



TRANSPORTATION

- **CLIENT**
Canadian Pacific, a transcontinental railway in Canada and the United States
- **CHALLENGE**
Transition outsourced IT operations in-house to reduce costs and speed delivery of IT services
- **SOLUTION**
VCE Vblock Systems with VCE Deployment and Implementation Service and VCE Cloud Managed Services
- **RESULTS**
Reduced provisioning of critical SAP environments from months to weeks; saved millions in outsourcing fees

CANADIAN PACIFIC ALL ABOARD FOR IT TRANSFORMATION JOURNEY WITH VCE PROFESSIONAL SERVICES

TRANSCONTINENTAL RAILWAY MOVES FROM OUTSOURCING TO INSOURCING MODEL, IMPROVING IT AGILITY AND SAVING \$130 MILLION OVER THREE YEARS

Canadian Pacific (CP) provides a suite of freight rail transportation services, offering direct links to four major ports with access to key global markets. As CP's infrastructure grew to support expanded business operations, issues with IT's outsourced model began to emerge. Provisioning new SAP environments took months, slowing IT's responsiveness to business demands. Outsourcing costs also were rising, limiting IT's ability to invest in advanced applications to enhance the business.

With the help of VCE™ Professional Services, CP is migrating all of its 500 applications, including SAP, to Vblock® Systems, and transformed outsourced IT operations to an insourcing model. CP's IT organization now provisions SAP environments in weeks versus months, and saved \$30 million in outsourcing fees the first year alone.

The Challenge

Mandated by the CEO to increase control over infrastructure assets and dramatically reduce costs, IT needed to move outsourced operations in-house and migrate all of its applications to its Vblock Systems within two years.

CP initially worked with several independent contractors, but they lacked extensive experience with Vblock Systems technologies, raising concerns that the transformation would not be successful. Since CP's in-house IT team also had limited knowledge of Vblock Systems, the company engaged VCE Professional Services to manage the transformation.



“VCE Professional Services really cares about our success and they know how critical the Vblock Systems are to our business. They’re quick and nimble enough to provide the right resources when we need them so we can get the most value from our infrastructure investments.”

— Mike Redeker, Vice President and CIO, Canadian Pacific

The Solution

CP has standardized on VCE Vblock Systems comprised of EMC, Cisco, and VMware technologies. The company replaced outsourced mainframes with six Vblock Systems deployed across two data centers approximately 1,200 miles apart, with full replication for disaster recovery.

VCE Professional Services, including VCE™ Deployment and Implementation Service and VCE™ Cloud Managed Services, worked with CP to deploy the Vblock Systems while making sure that SAP and other critical applications continued to run—especially important since the loss of any one application could halt train operations.

In the next project phase, the VCE team managed the Vblock Systems for ten months, helping to reduce operational risk and costs while CP completed construction of its new data centers. VCE Professional Services provided expert, ITIL-based 24X7 administration and monitoring of CP’s Vblock Systems, including incident, problem, change, and release management based on service-level agreements.

Then, VCE Professional Services provided knowledge transfer and training so CP’s IT team would be self-sufficient managing and supporting the infrastructure.

The 95-percent virtualized converged infrastructure runs CP’s hundreds of applications, including SAP enterprise resource planning, SAP customer relationship management, and SAP financial accounting, as well as Microsoft Exchange and custom railroad applications for managing inventory, car repair, and logistics.

The Results

By collaborating with VCE Professional Services, CP accelerated its IT transformation, completing the

migration from an outsourced mainframe infrastructure to an internally managed infrastructure within their two year schedule. This has provided CP with a number of benefits, including:

- Helped IT become more nimble and responsive to business demands and gain the ability to provision new SAP environments in weeks rather than months.
- Enhanced in-house IT skills and competency in Vblock Systems technologies through knowledge transfer, job shadowing, formal training, and sharing of best practices.
- Reduced infrastructure administration resources and support from 12 contractors to three staff FTEs.
- Saved \$30 million in outsourcing fees the first year with an additional \$100 million in savings in the following two years, freeing up funds for strategic capital projects aimed at increasing CP’s competitiveness.
- The positive financial gains that CP’s IT group has realized over the past 18 months, has helped contribute to a positive impact on the organizations Operating Ratio, a key measurement utilized within the railway industry.
- Increased application response time by 30 percent, helping business users become more productive and efficient.

Canadian Pacific now has a vastly more efficient infrastructure supported by a self-sufficient IT staff capable of maintaining tighter control and more cost-effective management of critical IT assets.

With VCE, CP has combined the best of both worlds—in-house technical competency to support everyday business needs, plus access to expert advice to guide infrastructure enhancements as the company’s needs evolve.



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