

# Leading Rail Operator solves broken demand forecast and supercharges revenue

## Case Study

### Description:

Passenger Rail  
Operator running  
300+ trains daily

### Revenue:

\$3.4 billion

### Key Business Challenge:

Determine the cause  
of declining revenues  
and solve

You're a Passenger Rail Operator that thrives on medium and long-distance intercity services. Operations are on-time, costs are under control and you have recently installed a new Revenue Management System (RMS) that provides your team with advanced capabilities to manage their trains. The current business is progressing at a good pace and there's no cause for concern.

Suddenly, some major markets are under pressure. Both revenue and ridership are down, and the Executive Management team wants answers. There is heavy overlap with the underperforming markets and the RMS roll-out. What is going on? Is the RMS part of the problem? Is competition increasing? Are your customers choosing other modes of transportation? Your analysts are slammed with their current workload so they can't get to the root cause of these problems.

You hire Revenue Analytics to do a comprehensive assessment of your current Revenue Management processes and to focus on the underperforming markets. We assess your markets and competitors, your Revenue Management processes and the Revenue Management system. Revenue Analytics discovers that your analysts are spending a lot of time overriding the RMS demand forecast since it's often wrong. These overrides aren't making the desired impact, so analysts are also changing the price manually. The confusion is resulting in pricing issues that are hurting ridership and causing revenue leakage. The result is a set of short- and long-term actions to address these forecast accuracy issues and several "quick win" opportunities to act on for immediate return.

You now have answers to your questions and a plan that makes business sense. You're able to flip the revenue trend positively in a few short months and you have a team of Revenue Management Analysts that are finally done with daily price overrides and can now focus on driving value dealing with real exceptions.