

Advancing with e-Business

Springtime Productions

www.springtimeproductions.com.au

The Business



Springtime Productions specialises in the production of digital media. The company's services include print design, video and audio production and digital imaging. The company's main customers are broadcasters, arts based companies and the wider community.

Springtime Productions is based in North Melbourne, VIC and employs two full time staff and subcontractors when required.

The Idea



Director, Keren Flavell, introduced e-commerce when the company began operations in 1995. In developing her business strategy, Keren believed that e-commerce was essential for the growth of Springtime Productions. In particular, electronic communications would be a convenient and cost-effective way to manage relationships with clients and subcontractors.

In conducting preliminary research, Keren contacted friends and colleagues as well as consulting relevant books, journals and online resources.

e-security



It was recognised that robust security systems would provide customers with the confidence to support electronic transmission of project resources and, in turn, promote confidence in the company. A firewall was installed to control Internet connections into and out of the business. Email usage policies have also been implemented, as has installation of virus-protection software.

The internal system is password protected to restrict access. When working on projects involving several parties, project members and subcontractors are supplied with their own password in order to control access to certain information. All business data is backed-up nightly and the tape is stored in an offsite location. This minimises the potential disruption to business activity should the computer systems fail.

The Investment



Since 1995, Springtime Productions has invested \$9,680 into e-commerce. The most significant outlay was incurred in staff time spent developing the company's website, (\$7,000). A router and server box was purchased (\$800), firewall and gateway software was installed (\$900) as was anti-virus software (\$400). Other start-up expenses included registration of domain name (\$180) and installation of an Asymmetric Digital Subscriber Line (ADSL) (\$400).

Hurdles



Many of the challenges faced by Springtime in implementing e-commerce are related to cultural shifts. While some customers did not understand the concept of digital media, other customers were not familiar with usage of online systems in business. Training on electronic communication procedures was therefore essential. Keren undertook and was even paid for some training provided.

Keren believes that continual up-skilling and increasing awareness of digital and online technologies will resolve these issues.



Keren Flavell

e-Security

Results

The main benefits from implementing the e-commerce system have come in the form of cost savings, which totalled \$67,400 in 2001. With the increased use of electronic communications, it is estimated that one third of staff time is saved in not having to travel to client premises or other project parties, banking, and talking on the phone (\$64,350).

With Broadband Internet enabling the electronic transmission of client deliverables, Springtime has been able to reduce postage, printing and stationery costs by \$1,560, \$720 and \$300 respectively. For example, publishing occurs on-line where customers can view and provide feedback.

By using an online data repository for filing access and retrieval of large files, time is not wasted in searching for paper copies or referring to incorrect documents. In addition, the use of online research has saved staff time in not having to travel to the library to wade through microfiche or track down unique books not available in general book stores.

Ongoing costs totalled \$4,520 in 2001. These include website hosting (\$180), rental of the ADSL line (\$1,620) and purchase of data back-up tapes (\$300). In addition, \$2,420 is allocated to the amortisation of capital expenditure over four years.

Future

Keren plans to provide all crew and production teams with synchronised Personal Digital Assistants (PDA) to assist with co-ordination of schedules and sharing of knowledge. Springtime Productions also intends to introduce seamless integration of publishing among different platforms such as television, DVD and third generation telecommunications (G3).

Keren's advice to other businesses considering e-commerce implementation is to ensure that adequate security measures are implemented to prevent effective online operations being compromised by system attack. To this effect, staff must be trained on email management and protocol.

Revenue and Costs

		\$
E-commerce establishment costs		
Web development in 1995	7,000	
Hardware - router/hub, server box	800	
Software - firewall and gateway	900	
Software - anti-virus application	400	
Domain name	180	
Telecommunications - broadband (ADSL)	400	
Total e-commerce establishment costs		9,680
Operating benefit from e-commerce		2001
		\$
E-commerce cost savings		
Postage	1,560	
Couriers	720	
Stationery	300	
Fax machine	470	
Staff Time - travel, telephone, communication	64,350	
Total e-commerce cost savings		67,400
<i>Less: Ongoing e-commerce costs</i>		
Amortisation of capital expenditure	(2,420)	
Website hosting	(180)	
Telephony - fixed	(1,620)	
Hardware - Back-up tapes	(300)	
Total ongoing e-commerce costs		(4,520)
Operating benefit from e-commerce		62,880

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

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