

CASE STUDY: K+V Van Alphen

<http://www.kvait.nl>

FACT FILE				
Company name	K+V Van Alphen			
Business Activity	IT			
Region	The Netherlands			
Number of employees	70			
Business Range	Local	Regional	National	International
	Yes	Yes	Yes	
Approximate turnover 2000	€ 3,176,461			
Description of market / client /target group	Diverse client portfolio			
Description activities / products / services	The service package of K+V Van Alphen contains advice, system development, workflow management, customised software and Internet applications. The company involves itself especially in application development using the tools Delphi and Oracle and furthermore in E-business development using tools like Macromedia ColdFusion and Microsoft ASP.			

CASE DESCRIPTION:

The business

K+V Van Alphen is an independent IT organisation within the K+V Group. K+V Van Alphen at Woerden (Netherlands) developed their own workflow management system or Intranet which turned out to be a great success. Because of this success, the organisation started a new department in Rotterdam, known as K+V Van Alphen automatiseringsdiensten. The company started with 10 employees and had grown to 70 employees including trainees and part-timers by June 2001.

The operations of the company are divided into the following processes:

- Developing customised software
- Providing advice for customers
- Implementing standard products

Introduction of e-business

Before the Intranet was introduced into K+V Van Alphen all time registration forms were prepared manually by each employee and faxed to the office. These forms were then processed by Office Management into the main administration system. Furthermore all human resources related matters were collected on paper.

After three years the company had grown to such a number of employees that the costs of running this manual system became disproportionately high. The management of K+V decided that an automated system should be developed for the office management. As K+V Van Alphen is an automation company it was quite clear that the system should be developed in-house. At the time the Internet was beginning to evolve, so the management decided the system should be developed in an Internet programming language. Intranet was the perfect solution for the company, because quite a lot of employees are located at other companies and with the Intranet technology they could update their working hours from any place at any time.

Of course there were some problems but these had nothing to do with the motivation of the personnel. The main problem was that not every remotely located employee had access to the Internet where they were working. Today, this problem rarely arises anymore but two years ago it was a crucial problem.

Generally, the remote employees were able to solve this problem by filling in the working hours at home. Another problem arose then where not all employees had Internet access at home. The company solved this problem by providing everybody with a company email-address and Internet access account.

Right now the main target group is the company's own employees. But in the near future when the Intranet Business Solution is ready for sale, the target group will be every company of greater than 100 employees.

Research has shown that most of the employees are quite pleased with the Intranet. Everybody agrees that the functionality/structure is very clear. There have been some points requiring improvement, but they were minor details and were worked on right away.

Of course the Intranet is not fully developed, some new ideas are:

- General scheduler for all employees
- Holiday planning module
- Dynamic layout

Research and daily practice have shown that many service provider organisations have to contend with similar administrative problems as those that faced K+V Van Alphen, such as:

- Incorrect charging of hourly rates;
- Employees posting hours incorrectly;
- No insight into the actual hours worked in comparison with the planned hours.

These problems, in conjunction with other business problems, form the starting-point of the development of the software suite Intranet Business Solutions. This software consists of a base configuration which can be expanded with several supplementary modules. It not only facilitates the administration, but also improves the quality and efficiency of the administration.

Intranet Business Solutions is a 100% Internet Application which uses an Oracle database. This yields some benefits like anytime and anywhere access, low administration costs and the availability of up-to-date data to all users at all times. Intranet Business Solutions was developed entirely internally by the “Internet Consultancy” department of K+V Van Alphen automatiseringsdiensten. Existing back-office systems can therefore always be seamlessly integrated with Intranet Business Solutions.

The corporate website of K+V Van Alphen is located at: <http://www.kvad.nl>. This corporate website gives potential customers a broad vision on the products and services offered. The site is managed through the Intranet, which provides a solid connection with the back-office (account-management) system. The Intranet website is located at: <http://www.kvad.nl/intranet> and has many features.

Every four months K+V Van Alphen publish the “Informatief”. All customers receive this brochure in which K+V Van Alphen provides information about the latest technologies. As well as that, they publish commercial brochures about their products. These brochures are distributed widely throughout the Netherlands.

Frequently asked questions about the Intranet mainly consist of remarks about the status, i.e. whether it is online or not. The Intranet system administrator reports that a question is asked only about once a month, so we can conclude that the system seems to be very user friendly and easy to use. Requests for further information are usually received through the website. The main reasons for these requests are:

- Future employees who want to receive business information.
- Future/Recent customers who want to receive product information.

Lessons Learnt

Positive impacts: Office Management’s paperwork has decreased without any increase in the employees’ paperwork (see below). All human resources related matters have been streamlined. Internal issues are circulated using the Intranet. All personnel data can be requested anywhere, anytime.

Negative impacts: The general security issue of the Internet remains a concern. The Intranet is impersonal in comparison with face to face communications. It is necessary to have an Internet connection.

The corporate website is used as a new medium for attracting employees and new projects. The company will pursue this strategy. The strategy for the Intranet mainly

consists of developing more and better modules so K+V can provide a better integration with the back office. The overall effects of introducing the Intranet have been higher turn-over, more personnel, more projects and better marketing campaigns.

We have taken one module, the invoice module, to illustrate the cost benefits gained from implementing an intranet solution. The costs with and without the use of the Intranet per year (40 weeks) are presented. For the calculations we have only taken the quantifiable costs (expressed in time). Costs/Benefits concerning quality and user-friendliness are not discussed here.

Invoice module

Employees have to indicate the project they are working on at the time of registering hours worked. Office management can generate invoices for customers from the registration module.

Costs without using the Intranet:

Generate invoices (1 Office Manager):	8 hours a week * €34 * 40	€ 10,880
Filling in project hours (70 Employees):	½ hour a week * €57 * 40 * 70	€ 79,800
Total costs:		€ 90,680

Costs using the Intranet:

Generate invoices (1 Office Manager):	2 hours a week * €34 * 40	€ 2,720
Filling in project hours (70 Employees):	1/4 hour a week * €57 * 40 * 70	€ 39,900
Total costs:		€ 42,620

Benefit of using the Intranet: € 48,060

The total implementation of the Intranet Business Solutions (which involves 16 modules) has resulted in an annually cost reduction of approximately €119,000. For the development, contract employees without a dedicated assignment were used as well as part-timers and trainees. This kept the cost of the system development very low.

Overall therefore this e-business implementation has been a huge success, so successful indeed that the company plan on selling the Intranet solution developed to customers.