Knowledge Exchange and Learning and Development in a Newly Formed SME: an example from the KTP Scheme

InnovationKT 2010 Coventry

Martin Wynn,[1] Erin Lau[2], Peter Maryszczak[2]

University of Gloucestershire[1], Optimum Consultancy Ltd[2]

December 8th 2010

Knowledge Transfer Partnerships

UNIVERSITY OF GLOUCESTERSHIRE

Optimum consultancy

Presentation structure

Background & Introduction

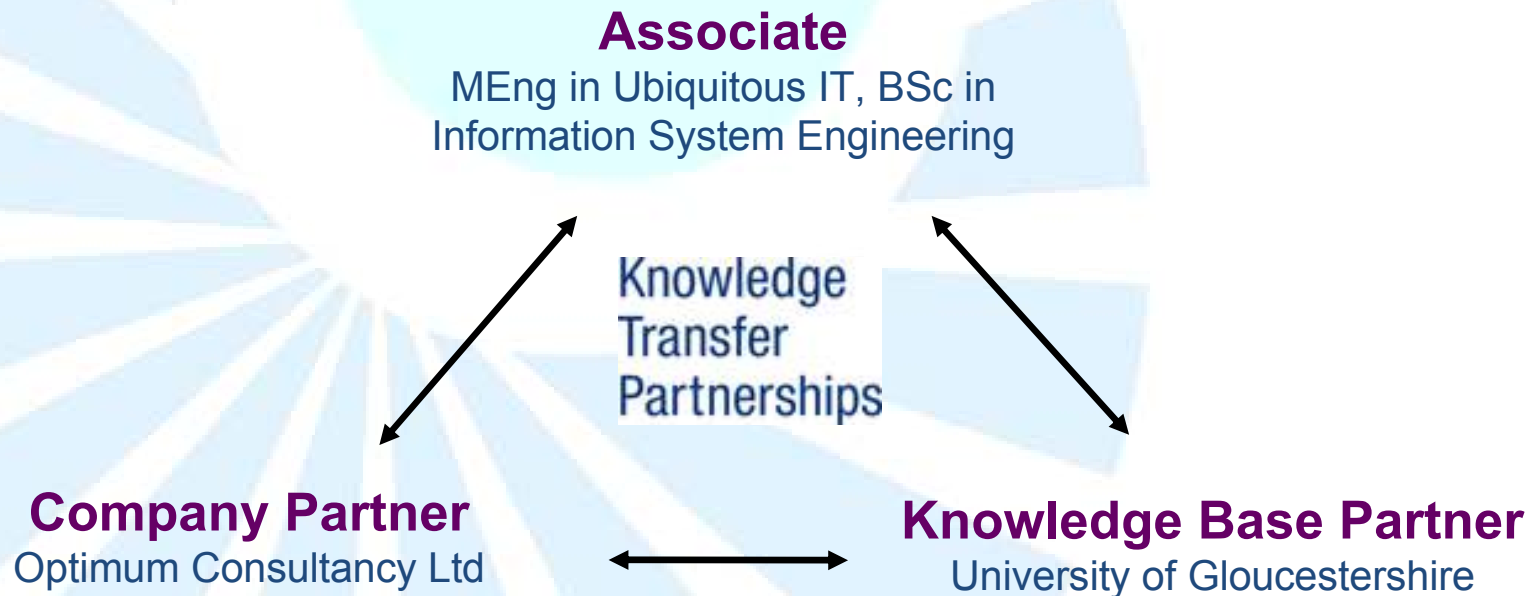Challenges & Project Objectives

Implementation Approach

Learning Outcomes & Key Benefits

Conclusion

Knowledge Transfer Partnership (KTP)

➡ Optimum partnered with University of Gloucestershire

➡ Two year KTP project started in September 2008 and
nine month short KTP started in October 2009

➡ Provides specialist full time resource for the project

Associate
MEng in Ubiquitous IT, BSc in
Information System Engineering

Knowledge
Transfer
Partnerships

Company Partner
Optimum Consultancy Ltd

Knowledge Base Partner
University of Gloucestershire

Company Partner - Background

- Optimum Consultancy Ltd

- Formed in July 2008 through merger of two companies

- SME company with 35 employees

- 3 offices in UK

- £3.1m of turnover in 2009 – 2010

- Provides consultancy services in project ,cost and asset management in property, engineering and construction industries
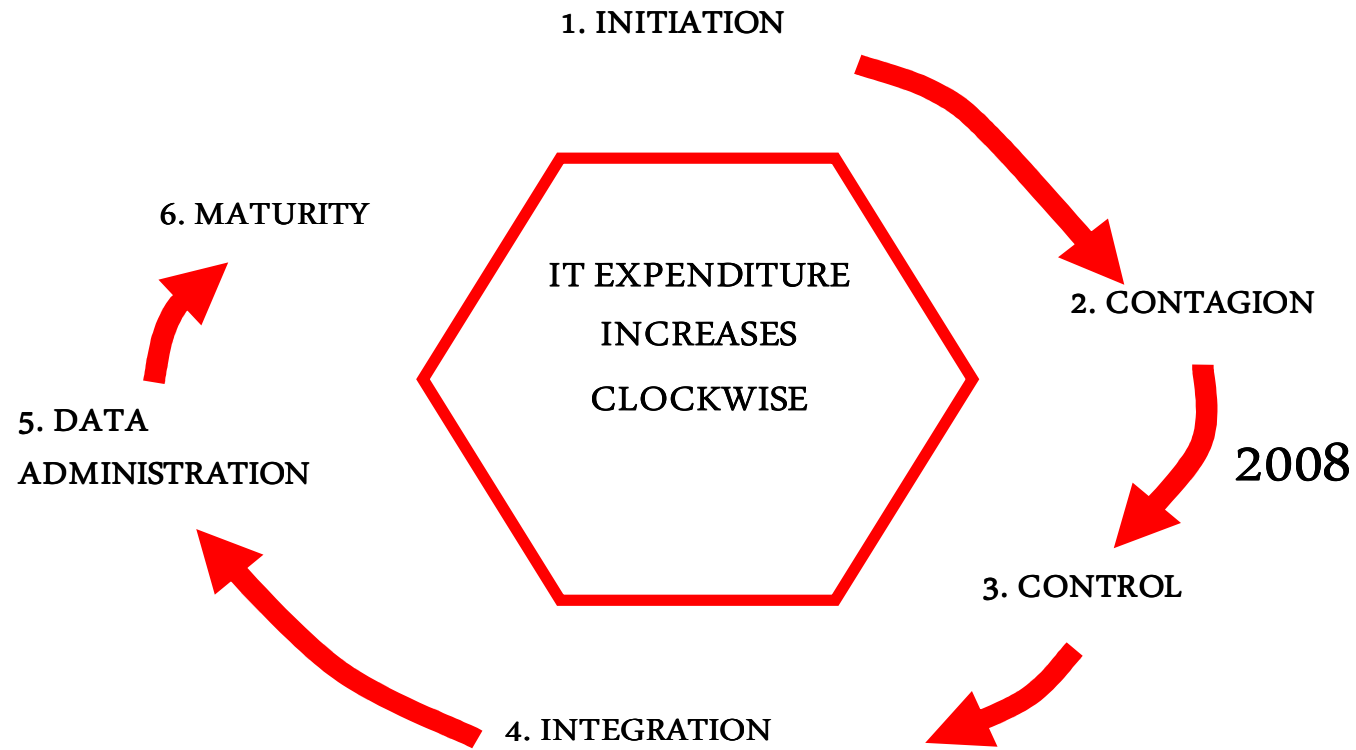
Optimum's Clients

The Challenge

➡ Two companies were being merged, with different systems, processes and customer bases, spanning three offices (in Cheltenham, Haywards Heath and London)

➡ Systems were a disparate mix of old legacy systems, Sage line 50 and end-user databases and spreadsheets

➡ Staff had different levels of computer literacy

➡ There was no established IS/IT department nor training and development function in the combined business

The Challenge: IS/IT status

1. INITIATION

6. MATURITY

IT EXPENDITURE
INCREASES
CLOCKWISE

2. CONTAGION

5. DATA
ADMINISTRATION

2008

3. CONTROL

4. INTEGRATION

NOLAN'S MODEL OF THE DEVELOPMENT

OF THE IS/IT FUNCTION
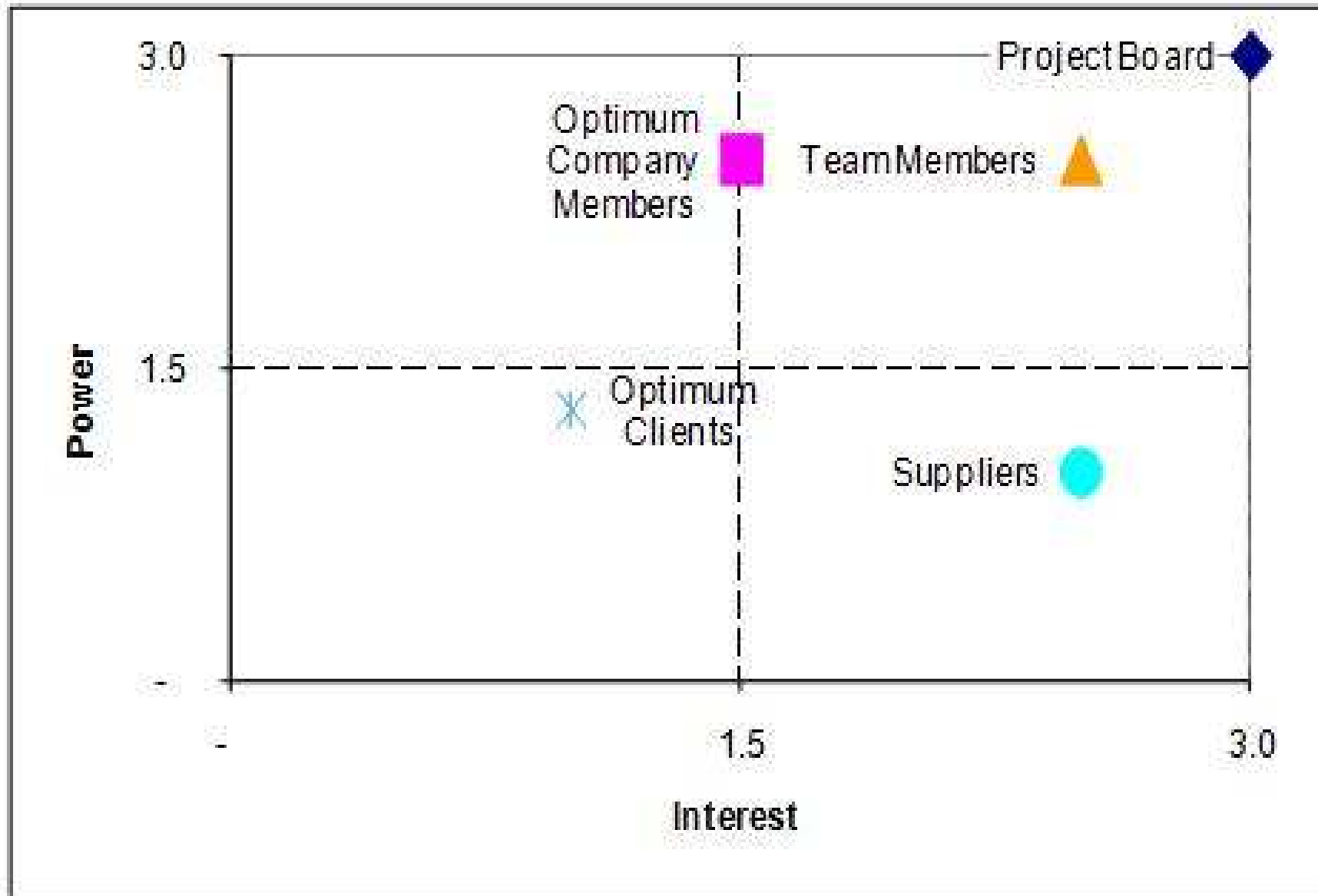
Operational Issues - 2008

- No version control and audit trail of project documentation

- No central database for business contacts

- Mixture of manual and SAGE generated invoices

- Project profitability analysis was achieved by manual input to spreadsheets

Main Stakeholders in the KTP programme

Operational issues

Objectives 2008

- To optimise/re-engineer the existing business processes

- To improve communications and information sharing for employees

- To reduce administration time and effort in searching for documents and re-keying data

- To improve efficiency in reporting, forecasting, monitoring and controlling tools in all business activities

Software Acquisition - the Approach

Form a project steering group (Project Board)

Define project scope, timeline and budget

Analyse existing business processes and systems

Identify requirements and needs from staff

– encourage user ownership

Send Request for Information (RFI) + Initial Demo

Software Evaluation

Arrange Demonstration + Supplier Selection

Implementation

Ownership and drive from top of company

Supplier management and alignment of objectives

Recognise different user requirements
and capabilities

Software/Hardware installation & testing

Migrating key applications as a quick win
to create enthusiasm

Training and Learning through different formats

Embedding Information Culture

Different training and learning formats were tried

- *formal training courses* - new Workspace software, PRINCE2 project management and service management principles
- *structured workshops* - current systems issues, process mapping analysis outcomes, and systems supplier selection options
- *brainstorming* - requirements for new systems and risk identification
- *structured discussions and panel discussions* - with the software suppliers
- *performance 'try-outs' and simulations* to explore new systems functions in a test environment, with specially designed training guides
- *team tasks* to ascertain reporting requirements from the new systems and also to transfer project data from old systems into the new Workspace environment

http://workspace.optimum-uk.com/

File Edit View Favorites Tools Help

Optimum Consultancy's Workspace

Optimum consultancy

| Home | Personal Zone | Activity Zone | Information Zone | Admin | 4JPL |

Welcome to Optimum Workspace, Erin

Your last recorded logon was: 16 Sep 10 14:25

Latest Five Projects Won

Key Articles

Latest Forum Post

Digital Magazines

LATEST UPDATES

FREE Tickets to Rugby League Cup Final at Wembley

100727 Company Meeting

Company Meeting Power Point on 27th July...

Optimum World Cup 2010 Table - Final

Congratulations to Spain, deserved winners of their first World Cup and to Chris Hare, winner of the Optimum World Cup! Mike Noakes grabbed Second Place and also the Most Goals Scored prize after Uruguay's 2 goals in the entertaining 3rd Place Play-off was enough to clinch that Prize from Chris Hare and Erin Lau. Chris Hares' selection was the best he could have made - I cannot find a combination to get more points - well done. Prizes will be given out at the forthcoming Company Meeting, if not before. Thanks to all that participated. Best regards Spencer...

OC Circular 25 6 2010

Company Update of 2010 – 25th June 2010...

100622 OC Budget Review

Emergency budget on 22 June 2010...

NEWSLETTER

Newsletter Summer 2010

...click to read more

Optic - Spring 2010

...click to read more

Partly Cloudy 15°

Partly Cloudy 16°

Partly Cloudy 16°

Get Widget

Get Widget

Get Widget
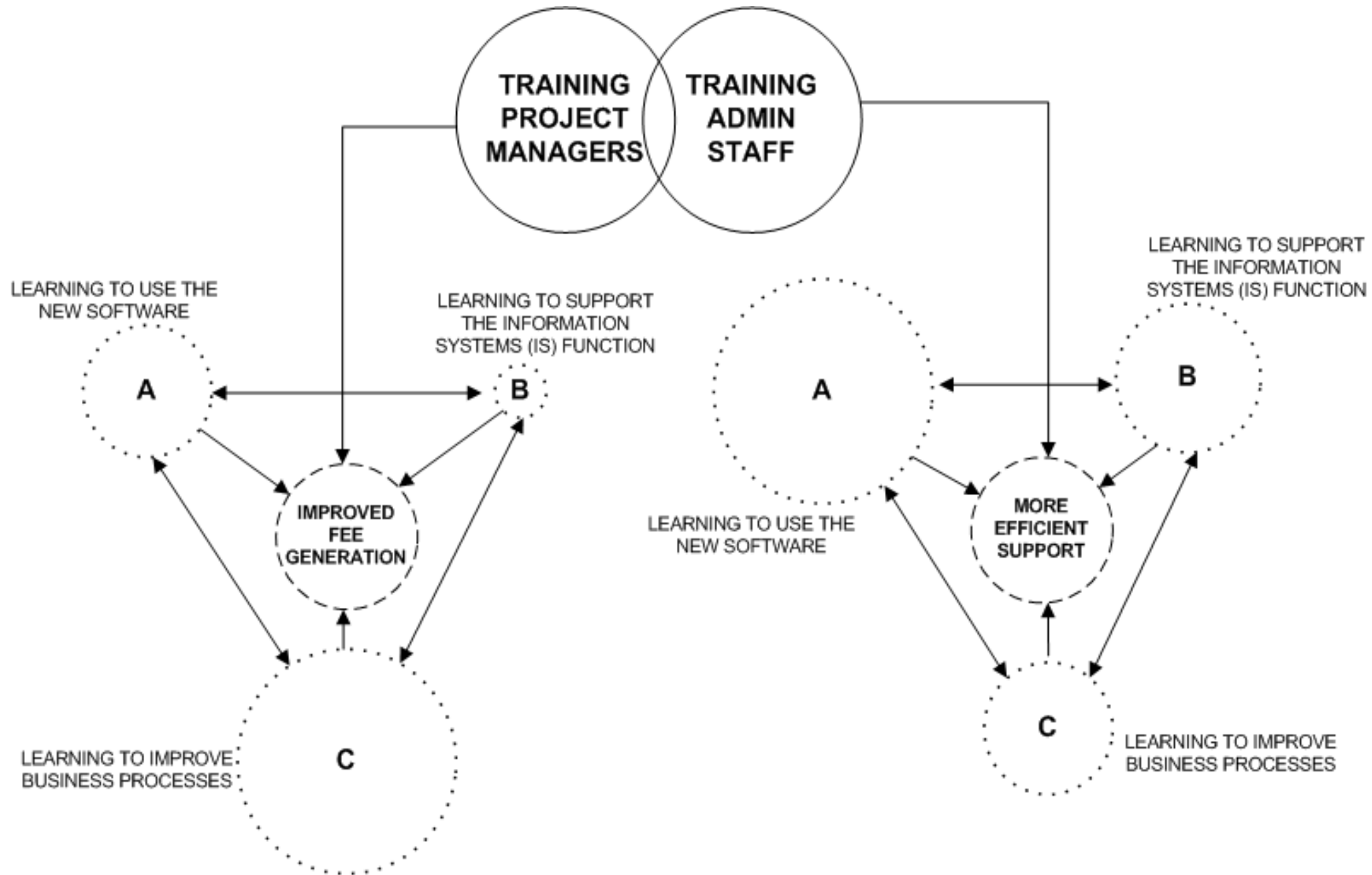
Quick Links:

Discussion Forum

Optimum Webmail

Company Handbook

Workspace Induction

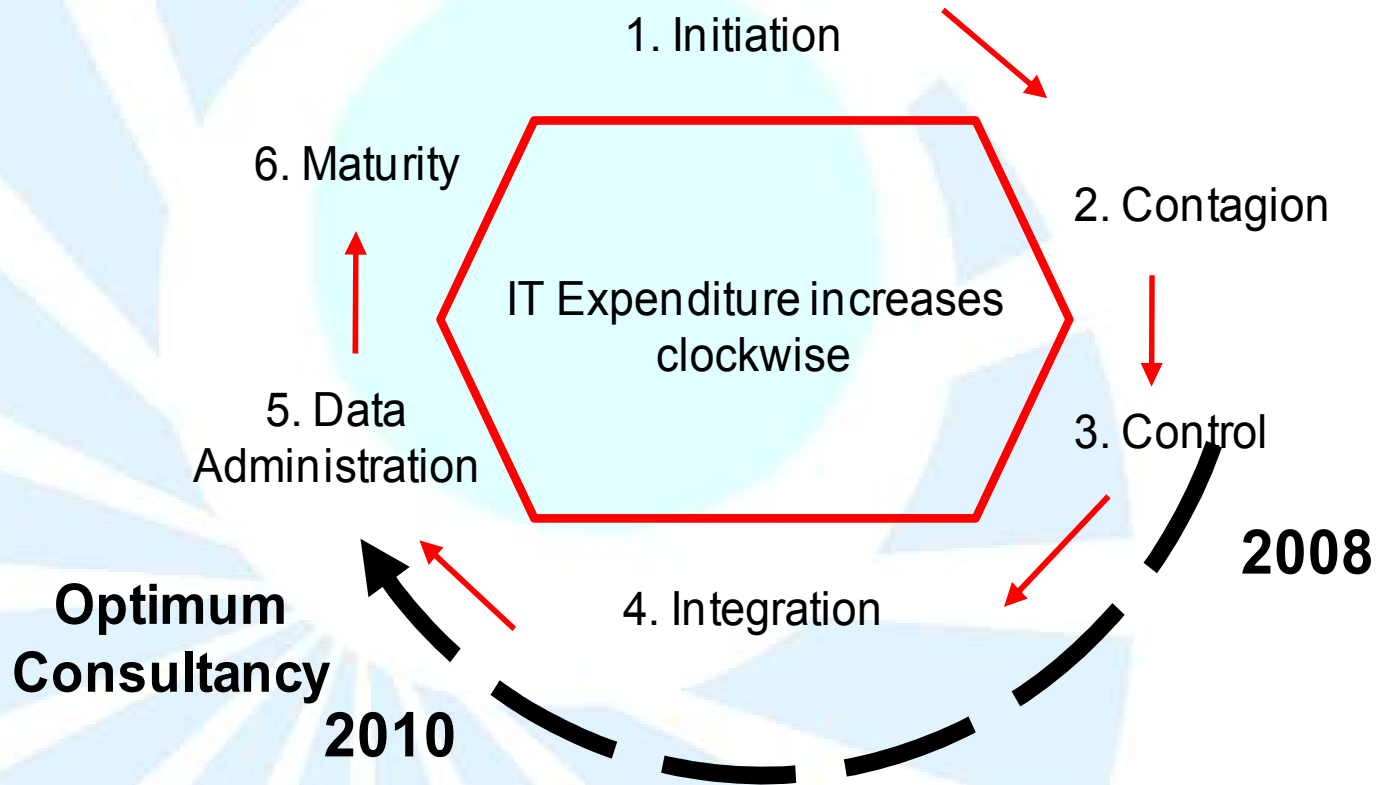Optimum Induction

National Rail Enquiries

From:

To:

Outward Journey

Date: 16 / September

Time: 14 : 30

Departing / Arriving

First train of the day

Return Journey (optional)

Date:

Time: 16 : 30

Search Google

Local intranet   100%

Different weighting of learning objectives for the two main employee groups: project managers and administrative support

Progression of role of IS/IT function

1. Initiation

6. Maturity

2. Contagion

IT Expenditure increases clockwise

5. Data Administration

3. Control

Optimum Consultancy

4. Integration

2008

2010

Key Benefits

Centralised Contact Management
full visibility of sales pipeline of prospects

Improved Document Management
improved PM life cycle controls

Centralised invoice processing and invoice numbering
Shorter invoicing cycle, accurate costing & invoicing

Improved HR Management
Employee records, Electronic Holiday/Leave Management

Improved Information Sharing
Accurate invoicing, improved customer service & collaboration

Evaluation of ROI

➡ Assumptions: 29 fee earner staff / Average Cost: £35K / 40 Hrs per week

REDUCING GENERAL ADMINISTRATION TIME

If 2 hours of working time is saved searching for information, data re-keying, collating information from various spreadsheet per week...

£60K p.a

ADMINISTRATIVE HEADCOUNT AVOIDANCE

The company has 35 staff, of which 6 are support and 29 fee earners. (i.e.1:5). If the ratio was still 1:3 (at the start), there would be 10 support staff to support the 29 fee earners. Therefore Optimum has saved 4 support headcount.

£140K p.a

£200K p.a

➡ Initial investment = £105K (Hardware, software, labour time)

➡ Payback Period = 6 months after project ended

Conclusion

- KTP project – a major success within the company

- All company members working on the new system

- All project aims and objectives have been met

- New knowledge was generated throughout the project through a variety of training & learning formats

- Process mapping, software package evaluation, implementation can be used in subsequent iterations of other projects

- Project has given the company an 'embedded legacy' of 'how to change 'to move forward