The Case of the New Intranet

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This case is hypothetical. Although it is based on an amalgam of actual companies, it does not in any way correspond to any person or corporation.

Daina looked at her screen in dismay. “S@*#”, she thought, “only five users yesterday”. She glanced up in half prayer and saw the old version of the corporate mission attached to the wall above the screen “We aim to be the best road maintenance service organisation in the world” it said, .. she thought “and, I am about to be run over by a truck unless I can get these guys to participate”. Daina was looking at the web log for the intranet CI system she had set up for Transport Asset Management (TAM). Specifically she was looking at the log for CI input. Five users was well below her self imposed kpi target of 30 items per day, and this was in spite of a memo email that had gone out to everyone from David asking for them to cooperate in inputting material.

TAM had grown quickly. It was initiated by a three bright graduates who got together in Oxford over drinks after a cricket match, part of a business summer school. Paul was English, David was Australian, and Rajeev was Indian. Paul had civil engineering background and an MBA from LSE, David had an accounting background and experience in local government and in Asian infrastructure investment, and Rajeev was a top flight programmer from Bangalore with extensive contacts in the industry there. TAM was still privately held, with the three directors having just on 60% of the shares. David was the GM and CEO, Paul was responsible for client marketing and relations [global], and Rajeev was responsible for product development. The rest of the shares and options were held by the Senior Consultants and consultants in the firm.

The original concept for TAM was predicated on some good software that would allow local and city authorities to better manage key assets. They had initially focussed on roads. The software took advantage of a number of technological innovations in the 90s (simple web based interfaces, clear graphics, umbrella software that sat over the top of any existing data bases, GSP and satellite imaging technology etc) to allow local authorities to outsource road maintenance and management, and to achieve very significant improvements in efficiency. Typically they could achieve a 20% to 30% cost saving (more where the authority had done its own road maintenance) but at the same time improve the quality of service as measured by typical indicators used by such authorities (eg number of complaints about potholes). A local city or authority manager could see almost in real time where problems were emerging, and what was being done about them.

TAM did not actually do the road maintenance or building, or the data collection (eg traffic counters, noise monitors etc) - they just provided the systems and the advice needed to keep the contractors efficient. TAM also now provided some expert consulting service, usually on a subcontract consultant basis; for example if a local authority needed specialist help in design safety to handle a black spot area, then TAM could identify suitable associates. To do this it had expanded beyond software
development and into consulting services. Growth had also come from quickly expanding into new areas, geographically, and in terms of products. In terms of products TAM had just started testing the markets for waste services management, and for environmental asset management software support systems. They were continually developing new system products and testing them in selected cities. As these took off, they then brought on board additional specialist consultants to support the products. Growth was the key. Most of their income came from growth, and growth was the driving strategy. They saw themselves as being in the class of companies that had price earnings ratios similar to the Silicon Valley success stories. They saw their strategy as being to go to IPO in a few years, and looked to get rich as a result. At least half the salaries (i.e. the retainers) were being taken as share options.

Geographically TAM diversified quickly to cover UK and Europe, India, Asia, and Australia. It had offices in the following areas:

**UK Europe**
- head office - London
- Birmingham
- Glasgow
- Brussels

**North America**
- head office - Washington DC
- Boston
- Los Angeles
- San Francisco
- Toronto

**Asia Australasia**
- head office - Sydney
- Melbourne
- Bangalore
- New Delhi
- Shanghai
- Shen Zhen
- Singapore

TAM now had 30 principal consultants in addition to the three original directors. Each office usually had at least one principal consultant who was responsible for business development in that area (i.e. getting contracts, keeping clients happy, searching out new leads etc). These people were appointed by the directors and were on a retainer plus bonus system. There were then typically between 5 and 10 consultants in each office at any given time who worked on a fee for service basis. All told there were now about 200 people working for TAM, plus administrative office staff, and a network of about another 100 specialist consultants who worked about half time on a job lot basis. A loose matrix structure meant that some of these were strictly local attached to a local office, while others were “hired guns” who went to wherever work was. Much of the programming was done by bright young Indian programmers under guidance of senior consultants acting as project leaders, and under the overall guidance of Rajeev.
The income or billing stream for TAM came from:

- 40% new commissions of services - development work (i.e. designing and implementing systems, advising etc).
- 20% new commissions of services - initial license fees
- 15% renewals of license fees
- 15% contract services for consultants
- 10% major project contracts (e.g., ADB or JICA work)

**Billings by region $ million**

Note: figures for year 8 are projections

The nature of their strategy meant that one of the key value adds in the business was finding and executing new leads. Getting a new client to sign up was a cause for celebration, and rewarded by significant bonuses. To “catch” a client required a fair bit of hard footwork; senior consultants were responsible for coordinating a plan of attack to find out everything about a potential client’s needs, the staff who would make a decision, the local stakeholders who could affect the decision (unions, community groups, maintenance subcontractors etc). TAM had a fairly ethical approach to all this, but pre-knowledge was the key to success. If they waited until a job was tendered, they had no competitive advantage. The trick was to get in there well before a tender is let, and help to write it. Often they even offered to “lend” technical staff to work in the client’s office for a while for free to help them review and audit their potential for improvements. Everyone in TAM quoted Sun Tsu liberally (Dilbert was also often quoted, but that was more the juniors in the organisation.) Competition between senior consultants and their teams was originally not an issue, but as the TAM had grown, the areas where there were overlaps in geographical or product territory meant that some turf wars were emerging.

In less than ten years TAM had built up a client base of about 200 cities and local authorities. As usual, about 80% of revenue came from only 40 of these. David reckoned that in the areas that they were in already, they had only tapped about 10% to 20% of the total number of clients. In Australia, for example, there are about 900 local government authorities with some responsibility for roads, rubbish and environmental management, but TAM had only about 50 of these as clients. David saw this as evidence of a huge goldmine that was waiting to be tapped.

In addition there were about 100 associated regulatory and higher level government bodies that they and their clients needed to liaise with. The latter rarely
provided any revenue flow, but they were important to the success of TAM’s work. Finally there were major infrastructure companies (which acted as allies in subcontracting work to TAM) and some international aid agencies (JICA, ADB etc) that TAM had some success in carrying out major contract work with.

Daina had been brought in by the key directors to help set up an intranet for knowledge management purposes. She had done some work before in this area with a major telco in Sydney and the US, and had a background in marketing and strategic planning. She was not computer illiterate, but nor was she a specialist in the area. The nature of TAM was that the company had plenty of computer nerds to draw on in-house, so her main value added was not the technical side of the intranet, but getting the content and processes right. It was important to her career that she did!!

The directors had decided that they needed an intranet, on the Hillary -Mallory principle - i.e. because the technology is there. They were all technologically curious and they had been to seminars on intranets CI and KM. They also reckoned that if Bill Gates had one, then they might as well too. The prevailing corporate view (at least at director level) was that TAM was the best around and did not have any real competitors (at least none worth worrying about). Their growth track record demonstrated that clearly. They knew that there were specialist maintenance companies like Transfield, and engineering consultants like Kinhills. These overlapped their business, and sometimes competed head on for work, but did not worry them much. The same was true of the emerging global super utilities (Thames Water etc), but again that did not worry them much. In most cases these corporates were as likely to pass work on to them as to compete with them.

They did recognise though that they were a knowledge company. They had lots of information, and they were showing their clients how to turn raw information into results. They were not credible unless they too had a decent knowledge base and CI system and an intranet was the most technologically attractive way of doing this. So what was the brief they set Daina? It was to build a corporate intranet that would:

- make it easier for everyone in the organisation to understand how the success of the organisation depended on knowledge;
- make it easier to keep track of the information, contacts and leads to win new clients, and keep them;
- build a corporate memory (so that if a consultant left, his/her contacts and knowledge did not disappear with them);
- make it easier for staff to feed in early warning signs and leads;
- make it easier to share success and failure stories and to learn from them (after all, a key competitive advantage as they saw it was to show their clients [who were almost invariably low risk bureaucrats] that “no one ever got sacked for buying a TAM system”).

It had to be built on a consultative approach, and its performance had to be evaluated by kpis on a regular basis.

Technology to support the intranet was relatively easy. Each office was linked by ISDN line, and so it was easy to set up a secure server to server intranet. However because most of the consultants were on the ground they mostly relied on notebooks and worked out of local client authority offices, or hotels. They thus accessed the internet and their email via local ISPs, or by direct call in to the TAM server,
increasingly by mobile data links. The intranet used new technology which combined encryption and software to piggy back the intranet on internet ISPs - this meant that any consultant anywhere could have full access to the whole intranet so long as they had a phone connection to an ISP or to a server.

The structure of the intranet was:

**Home**

- **TAM News** - this gave a page of messages (video recorded, updated weekly) from the directors about their areas of responsibility, and news about TAM’s progress and plans. Press reports about TAM were updated hourly by auto-feeds. Regional area TAM news pages led off this page.

- **Resources** - this gave access to accounts, billing, work schedules, forward budgets, planned work schedules, etc. All of this could be data mined by proprietary software sitting over the top of it.

- **Formats** - this just allowed access to drop down formats in company livery and style for presenting reports, submitting tenders, etc

- **Contacts** - this gave a contacts database that could be searched. This gave the usual details (name, position, organisation, phone, fax etc), but it also gave personal details where possible (birthdays, sexual preferences, children, hobbies, sports, personality type, etc). It also allowed search by a number of specified fields; eg if you wanted to find a specialist in “road rage” or “bitumen failure” or “blue green algae” you could search and drag up a list of contacts. Whenever anyone on the contacts database was contacted by a TAM consultant, there was meant to be an update (so anyone else could see who had contacted the person).

- **Competitors and allies** - this gave pages on each of a number of firms that were seen as allies or competitors. Each page was updated hourly by auto feeds from Dialog and Lexis Nexis.

- **Trends** - this was still under construction. It was meant to give a set of pages on major future trends likely to affect TAM’s clients. For example, some of the pages put up or suggested were: emerging environmental regulations and legislation, changing federal-state-local financial relations, new ministers, lobby group actions, etc.

- **Links** - this was just useful links to outside databases, conferences, newspapers, trade associations etc. In principle anyone coming across useful links was meant to forward them on or update the pages directly.

- **Knowledge** - this was under construction, and meeting some resistance. It was meant to summarise key things learnt by TAM in the
process of executing projects, especially where kpis had not been achieved, or when they had been bettered. In principle it was just a matter of the six monthly progress and performance reports that were lodged by senior consultants being made available on the web, with some minor modifications. In practice it was turning out to be a bit more complicated.

**Operations benchmarking** - this gave effective links into client databases. This allowed any consultant in TAM to check what sort of performance standards were being achieved (eg noise reduction levels from traffic management, roadside litter reduction etc), and to advise their clients accordingly. This was also useful in demonstrating to potential clients how TAM systems worked and the sort of results that could be obtained. In principle this material was confidential to the client concerned, and so should only be presented anonymously. In reality, winning jobs was so important, and the liaison between TAM and potential clients was often so close, that sometimes TAM consultants demonstrated it on line.

**Rumours and CI input** - this set of pages was interactive. It set out “hot topix” and invited staff to either email or lodge directly any input that they might have on those topics, or any others that might be relevant to TAM’s competitiveness.

**Forum access** - a number of forum pages/chat rooms were accessible here. It was intended that specialist chat rooms would evolve on topics that were of central relevance to TAM, such as “trends in Java and Linux”, “PC’s, or networks or terminals”, or “security access”. In practice the most active forums were the footy tab competition, and the investment club.

**Tutorial** - this was designed to show new users how to get the most from the system.

**Feedback** - this allowed users to email feedback directly to Daina or to the webmaster or IT Help staff.

Daina had gone through an extensive process of consultation in arriving at the content and design of the intranet. In two months she had talked in person or on the phone to at least half the senior consultants. She had used delphi techniques to float drafts of the design past everyone, and it had grown organically as she did so. She felt she had reasonable buy in from people, and it had captured a fair bit of interest and excitement. Not everyone was excited or interested, but that was to be expected.

She looked at the Web log again. Only five users had hit the **Rumours and CI** input page, and that was about the same as over the last month or so. The peak had been a few weeks after the Intranet had been launched, three months ago; 35 a day. Since then it had tailed off considerably. She scanned down the input, on each of the **hot topix** pages. The input was ordered chronologically by time of input on a list for everyone to see. There was no CI unit or person responsible for CI at TAM; the view
was that it was the responsibility of all Senior Consultants to monitor competitiveness. Even so she sometimes forwarded the stuff on to others, or alerted them to it at least. She also had to catalogue it; for this she used an auto cataloguer. Most of it looked pretty innocuous and useless, but there was one rumour from a friend of one of the consultants in the US; apparently one of the major asset management consultancies, Mincom, was developing what sounded like a very similar suite to the TAM one, and had approached several software houses to help in its design. She emailed it to David.

She flicked back to the web log. The hit pattern for the last week was mixed. Just over 300 hits on the home page per day (much less than she had expected and targeted for which was around 1500 per day). Most of these went to only one other page, and then drilled deeper. Just on 60% were going to Resources, about 15% were going to TAM News, 15% to operations benchmarking, and the rest were fairly evenly spread. Only about 10% searched across fields. Of the 300, over 280 were passive (i.e. looking for information) and only 20 were active (i.e. seeking to input information). This is not working the way I wanted it to she thought. WHY isn’t it working?

She flicked back to her email, to check incoming messages. She noticed in her favourites file the “job adds” category and resisted the urge to check it. Although it was not common knowledge, she knew that Rajeev had instructed the web master and IT people to log anyone searching certain sites for jobs, and had identified one senior consultant who was regularly checking other sites. They also had a policy to track and to clean up porno site usage, after an embarrassing incident during a demo before the Board in one of the client’s offices.

She had the usual flood of email. She subconsciously sorted it into aggressive, friendly and don’t know. She started on the ones that obviously related to the intranet, and she opened the friendly ones first.

Sarah - was a friend, and could be trusted:

\textit{Just thought you would like to know that DM and CWL (both senior consultants) discussed the Intranet while we were waiting in the Lounge at Changi, and both thought it was good, but needed some fine tuning. DM commented that the curse of these things was keeping them up to date, and this one did not seem to be an exception.…….. Wee Liang said he thought a bigger problem was the bonuses. He agreed with the concept of the Knowledge page, but his job was not to torpedo his own bonus negotiating position. Have they contacted you at all?}

George was an older British consultant, who obviously liked her, and took every opportunity to keep in contact, but was very polite about it all:

\textit{Just a comment on the search engines - I tried searching for “rubber solvent AND experts” the other day (to help with the airport runway management contract tender). I KNOW that the US had some specialists that we worked with on the previous job, and I KNOW that we had some good text in the working papers, but not the final report, and that one of the experts we had used had given a paper at a conference on it. I know I did not plan my search very well because I needed it in a hurry. When I used the search engine at the home page, it found nothing (but, without asking me, it picked up a lot on “rubber” from the external links and helpfully}
suggested those instead - you might mention it to the web master!! I though we had a policy on this). When I went into Contacts I could not find a corresponding catalogue class, so searched “chemicals” - nothing! I searched “airports”, a lot, but nothing useful. Searched “tarmac” and “runway” - one false lead. I then searched the knowledge base - I knew the job code name (rubber duck - how imaginative!) but even then could not track it. I went back to the Resources page and checked the job history, but the subbies and experts were not listed on it, and even after I data mined it I still could not find who they were. Eventually I found one guy by ringing AB in Boston.

She moved on to the aggressive ones.....

She had been flamed a few times already by DFT III. He was a typical bloody loudmouthed New Yorker who shot first and thought later:

........This stuff is no use at all unless it is up to date!!! I used some of the information in the Operations and Trends pages and my client pointed out that these were two years old!!....

One had been cc’d to all Directors and Senior Consultants, and was in response to David’s memo of a week before. Oh “S@*#”, she thought, again. Geoffrey was head of LA, and one of the most successful Senior Consultants; he always had the highest growth rates, and so he was close to God:

........Dear David, I appreciate the underlying principles and think this is a direction we need to move in, but we can only do so much. My main priority is winning new clients. It is not inputting data into a common data base. I already have a fairly sophisticated methods to help me keep track of my clients and their needs. Frankly I do not think that these are very relevant to George in Glasgow or Barry in Melbourne. We operate as regional profit and performance centres. I do not see much point in making all this available to everyone. I want to commend Daina on the job that she is trying to do, but we need to revisit our priorities on this one.

Then she noticed one had come in from David while she was looking....

......thanks for the info about Mincom, we knew about it, but it is useful to get it from another source. The intranet does not seem to be working as well as we had hoped. Do not get too despondent about it - these things always have teething problems. Can you put some ideas together about what to do about it for the next executive meeting. Do you think we need some more help from outside?

“Oh well” she thought, “now what do I do.....???”