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Internet savvy kept 10East on the rails

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WESTSIDE — Mike Wilson, vice president of 10East Corp., has seen the company he founded in 1992 change names, owners, focuses and business models. He's even seen his title change. But through it all, one thing hasn't changed — the customer.

Wilson

The company has always catered to railroads. At its inception, then called United Railway Signal Group Inc., the company provided engineering for railroad signal equipment. Today, with about 30 employees and $5 million in annual revenue, it provides Internet-enabled software and database management in a hosted model for railroads like CSX Corp. (NYSE: CSX) and Burlington Northern Santa Fe Corp (NYSE: BNI). It recently signed another North American class one railroad and has a growing number of short-line railroads as customers.

l0East's shift from a project-based engineering company to an application service provider, or ASP, began in the mid-1990s — not entirely by design.

As a small company owner competing against some industry giants, Wilson sought to use new technology to make his team more efficient. The company implemented an Internet-based statistical management system, which it let clients see to demonstrate its cutting edge know-how. It wasn't long before customers started asking about it and a new way to make money was realized.

"The light bulb went off pretty quick," Wilson said. "By 1997, we knew we had something."

Critical to powering that light bulb was Lester Hightower, whom Wilson had hired as chief technology officer in 1995. Hightower was familiar with railroads, having a father who was a signal maintenance supervisor, and had a vision of how to use the Internet, having worked as an independent consultant helping small businesses get on the Web.

"Lester brought the technology side of the business to the table," Wilson said.

The first opportunity for the company, then

Hightower

still United Railway Signal Group, to put its Internet savvy to use for others came around 1996. Wilson offered to go through the contents of rooms at CSX "filled with plans from floor to ceiling" and create an electronic system to organize, store and manage them.

What resulted was the beginnings of RailDOCS, short for Railway Daily Operations Control System, its flagship product for managing all aspects of railroad infrastructure maintenance. That led to railDOCS Mobile, a platform that supports handheld computers used by personnel in the field.

These days, Craig King, chief engineer of communications and signals for CSX, relies on RailDOCS and railDOCS Mobile to make his company's federally mandated signal equipment testing program more efficient and accurate.

King

Before Rai1DOCS, CSX's 1,000 technicians who perform testing documented their work on paper forms stored throughout the Eastern U.S., and retrieving the data from a given test was slow "Now, I can look at any of those tests, anywhere, instantly," King said. "That was a big deal."

10East's future as a railroad ASP, the only independent one of its kind, appears clear. But it's come through some cloudy times to get there.

In 1997, Wilson sold his company to a railroad equipment maker that joined the engineering company with a newly acquired rail construction firm to form a services unit, ABC Rail Systems. The parent company later merged with another company and sold the construction part of its rail services arm and renamed what was left — Wilson's unit — as The AIMS Group.

In late 2000, the parent company went bankrupt and a New York-based venture capital firm, Three Cities Research, bought its assets. It sold the production capacity in pieces. But it liked The AIMS Group and spun it off as 10East in 2001 with Wilson running the company as vice president, a title soon to be upgraded to president.

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