modify systems to correspond with changing business needs, and develop new software solutions. The Keane team continues to supply

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**"We have strengthened our relationship with Keane over the past several years because of their ability to provide dependable business and IT value to our organization. Offshore outsourcing with Keane India has enabled us to realize cost savings and increased software support efficiency, in a relationship that should endure for many years to come."**

E. Allen West, Vice President of Information Technology, Railinc

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## Client Story: Transportation Industry IT Provider

production support and enhancements for 49 mainframe applications at Railinc, representing approximately 95 percent of the Company's legacy portfolio. Railinc expanded the relationship with Keane in 2002 to include the development of e-Commerce applications and Project Management consulting solutions tailored to Railinc's requirements.

### Benefit

Railinc has realized significant business and IT benefits by capitalizing on Keane's global delivery capabilities for the past five years. While meeting critical deadlines for application development projects, Railinc was able to achieve substantial business benefits including:

- Substantial cost reduction for application maintenance

- Decreased software defect rates on enhancement work
- Improved scalability and increased flexibility to quickly ramp up and down projects according to business requirements

The Keane-Railinc relationship has exceeded Railinc's expectations for the responsiveness and ease of doing business with project teams onsite and at both India ADCs.

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*Keane is a global services firm that specializes in enabling transformation of its clients' business and IT functions.*