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Major Railroad Saves over $1M per Year with Stratix Telecom Expense Management

The U.S. rail network is a major driver of the nation's economy. Data from the Association of American Railroads shows that the system moves one-third of all American exports and roughly 40 percent of long-distance freight along its 140,000 miles of track each year. Railroads move a huge range of goods, including raw materials, automotive products, chemicals, agriculture commodities, and intermodal freight—which involves transporting containers on ships, rail, and trucks. Up until recently, many aspects of train logistics—especially those managed by field workers—were handled manually with pen and paper. But that's changing fast. Mobile technology and Internet of Things (IoT) sensors are automating more and more. That's speeding digital transformation but also bringing new challenges.

The Original Ask

When a large railroad decided to leverage mobile technology for its conductors to assemble trains and manage pickups and drop-offs along routes using a new application, it turned to Stratix. The railroad needed more than 8,000 iPhone devices for the program, and there were unique technical challenges to overcome. Because of federal regulations, train crews are not allowed to send or receive phone calls or text messages when trains are moving or during other important activities. That meant the devices had to be locked down for data only. Before starting the configuration process at our Mobile Configuration Center, the Stratix team did extensive testing. We were able to make changes to our proprietary ProCheck automated configuration tool to test each device to ensure phone and text capabilities were disabled when they needed to be.

Partnering with Stratix took the pressure off the railroad's internal IT team, which didn't have the capacity to take on such a large-scale project. With our resources, we were able to cut the deployment time in half. The iPhone program also dramatically enhanced the customer experience. The real-time information on the status of shipments means customers know exactly where things are and get updates on problems like delays. Tracking the condition of assets more closely means the railroad can stay on top of routine maintenance, predict problems, and minimize service failures.

A New Challenge

As Stratix built our relationship with the railroad, they came to us with a new problem. With such a vast geographic service area and thousands of employees who are often in rural locations, the railroad's mobile communications are extensive and complicated. Its people need to talk to each other wherever they are, 24 hours a day. The company also transmits and collects data from hundreds of Internet of Things (IoT) sensors around its rail network. That means the company pays for thousands of devices and cellular network connections across multiple carriers. The complexity makes it challenging for the company to get holistic visibility of equipment and associated voice and data plans to ensure employees have what they need while not paying for unnecessary charges, like devices with zero use.

In an attempt to gain the required visibility and cost control, the railroad used a Telecom Expense Management (TEM) provider, but there were issues. The TEM portal was very manually intense, and the company was paying for data it didn't use. The service relied on software, and there was not a high-performance team analyzing the data coming out of it to look for issues and savings. The support staff was also based offshore, which led to language difficulties and communication breakdowns. Frustrated, the company looked for another partner.

Why Stratix Was Selected

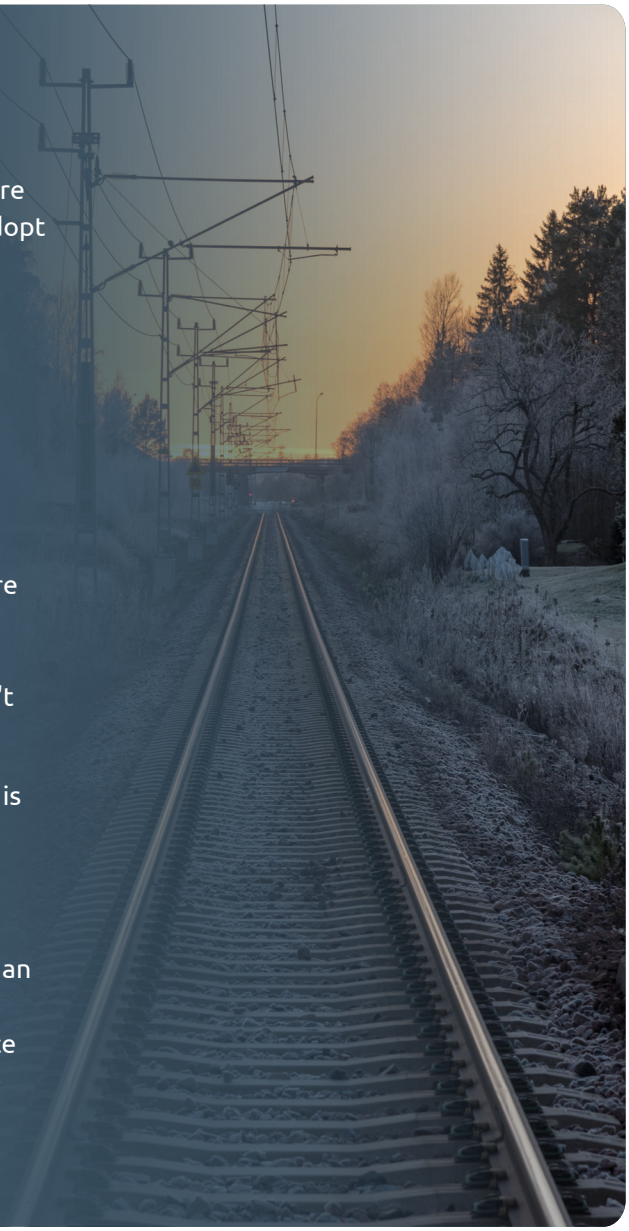
Several critical capabilities made our TEM platform and service more attractive—savings aside—that came down to making it easy to adopt and use. The Stratix platform beat out our competitors in the RFP because our solution is:

- More user-friendly
- 24x7 onshore support
- Intuitive order flows
- Time-saving automation of workflows
- Integrated carrier device catalog

Stratix Telecom Expense Management combines powerful software with an onshore team that uses the data to carefully audit the railroad's mobile device inventory and cellular connections. Information is pulled from carriers through automation and doesn't require manual updates.

If users leave the company, managers get notifications that action is required for assigned devices. Notifications also alert managers to excessive usage.

Overall, the Stratix system is more straightforward and helpful. Previously, an administrator had to submit orders. Now, they have an end-user self-service solution with integrated tools like a chatbot. Stratix TEM also integrates with the company's Omnissa Workspace One unified endpoint management platform, so there's a cohesive "single source of truth" for information.



Cost Savings Achieved

Working with the Stratix team, the railroad has significantly improved spending visibility over its mobile technology and IoT devices. Thanks to our ability to gather the data and analyze it with our sophisticated tools, we've helped the company achieve savings across every voice, data, and machine-to-machine connection we are managing.

Over just seven months, Stratix has:

- Reduced by about 2,500 the number of voice and data lines they are paying for by suspending and then canceling unused lines
- Evaluated plans to find redundancies and opportunities for savings. When Stratix started, the company was paying an average of $62 per line, and we reduced that to $56

With the net savings between the rate plans and the line consolidation, the railroad has cut its telecom expenses by more than $120,000 monthly—saving them more than $1M annually. Providing opportunity to reinvest in transformative mobile technology like its iPhone program that will drive the business forward.

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