



Case Study: OmniTRAX

Leveraging Car Hire Experts to Reduce Payables and Improve Customer Service

When their Director of Car Hire left the company, OmniTRAX decided to outsource the function to RMI. By leveraging RMI's deep industry expertise, OmniTRAX has dramatically improved the accuracy of car hire accounting and reduced net car hire payments. OmniTRAX can now make more informed management decisions based on more consistent and timely data as a direct result of RMI's Car Hire Managed Services.

Challenge: Replacing Car Hire Expertise

Based in Denver, OmniTRAX, Inc. is one of North America's leading transportation services companies operating 17 railroads across ten states and three provinces. The company's core capabilities range from railroad and port services to intermodal and industrial switching operations.

OmniTRAX transports over 200,000 carloads per year and each of its railroads has unique agreements with specific operating criteria. It's a complex environment for car hire accounting that can challenge even the most seasoned industry veteran.

In the spring of 2008, OmniTRAX's internal Director of Car Hire left the company, so OmniTRAX had to quickly hire a new team member or outsource the job.

"Since car hire payables is our 3rd largest operating expense, we couldn't afford to make the wrong decision," explained Scott Bell, OmniTRAX Controller. "We considered outsourcing as an alternative that would quickly meet our need while helping us increase accuracy," continued Bell.

Solution: Outsourcing with an Industry Expert

After careful consideration, OmniTRAX decided to use RMI's Car Hire Managed Services (CHMS). "We were already using the car hire data from RMI, so outsourcing to this trusted partner was a natural next step," stated Scott Bell.

By outsourcing the car hire accounting function OmniTRAX avoided replacing a headcount and eliminated the associated overhead expenses. They were also able to redeploy the back up resource that would no longer need to spend 50% of their time on the car hire effort.

The switch to RMI's service only took a couple of weeks, including integration with OmniTRAX's cash settlement system. "It was a very smooth transition," commented Bell. "We didn't miss a beat."

Now the rail industry experts at RMI are responsible for OmniTRAX's car hire accounting. The Car Hire Managed Services include calculation of haulage payments and claim penalties via:

- Thorough audit of OmniTRAX's car hire settlements
- Identification of TOL and Rule 15 discrepancies
- Reclaim setup and application
- Review of LCS differences
- Development of contract rates

"It's been a refreshing experience," added Bell. "Now that RMI is involved what used to be a real headache has become a very efficient process."

Results: Improved Accuracy, Reduced Payments and Better Service

Now OmniTRAX enjoys increased accuracy and reduced counter reclaims as a result of using RMI's Car Hire Managed Service. "The cost of outsourcing the process when compared to the internal salary is a wash, but there is huge value in the data consistency and timeliness that we now enjoy," stated OmniTRAX's Scott Bell.

As a provider of customized solutions to the industrial and transportation sectors, outstanding customer service is imperative for OmniTRAX. With RMI's Car Hire Managed Services, OmniTRAX has the information they need to make more informed management decisions. The experts at RMI provide on-going analysis of key performance indicators such as:

- Changes in car hire and terminal velocity
- Forecasted car hire expenses
- Carload volumes
- Equipment utilization

"The RMI team has exceeded our expectations in response time and accuracy," added Bell. "Their knowledge of the rules has been spot on."

By outsourcing car hire accounting to RMI, OmniTRAX is realizing strategic benefits that will ultimately boost the bottom line. "We've seen a gradual increase in equipment utilization and reduced dwell times," stated Bell. "Equally important is the improved customer service that results from higher data consistency and the confidence we have in using the car hire data for analysis and decision making," concluded Bell.