

Advancing with e-Business

Event Project Management

www.eventpm.com



Andrew Graham

Broadband



The business

Event Project Management provides project management services within the property development and construction industry. The areas of focus include school and community buildings, office fit-outs, residential buildings, industrial and commercial buildings and corporate relocations.

The business has been in operation for 15 months. It is located in Frenchs Forest, NSW and employs three full time staff.

The idea

Andrew Graham, Director, began the e-commerce initiative in February 2001. He believed that conducting business through e-commerce was the way of the future. The numerous parties involved in a construction project required a method of organisation that had a high degree of accountability and traceability. This could be enabled with a business-to-business (B2B) e-commerce system.

Andrew assessed the e-commerce strategy of competitors by viewing their websites. The company website was developed and managed by an internal employee.

The main feature of the e-commerce strategy is the use of the nOw.b2b project management system. This system enables greater co-ordination between project parties. It is used for the electronic transfer of contracts, as well a collaborative communication tool, which allows clients to be actively involved in the project.



Broadband

Broadband was selected as the best option for data transmission because of its speed and reliability. Event Project Management required this efficiency due to heavy reliance on the nOw.b2b project management system to conduct operations. ISDN Broadband Internet was required to support the various applications of the system such as electronic data interchange and downloading of documents for viewing by all parties.



The investment

Initial costs in establishing the e-commerce system totalled \$11,450. Most of the initial cost was associated with staff time needed to undertake research and web development. In-house web development by an employee represented a cost of \$3,000, and research costs were \$4,500. In addition, staff time allocated to Information Technology (IT) training amounted to \$3,500.



Hurdles

One of the difficulties Event Project Management had to overcome is the relatively small number of e-commerce users within the construction industry. Many companies and contractors continue to prefer paper-based correspondence.

Other obstacles included the high cost of deploying the B2B system (that includes the Broadband Internet access fee), the lack of supporting resources and a shortage of internal IT skills.



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Results

Total cost saving from the implementation of e-commerce amounted to \$41,500 in 2001. Through the use of e-mails and the B2B system, savings of \$6,000 were achieved from the reduced need for postage, couriers and stationery.

E-commerce has produced significant savings in staff time. Approximately 250 hours of staff administration time was saved, translating to a saving of \$15,000. In addition, reduced communications time also produced savings of \$15,000.

Total ongoing costs during 2001 amounted to \$29,123. The majority of these costs related to ASP hosting services where the company paid \$17,420 for a license fee and Broadband Internet access to the B2B network.

Improved customer satisfaction was a significant benefit. The central repository allows customers access to all information regarding the development of the projects. This avoids using a number of different sources of information and saves time on meetings.

Future

Andrew is content with the current e-commerce system and the associated reduction in costs. He plans to develop and refine the system, making it more user-friendly and relevant to the business. The company will also expand the operations of the e-commerce system by presenting it to more clients in the future.

Revenue and Costs

		(\$)
E-commerce establishment costs		
Web development - in-house	3,000	
Preliminary research	4,500	
Staff training and education	3,500	
Registration of URL (US and Aust domain name)	450	
Total e-commerce establishment costs		11,450
Operating benefit from e-commerce		2001
		(\$)
E-commerce cost savings		
Postage/freight/stationery	6,000	
Staff time (administration)	15,000	
Bank charges	1,000	
Staff time (communication)	15,000	
Telecommunication	4,000	
Payroll	500	
Total e-commerce cost savings		41,500
<i>Less: Ongoing e-commerce costs</i>		
ASP hosting services - B2B network access	(17,420)	
Amortisation of capital expenditure *	(2,863)	
Web hosting	(680)	
Data storage	(600)	
Systems maintenance	(2,400)	
Systems administration	(4,800)	
Telephony - fixed	(360)	
Total ongoing e-commerce costs		(29,123)
Operating benefit from e-commerce		12,377

* Note: Capital Expenditure is amortised over a four-year period

For further information on this case study please go to www.noie.gov.au