



The right partner for UK rail

One of the most cost effective ways for a rail network to expand is to increase its IT capability, says Ravi Pandey, senior vice president and UK head of NIIT Technologies

It is a turbulent time for the UK rail industry and rail networks around the country are feeling the pressure. While rail has not come under the same pressures as air transport during the past few months, there is little doubt that the UK's rail network is struggling.

Both the ash cloud and the heavy snow earlier this year demonstrated how volatility in the weather systems impacts immediately and directly on transportation. Increasingly characterised by congestion and delays, then expansion of the rail infrastructure across the UK is certainly necessary.

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LOOKING AHEAD

The future outlook is not so bleak, however. Rail is part of a dynamic, ever evolving transportation sector. Though different

modes of transport are competing with each other for market share, railways are increasingly coming to the forefront in different parts of the world.

The Way Ahead Survey, conducted by UK law firm Norton Rose, showed that nearly 80 per cent of respondents viewed the rail industry as the best insulated from

Train operators, however, have been bracing themselves for a difficult year, as after a decade of soaring demand, there are concerns that passenger numbers will fall throughout 2010. Doubts remain whether the taxpayer will be expected to pick up a greater share of the bill, or if fares will be pushed up further to make up

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the current crisis. The survey collected responses from 961 individuals across the rail, aviation and shipping industries comprising 654 from the rail industry and 150 from shipping and aviation sector each. The rail sector also turned out to be the most optimistic of all, with 68 per cent of industry experts expecting an upturn in business within a year.

the diminishing revenues. The rail sector is not immune to the challenges other industries are facing, with some passengers already "trading down" by buying standard rather than first class tickets and choosing cheaper off-peak services. Perhaps one of the reasons for the perceived insulation is that despite the cost-saving tactics customers are employing, commuters still

need to get to work and to do this they are availing of rail services across the UK.

Perhaps, unsurprisingly then, in terms of ambition the UK lags far behind much of Europe. Spain in particular is in the process of developing high speed rail connections in every major city and vastly improving connections all along the coast. By 2020 the country plans to have 10,000 kilometres of high speed rail completed, meaning that 90 per cent of the population will be within only a few dozen kilometres of a high speed rail line.

Meanwhile, in the UK, the announcement of the next generation of inter city train has been delayed. If investment dries up, industry insiders foresee the collapse of rail infrastructure accelerating. It is looking increasingly unlikely that the government will reinvest in the railways the cash it raises from the planned sale of the High Speed 1 railway line through Kent. The south of England in particular is suffering from unsustainable levels of congestion with growing numbers of passengers facing overcrowded trains and delays.

A COMPETITIVE SECTOR

Few would argue that rail improvements are necessary over the next five years if the UK rail sector is to remain competitive. One of the most cost effective ways for a rail network to expand is to increase its IT capability. Embracing technology is imperative for rail companies in order to achieve greater productivity and realise significant cost savings. There is a growing burden on booking systems, ticket machines, transportation etc. Corporate customers in particular expect fast, reliable service and will seek alternative modes of transport if the rail sector does not respond. There have been improvements for instance to traditional signalling systems which limit the frequency of trains. A strong development is the shift from standard fixed block systems to moving block systems, which ensure that the position of one train relative to another is no further apart than safe braking. Technology is the key to improving efficiency.

NIIT Technologies has ambitious plans to expand its presence in the UK's rail IT market and one of the ways it is seeking to do this is through its managed services offering. The IT provider has deep experience in the rail sector, having worked with rail organisations in Germany, India and Australia. In Germany, an organisation was faced with challenges to improve performance, while keeping costs down. The business requirement was for innovative technology in order to facilitate the development of passenger traffic and sales distribution, transport and logistics, the rail infrastructure, passenger stations, and production, planning and control systems. By responding successfully to these challenges, NIIT became an important business partner in part through the organisation's commitment to quality which is demonstrated by adherence to global standards of software development processes, including SEI-CMMi level 5. 1.2, PCMM level 5, ISO 27001 and ISO 20000.

THE IMPORTANCE OF TECHNOLOGY

Technology is recognised across all sectors as a way to reduce costs and drive through efficiencies, however, as leading industry analysts at Gartner expound, when considering outsourcing rail companies need to firmly understand how their IT aligns with business goals. For rail companies this may be about ensuring a fast flow of information to prevent delays, capture signalling problems and future planning. Data centre outsourcing services are one of the most mature IT service categories available in the market. Gartner recommends conducting an outsourcing feasibility study designed to weigh factors such as financial ramifications, resource needs, knowledge requirements, changes to the organisation and quality requirements.

Managed services covers a range of different services that IT service providers supply to their customers in order to remove the costs and time invested in IT management by companies that need to concentrate all their resources

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on what they do best, and for rail networks this is running an efficient and effective rail service. The term managed services refers to Remote Infrastructure Management (RIM), data centre services, application management and production support and managed security services. By hosting its IT remotely, usually in off-shore data centres, instead of using servers on the site of their own premises, a rail operator is assured business continuity and disaster recovery should an unexpected event occur, such as a natural disaster, unforeseen weather and travel disruptions or an attempt to breach the security of the IT system. Managed services provides peace of mind to rail operators to guarantee availability of service through the storage and back-up facilities that the IT provider supplies. As more and more information needs to be seamlessly incorporated into a company's systems, the potential for data loss increases. For a rail operator, the decision to choose managed services means that up to the minute information is available on train arrivals and departures, signalling, engineering queries etc.

Additionally, when a business opts to outsource its security services, it is assured the very highest level of security, and the company's most powerful asset – its information – is protected by the most secure software updates and patches to ensure its confidentiality and integrity. Application management and production support allows a business to focus on its core competencies, while a team of IT engineers ensures that the applications and programmes critical to the functioning of the company are supported

ABOUT NIIT

NIIT Technologies is a Global IT solutions organisation, with its footprint spanning North America, Europe, Asia and Australia. Ranking among India's Top 20 IT services players, the company offers a gamut of services in the areas of application development management and enterprise solutions, encompassing managed services and business process outsourcing.

so that there is no system down-time.

The travel industry is becoming more complex and technology is paramount in the quest to add value and streamline the provision of services. Sara Gamson of leading online travel, airline and hospitality solutions company SABRE said: "NIIT Technologies has extensive travel industry knowledge across diverse technologies. The company's knowledge and commitment to

delivery have resulted in a very successful technology partnership over the years."

The technology that managed services provides has the ability to cope with a huge number of people and transactions. In the corporate travel sector in particular it is essential to remain ahead of the curve and adapt to changing requirements and budgets. Rail has been one of the fastest areas of growth in corporate travel as businesses switch from air to rail as travel represents one of the areas where companies that are struggling through the recession can cut costs immediately and effectively. Rail has also benefitted from those customers conscious of their carbon footprint.

IT systems play a key and critical role in controlling, monitoring and data analysis and helps air and rail business to grow. Effective IT systems will compliment the core business operations of the UK's rail network. Outsourcing the existing IT system to enhance, maintain and manage came up as an important measure of freeing up vital manpower. Partnering with an IT company that understands the railway and transportation domain with international experience and local presence would really help the UK's rail operators, in the same way that the airlines have benefited. It is time for rail companies to embrace technology solutions that result in bottom line cost savings and efficient information management in the same way that other sectors in the transportation industry have, so that the optimistic outlook revealed in the Norton Rose study may be maintained.