



## INDUSTRY

Transportation

## KEY CHALLENGES

- Project capital fees were assessed by IT to lines of business without accurate cost details
- Lack of transparency into IT costs prevented business leaders from decreasing expenses

## SOLUTION

VMware vRealize® Business™ for Cloud automates cloud costing, consumption analysis, and comparison, delivering the insight one railway leader needs to identify IT waste and optimize resource use.

## BUSINESS BENEFITS

- Enables lines of business to proactively reduce operational expenses
- Improves the perception of IT as a business enabler

## VMware vRealize Business for Cloud Delivers Visibility into IT Costs at Leading Railway Company

While increased demand from online shopping has bolstered the revenues of some transportation companies, others are revamping their businesses to accommodate slowdowns in traditional deliveries. According to the 2016 Transportation Outlook, the rail and intermodal sectors faced challenges throughout 2015 including an uneven economy that took effect on carloads and intermodal volumes<sup>1</sup>. To address internal lines-of-business cost concerns, enable real-time visibility into IT service value, and further the company's ongoing commitment to driving resource efficiency to match demand, the IT team at a leading transportation company implemented VMware vRealize Business for Cloud.

### The Challenge

For decades, rail has been a cost-efficient, environmentally friendly way for businesses to transport their products quickly to customers. Yet as its customers' demand and supply chain operations changed, one of the nation's largest rail operators faced intense pressure to minimize operational expenses. This included IT service delivery costs.

Previously, each line of business owner requesting a new IT project would be assessed a project capital cost. The IT assessment was designed to cover both the costs of developing the service and any software licensing required to keep the solution running. However, the costing process was vague because IT had zero visibility into its actual expenses. As a result, lines of business perceived IT as lacking business understanding and accountability.

### The Solution

The railway IT team deployed vRealize Business for Cloud to begin tracking all of the virtual machines (VMs) the company operated. With the visibility that the solution provided, IT staff could immediately identify which VMs were in use and which were idle at any given time. Because the solution also enabled the team to accurately calculate per-VM costs, staff could further quantify the expense of inactive versus active VMs. Soon after deployment, IT staff began to use vRealize Business for Cloud to create and share reports that communicated the cost of IT services to line-of-business leaders.

With unit cost per service calculated in dollars, IT and lines of business could work together to take specific actions based on their views about how to improve IT's value for its costs. In the short-term, the calculations would be helpful to individual teams and used as a comparison across the enterprise. Over the longer term, IT hoped to demonstrate value-for-money performance improvement.

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***“IT cost reporting does not currently exist. VMware vRealize Business for Cloud gives us exactly what we need.”***

- Director of IT,  
Premier Transportation Company

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Continued pressure to quickly reduce expenses also convinced the railway to take advantage of the tight integration between Realize Business for Cloud and VMware vRealize® Automation™—which automates the delivery of personalized infrastructure, applications, and custom IT services. The railway’s IT team expects soon to be able to display services and their associated costs in real time on the vRealize Automation service catalog.

### Benefits

vRealize Business for Cloud automated IT costing, consumption analysis, and comparison for the railway, delivering the insight needed to identify waste and optimize the use of resources. With the solution, IT has helped lines of business proactively reduce operational expenses while improving its own reputation—evolving perceptions of IT as a team that enables business.

### Looking Ahead

As the organization continues to drive efficiency, capabilities in vRealize Business for Cloud will deliver additional transparency including waste and reclamation opportunity and data center comparison reports. Designed for each line of business, the former will help managers proactively take actions to reduce operational expenses for their particular services while the latter will support IT’s internal efforts to optimize infrastructure.

