

DBOM: New or Not?

Parallels from the Private
Railroad Industry

DBOM Is What Railroads Do

- Extremely Long Time Perspective
- Infrastructure from/for the centuries
- Infrastructure Determines
 - Markets (where we go or connect to)
 - Service Quantity (tonnage delivered)
 - Service Quality (velocity)

“Perfect” Feedback Loop

- Own the results of every project
- Maintenance and Operating Budgets
- M&O Staff Advises Design and Planning
 - What Does and Does Not work
 - Credibility in Predicting Results
 - Operations produce the revenue!
- Careers Advance thru Engineering & Operations

Railroad Capital Investments

- Funded from earnings or financial markets
- Compete with earnings returned to shareholders
- Business Case for Capital Investments
- Two streams of Capital Work:
 - Life Cycle Replacement
 - Expansions of Capacity

Short or Long Term Costs

- Costs all come back to the owner
- How elaborate is the new facility
- What Level of Design Criteria?
 - Short or Long Service Life
 - Low or High Operating Costs
 - Near and/or long term revenues
- Very Involved in QA/QC of the work

Start to Finish by RR

- Engineering
- Procurement
- Contract Management
- Quality

Issues in Common DBOM and Railroads

- “Silos” of Specialties
- Time Perspective:
 - Field: hours
 - Engineering: 1+ years
 - Operations Planning: few years
 - Executive Responsibility: Decades

WRI Examples

- Design Details: Cars, Wheel & Rail Profiles
- Rail Profile Grinding Program Plan
- Construction Quality
- Noise Impacts and Remedial Work

DBOM

- New Buzzword?
- Strong Parallels to Traditional RR Management
- Take Away (any Business Model):
 - Devil is in the Details
 - Quality Always Matters
 - Own the Long Term Costs
 - Accomplish All Aspects of the Mission

Comments?