

Fishing for Better Business

Optimising the benefits of e-managing

New Zealand companies are adopting innovative solutions utilising CRM, mobile, e-procurement, financial management, supply chain management, e-security, HR or communications to transform their businesses. Here's how.



Sanford: Went fishing for improvements.

When fish processor and distributor Sanford embarked on a "Big Fish" project to integrate core information systems using internet technologies, it found it had integrated its people as well.

"The breaking down of branch 'silo' mentalities has been positive and staff come together more often to query information and offer help on issues," says Big Fish project leader Teresa Borrell.

With information systems previously scattered across 10 land locations and six at-sea trawlers, internet technologies, application development and satellite and wireless telecommunications links were all required to complete the Big Fish project. Sanford spent months working with e-business and software partners to integrate its business systems into a fully 'e-managed' system. The connected systems now include product tracking, specialist inventory, procurement, payroll, central information management and finance and accounting. Following

integration, Sanford made parts of its system available to external users through a web portal.

Eric Barrett, managing director for Sanford, says project Fish was driven by customer demand and changes to industry regulations including tough new security and product tracking requirements for companies that rely on international cargo shipping. Sanford's previous silo system was not efficient, says Barrett, and failed to deliver business data in the time it was needed.

"It became apparent we needed to take on the challenge of integrating our information," he says.

Hard work – but worth it

Developing e-managed systems can be challenging and expensive. Borrell says Sanford underestimated the size and scope, the timeframe and the extent of work required, and the staff input necessary to achieve full systems integration. However, Big Fish has transformed San-

ford into an e-managed organisation with fast access to real-time information on all aspects of the business, says Borrell. Staff have been empowered and bottom-line results and efficiencies delivered.

While Sanford's project was on a grand scale, most e-management ventures are more incremental. Businesses typically opt to integrate just two or three key systems at first. These can be using electronic channels for customer relationship management or marketing, or providing external access to useful information held on internal business systems for customers or mobile staff.

Paul Wilson, a marketing manager for Hewlett Packard, says most businesses begin with e-management projects of lower cost and complexity such as email and personal information management. From there, they may allow mobile workers to connect to office systems via wireless technologies or progress a simple website to a portal that connects internal and external users to an internal intranet.



Scenic Circle: Building for future growth.

“Then they look at their applications and how they can make those accessible to external users. Finally, they connect ERP, CRM and supply chain management systems. That’s the thick end of the project in terms of solution costs,” says Wilson.

Some notable successes in ‘incremental e-management’ include Foodstuffs, Air New Zealand, Manukau City Council and the hotel chain Scenic Circle.

Piers Hutchings, IT manager for Scenic Circle, says his organisation decided to enter e-management gradually and has so far committed to the development of a central online booking system to support its 15 hotels. Computerland and Christchurch-based Commark Consulting are Scenic Circle’s project partners and development of the booking engine has been outsourced to systems integrator Gen-i.

Scenic Circle’s current website contains only an email booking form, which the project will transform into a full online booking service able to process credit card transactions in real time. In

an attempt at ‘future proofing’ Gen-i has been asked to keep to a standard hospitality site model so associated services from business partners like rental car companies can be assimilated at a later date if required.

“We wanted the option to upload other-provider services to our site,” says Hutchings.

He says designing e-managed systems can be daunting.

“You can have the way you want to [electronically manage] something clear in your head then find your existing applications don’t support it. We struggled with that because we found a few holes which added to the overall cost of the project,” he says.

Despite this, Hutchings says the effort was worth it.

“Large international hotels are now doing a third of their business over the internet; it has become a very important channel for us and will only continue to be more important,” he says.

Other initiatives

Katrina Troughton, managing director for IBM New Zealand, echoes HP’s Wilson when she says businesses are interested in increasing the serviceability of mobile workers, including automating field sales and service staff and providing access for people who work from home. Another area of interest, says Troughton, is using the web and online technologies for e-training and e-learning.

“New corporate level compliance requirements are driving employers to ensure staff have been through certain training and courses and that there is a record of it,” she says.

Robert Gosling, managing director for applications provider Oracle New Zealand, says businesses prioritise e-managed systems that support customer and staff self-service by providing access to relevant business systems through a web portal. Other focus areas are systems that automate the supply chain and those that drive down the costs of owning inventory

because inventory can be replaced in real time based on immediately available information on what's been used.

"There's also a lot of interest in self-service HR; things like online timesheet entries and approvals and online payslips and remittance slips. Web procurement also can be seen as part of a self-service model because it links up suppliers," says Gosling.

The Foodstuffs Exchange is a good example of this.

customer relationship management (CRM) benefits, say the experts. CRM systems can be placed in the foreground as a subset of a web portal, or in the background, connected to and supporting sales, marketing, database and financial systems.

timesheets, assignments, project reporting tools, a document library, discussion forums; even blogs, says managing director Stephan Spencer.

"The internal blog is for 'ideation' – whenever a staff member comes up with an idea, he or she blogs about it for the other staff to see and comment on," says Spencer.

Netconcepts also uses instant messaging, talks over the data network using Voice over IP, and uses the IP product Skype to make international voice calls over the internet.

"For CRM, we use Salesforce.com, an amazing system we subscribe to for tracking sales leads, looking at the sales pipeline, and reminding sales people to follow up with prospective and current clients. We also offer extranet access to clients so they can

login and see the progress of their projects and view mockups," says Spencer.

Safe as houses?

So what about the old online bogeyman – security? Richard Batchelar, country manager for security specialist Symantec, says e-managed systems are as secure as their owners want them to be.

"Enterprise systems need enterprise security tools, expert setup and installation and an ongoing managed security service – whether that's inhouse or outsourced," he says.

Batchelar points to the top-notch security of online banking systems as evidence e-managed systems can be taken to "Fort Knox" status – for a price. However, he says a smaller investment is possible for businesses prepared to fully educate system users. This point is backed up by international data security guru Laura Chappell.

"The biggest security faults we have on every network are the users. They take their [computer] home, go surfing the in-



Terabyte: Recommends phased developments.

A collaborative effort between the three Foodstuffs companies, the Foodstuffs Exchange lets hundreds of suppliers transact purchase orders, invoices and advance shipping notices with Foodstuffs nationally. As it is web based, the service operates 24/7 and at a speed in excess of one transaction per second. Foodstuffs say it has benefited through lowered transaction costs and fewer handling errors. IT services firm Datacom worked with Foodstuffs on the design and build of the exchange and continues to host and manage the system.

It's the customer stupid

E-managed systems are increasingly attractive to companies that want to pursue



"CRM and client satisfaction are definite drivers [for e-management]; how do I get more messages out to clients and service them better when I reach them? That whole space is continuing to evolve," says Troughton.

Nor does CRM only involve external customers. Web design and services company Netconcepts has implemented an internal intranet to provide both internal and external users with online access to

ternet, hit some malicious site, get garbage planted on their system, then come back and pop it on the network,” Chappell told *MIS Magazine* in October. She says companies need to recognise their business systems need protecting from the inside out as well as the outside in.

Getting board buy-in

When 100 IT managers and chief information officers (CIOs) were interviewed for *MIS Magazine's Top 100* book earlier this year, a significant number said they had scoped ambitious e-management projects and could almost taste the potential reward for the business. However, many were struggling to get senior management and board buy-in.

Gosling says there are “leadership issues” among senior managers who don’t understand why the cost and effort of developing e-managed systems is worth it.

“They need to start by quantifying the business benefit and not look at the cost alone,” says Gosling.

Rowan Schaaf, managing director for enterprise web development firm Terabyte, says it’s difficult to guess at why integration hasn’t occurred as quickly as people thought it would.

“It’s partly because tier-one organisations are few in New Zealand and [e-management] project budgets can be massive,” says Schaaf.

He says the biggest positive shift in mindset among senior managers is they now realise intranets and websites as channels and not destinations. He recommends New Zealand companies work on phased e-management projects.

“The most important thing is to understand you can have short-, medium- and long-term goals,” says Schaaf.

HP’s Wilson says increasing revenue is not a primary e-channel goal.

“The big picture is that [integrated systems] improve customer service and provide competitive differentiation; that requires a mindset change in terms of return on investment,” says Wilson.

Senior leaders also need to take an active role in the project leadership team, as Sanford’s Barrett did, say the gurus.

David Guy, group manager partners and business solutions for Microsoft New Zealand, says business leaders often take a while to get their heads around e-managed technologies, but those that do see their business grow “by a factor of eight to 10”. **M**



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