

# 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?