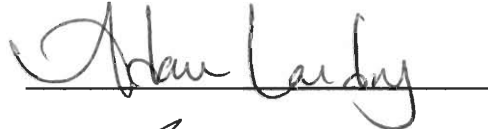**Report Submitted to:**

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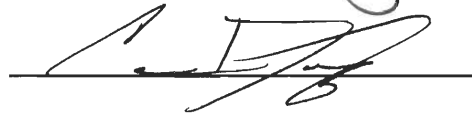Project Advisor Professor Vernon-Gerstenfeld
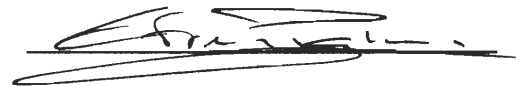
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WORCESTER POLYTECHNIC INSTITUTE

CAPABILITY MANAGEMENT

MARKETING IP MANAGEMENT PROGRAMMES

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Executive Summary

The following report will provide background information on topics that are crucial to expanding a business online and the methods that our team employed in order to create a successful marketing plan for Capability Management's new product, IP Management Programmes. Over the last several years, there has been a drastic change in the way people communicate with each other. This change is the transition from face-to-face to electronic forms of communication. Many different areas, from higher education to gasoline services, have experienced this transition over the past decade. In turn, Executive Managing Director Jed Simms developed a new product that could direct the consulting industry to experience the same trend. The new product consisted of five separate IP Management Programmes (Business Simplification, Business Case Generation, IT Leadership, Software Selection, and Change Management) which contained Jed Simms' consulting experience documented as a process or methodology. The programmes were designed so that an organisation could complete the project planning, implementation, and closure themselves within their organisation. These programmes helped organisations build core competency.

We have studied Capability Management's eight-year history in the information technology consulting industry to understand and predict in what direction the industry was headed. Capability Management's company goal to expand online and decrease face-to-face interaction requires knowledge of the current market status and what the business industry is willing to accept. Our team also studied security risks that must be addressed when working

with and communicating on the Internet. One of the advantages of using the Internet for business is that an organisation's customer base expands worldwide. Once an organisation begins working with international customers, the organisation must research and address international trading and security laws. Since Capability Management's new product is their intellectual property (IP), we examined the legal aspects on global intellectual property laws.

Understanding where the IT market is expected and projected to advance is an important issue when considering the expansion of an organisation to the online market. Within the IT Market, the opinion of consultants has drastically changed since a large number of companies over invested in IT consulting firms before the year 2000 and received low returns on their investments. Currently, a consulting firm and their services are measured on their ability to supply quantifiable competitive advantages. Consequently, the market has seen a decline in IT spending as organisations either refuse to invest any budget in IT spending or wait until the consulting firm can provide cost-benefit analysis demonstrating future pay-offs before investing. Though the market has slowed down and money is not being invested as it was between 1996 and 2000, analysts and consulting groups still predict that the IT consulting market will increase. Since the number of e-businesses continue to increase, which require extensive IT support, the IT consulting industry will likely increase. Furthermore, it has become evident to managers and high-level executives around the world that it is often essential to hire an IT consultant if a company wishes to expand and grow efficiently.

Finally, there are some issues regarding concerns and risks that companies must be aware of before entering the online market. Some of these risks include security breaches by hackers, global customer overflow, and conflicting governmental regulations regarding e-transactions and intellectual property.

Our IQP team project goal was to derive a complete and successful marketing plan for Capability Management's new products. We conducted ten semi-standard conversational interviews with past, current, and potential clients, as well as several informational sources. The interviewees were selected using purposive sampling. We also attended a think tank meeting directed by Capability Management's sales representative. During the think tank meeting, we focused our discussion on marketing and packaging the new product. Our team also developed a strengths, weaknesses, opportunities, and threats (SWOT) analysis on the new product to help analyse the product's current situation and develop successful marketing strategies and tactics. Finally, we did extensive research on product launching, marketing, advertising, and how new products are accepted in the marketplace.

After analysing our data, we formed conclusions and recommendations for Capability Management.

We concluded that there is a niche market for the IP Management Programmes and we recommended that Capability Management continue with their organisation's redefinition. Though we expect that entrance into the IT consulting market will be slow, we believe that the product will be successful.

We concluded that Capability Management's current client market is very small and that is why we expect that entrance into the market will start slowly. We recommended that Capability Management begin their marketing process with past clients and professional colleagues. The relationship between an organisation and their consultants is primarily based on trust. Past clients and professional colleagues are most likely to make the large invest in the product once the product is released in the market since they have already build a trust relationship with Capability Management and know the value in their services

We concluded that Capability Management and Jed Simms need to brand their names to get the attention of more prospective potential clients to increase the number of interested clients. We recommended that Jed Simms become a member of two professional bodies for managers, the CEO Circle and Australian Institute of Management, to help him network with clients and business colleagues. We recommended that Capability Management submit a company profile and written articles to top business magazines and journals like CFO and the Financial Review.

We concluded that Capability Management's website is inadequate for their organisation's goals. We recommended that they hire a professional web design company to create new website. The website should be the primary information source about Capability Management and the IP Management Programmes for potential clients. Since the website should be the primary information source, all advertisements and marketing efforts should direct potential customers to the website.

We concluded that the product's presentation is essential to representing the value of the programmes. We recommended that the written programme be divided into leather bound sections for each project phase (setup, planning, execute, and close). The programme sections should be accompanied with some type of face-to-face training, whether it is actual training sessions or video training.

Along with our project conclusions and recommendations, we have suggested several other projects in order to insure that introduction of the new product into the IT consulting market would be successful. The suggested future projects are IP Management Programmes pricing strategy project, US market investigation and identification project, and website usability test, enhancement, and development project.

Abstract

This report, prepared for Capability Management, investigates the methods and processes required to market "guide book" consulting programmes on and off the Internet. The report examines background information on market status, security issues, and marketing techniques. Through several small case studies and interviews, we devised a preliminary marketing plan that could later be developed into an effective marketing plan. The report also investigates the societal aspects of moving from face-to-face communication to different forms of electronic communication and how this new consulting product follows this trend.

Authorship

All members of our Interactive Qualifying Project team were evenly contributing members. All sections of our project report were developed, written, and edited by our entire project team.

Report Section	Author
Chapter 1. INTRODUCTION	Project Team
Chapter 2. BACKGROUND	Project Team
Chapter 3. METHODOLOGY	Project Team
Chapter 4. DATA PRESENTATION AND ANALYSIS	Project Team
Chapter 5. CONCLUSIONS AND RECOMMENDATIONS	Project Team
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We would also like to thank our two project advisors Professor Arthur Gerstenfeld and Professor Susan Vernon-Gerstenfeld. We appreciate all the long hours and hard work that they dedicated to our project over the last half year. Our project could have never developed as it has without their assistance and direction. We greatly appreciated both of their continual dedication to helping us have as rich and complete experience while in Australia. The whole team thanks them for their dedication whether it was organising group cultural trips, baking daily batches of cookies and cake, scheduling group student dinners around the apartment's coffee table, or taking an hour off to beat some students in tennis.

Again we would also like to acknowledge and thank our project centre directors Professor Jonathan Barnett and Professor Mathew Ward. We appreciate the time and effort required from both of them to start, develop, and continue the Melbourne, Australia IQP Project Centre. We also

appreciate the time and planning that the project centre directors invested into

our early morning meeting during B term where we learned some of the most

useful preparation information. Our experience over the past seven weeks

has been one of the most memorable experiences for all of us. Last, but not

least, we also would like to thank all of the interviewee that took time out of

their busy schedules so that we could question and collect data from them.

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Chapter 1. Introduction

Over the last several years, there has been a drastic change in the way people communicate with each other. This change is the transition from face-to-face to electronic forms of communication. Many different areas, including gas stations, banking systems, and higher education, have experienced this transition in recent years. Along with this change in communication, there also has been a significant increase in the use of information technology (IT) (See Glossary) in the corporate world. IDC, one of the world's leading providers of global technology intelligence research, estimates that revenue from the IT training market will increase worldwide at a compound annual growth rate of 13 percent from $22 billion U.S. in 2000 to almost $41 billion U.S. in 2005. With the current aggressive competitive climate, it is essential to market a product on all available media, particularly through Internet (Furlong, 2002).

Capability Management was founded in 1994. They specialize in helping their clients, from a wide range of industries, generate value from IT. Jed Simms, Executive Managing Director and owner, now seeks to expand the business by licensing their proven IT Management approaches. The organisation now provides the means for organisations, regardless of size, to become "IT-Management Capable". The service involves providing the process, tools, and support required for the client to implement IT projects on its own, thereby reducing their risks and dependency on consultants. Unlike most other IT consulting organisation who focus primarily on the IT department to promote maximum efficiency, Capability Management focuses

on the business activities as being critical to the overall generation of benefits and value.

Consequently, the organisation is now presented with a challenge; how to effectively package and market their new and unique product on and off the Internet. This challenge was the goal of the project discussed in this report.

The organisation's concerns, however, go beyond marketing. Simms believes that a feeling of resentment exists between organisations and IT consultants. It is because of this adverse sentiment that the organisation now requires a greater understanding of what exactly the business community expects from an IT service firm in order to present prospective clients with an attractive proposal to help them license their IT Management programmes. Furthermore, the organisation wishes to identify how business leaders come to recognize their need for help in extracting maximum value from IT, thereby assisting Capability Management in formulating a marketing strategy.

The desire to grow, improve, and provide unique differentiated marketable products plays a key roll in fostering the success for any business. Capability Management realized that their practices no longer supported their new business objectives and asked us to identify an effective approach to market their product online. After our team was exposed to their IP (intellectual property) Management Programmes (See Glossary), we assessed how the increasing adoption of the Internet as a reference source can be turned into a commercial opportunity. Because this material is seen to be applicable on a worldwide basis, our team also determined any differences in global demands and those specific to Australia.

Several methods were employed to obtain information, which allowed us to determine whether the project goal was achievable and financially feasible. Our team identified information by conducting interviews with past clients, current clients, prospective clients, and informational sources. We used a pre-planned set of questions in a conversational style interview to ascertain their considered and professional opinion on the following:

a. Do they know if similar products are being offered by competitors?

b. Is there a market need and how would they express it?

c. What is the most effective way to 'transfer knowledge', particularly if utilising the Internet as part of the delivery?

d. How effective is e-learning; is it necessary for this product?

e. Should this product be marketed and supported over the Internet?

The above were the fundamental project objectives; however, based on the feedback, we were able to formulate other questions which ultimately assisted in the integration of an array of strategies which respond to marketing queries, product delivery solutions, and competitor analysis examination.

Once the data from interviews and competitor's products was collected, we analysed the themes and concepts from the data. We looked for patterns about client expectations, client needs, and market trends. Therefore, the project conclusion answers the overall fundamental question; is this a product that will be commercially beneficial for Capability Management and to prospective buyers?

Chapter 2. Background

The following background examined the transition from face-to-face to electronic communication (See Glossary). We have studied Capability Management's endeavour in the Information Technology consulting industry to understand and predict in what direction the industry is headed. Capability Management's organisation goal to expand online and decrease face-to-face interaction required knowledge of the current market status and what the business industry was willing to accept. Security risks on the Internet and legal aspects on global intellectual property laws were also been studied by the team.

Communication Transition

Over the last several years, there has been a major transition from face-to-face communication to other forms of communication, including online. The Internet is one of many mechanisms that has had a large impact on this transition. The Internet became available in the late 1960's to universities for research purposes, in the years following, it has developed into an instrument for people all over the world to communicate. The Internet has touched many aspects of society from businesses to education to personal lives. The changes that these areas have undergone have caused mixed feelings amongst many people.

One of the main positive aspects of these changes is the ability for the Internet to simplify everyday tasks. This can be clearly seen in the banking industry. It first began with the creation of automatic teller machines (ATM) (See Glossary) where people could withdraw and deposit money without

visiting the bank. In recent years, the Internet has had an even greater effect by allowing customers to access their accounts online. It is commonly assumed that along with being able to access their account, bank customers can also transfer funds, pay their bills, and inquire about balances. With automatic pumps that accept credit cards, even typical day-to-day issues such as pumping gasoline in an automobile have been impacted by this trend. The online trading industry has also seen many major changes. In the past, anyone who wanted to trade stocks needed to contact a broker. With the advent of the Internet, anyone with a connection to the Internet can log on, access information about the organisation, and purchase stocks.

The Internet has also opened the doors for people all over the world to communicate with each other. Technologies such as chat-rooms (See Glossary) and Instant Messaging (See Glossary) have allowed people from all over the globe to come in contact with each other. People now have the ability to find others with similar interests, beliefs, and ideas. These technologies have also allowed people that are away from home to remain in contact with friends and loved ones. This, however, is creating a concern with many researchers. They believe that many people are spending too much time on the Internet and not enough time interacting with people. In a recent study, 25 percent of regular Internet users indicated that they are now spending less time attending social events and talking to others on the telephone (Koretz, 2000). Consequently, it is believed that the Internet may become a powerful isolating technology (Koretz, 2000).

Another area that has been touched by the Internet is education. In the past, all teaching was taught in a classroom based atmosphere. The Internet

has allowed teachers to reach people all over the world by providing lessons in virtual classrooms; this new method is referred to as "e-learning". In some instances, a student can complete an entire course without ever physically meeting the teacher. Currently, there is a significant amount of money being invested into e-learning. According to IDC, worldwide e-learning will continue to grow from $2.2 billion in 2000 to $18.5 billion by 2005 (Moore, 2001).

One of the major problems with e-learning is the high drop out and low participation rates. A recent report from the Chronicle of Higher Education found dropout rates to range from 20 to 50 percent for e-learners (Frankola, 2001). According to Russel Yardley, Managing Director of Acumen Multimedia (personal communication, 15 March 2002), in 1991 Acumen Multimedia conducted a research project in order to understand where and why e-learning works better than traditional methods of training. In that study, Yardley found two key points that were tied to a successful e-learning program. The first point was that a program needed to have time constraints. He found that if students were allowed to complete certain tasks at their leisure, they tended to fail because, on average, the student would not finish the task. However, by placing time limitations on certain tasks, the completion rate was high. The second, and probably the most important factor, is having avenues available for people to interact with other people.

Another problem with e-learning, according to Jerry Goguen, owner of IntraLearn Software (personal communication, 25 February 2002), was the high cost and high amount of work required to get an e-learning program started. A common myth people have about e-learning is that it will solve all their problems and be a cheaper alternative then traditional instructor based

training. Having worked in the field for many years, Goguen found that initially, e-learning comes with high expenses. However, he has also found that despite these initial costs, money can be saved by implementing an e-learning package because the training programmes are there forever and can be utilised and referenced indefinitely.

As a result of the above, companies can try specific strategies like team competitions, performance tracking, personal interaction, and formal rewards to raise completion rates of e-learning. A study by Sun Microsystems found that personal interaction with tutors can raise course completion from 25 to 75 percent (Frankola, 2001). Although e-learning can be a good solution, it presently cannot be the only solution. Traditional face-to-face assistance is still important to any training program (Yardley, Personal Interview 15 March 2002). It is because of all these reasons that IT consultants want to follow this trend.

"Guidebook" Consulting

"IP Management Programmes" is the term that Capability Management has chosen to describe their new product. Though it is expected that a business will require additional assistance from either Capability Management or a person that has been accredited by the organisation, the idea behind the product is that a middle-sized organisation that does not have the resources to hire a consultant can purchase this product and complete the consulting process themselves. There are however, several other reasons behind the creation of this product. One central motive was brought to our attention in an interview with Simms who explained that there is a current feeling of resentment between organisations and IT consulting firms.

There are several factors that were taken into consideration before Simms realised that there was an opportunity for the IP he had developed for his consulting practice. One was capitalising on this feeling of resentment organisations have towards IT consulting firms. Simms pointed out that consulting firms have had the tendency to over promise and under achieve. As Davy (1999) explains, the United States spent almost 250 billion dollars on IT projects where 42 percent of those projects were never finished. Additionally, 50 percent of the completed projects never met the executive's expectations (Davy, 1999). Most of the problems with IT consulting firms began in the year 2000 when scared businesses made massive investments in IT to guarantee that their systems would remain unharmed by the coming of the new millennium and its effect on computer clocks (Kestelyn, 2001).

As a result of this fault in IT consulting, firms are now expected to deliver a quantifiable competitive advantage (Kestelyn, 2001). According to Solomon (2002), the first quality of a consulting service or product that should be verified is its ability to offer a quantifiable return on investment. Anthes (2001) also supports this point by stating that IT investments made with no financial return in sight went out of style with the collapse of the dot-coms (See Glossary). In addition, giant companies like the Gartner group have also come to acknowledge this need, as seen in a study that they conducted which researches ways to calculate and deliver promised ROI results (Gartner, 2002b).

Another major criticism organisations have of consultants is their inability to communicate effectively and accomplish common goals

(Davy, 1999). Organisations are also angry since it appears to have become common practice for consultants to enter a business and acquire the organisation's IP thereby increasing the consultant's experience and knowledge. Organisations, therefore, do not want consultants getting too comfortable; organisations expect them to solve the problem quickly, transfer knowledge and move on (Hayes, 2002).

Finally, there are those who just do not like consultants. Stanley Bing (2000), writer for Fortune magazine, claims, for example, that consultants temporarily bridge gaps in organisations that should be filled by staff, and he thinks that their "solutions generally evaporate like fog over a mountain lake." Bing makes several other extreme claims such as the fact that consultants exist only to get people fired and take their jobs. However, he does state that there are several good practitioners who come in with highly specific knowledge, identify a problem, and get the work done and that these people are appreciated and liked in the business world (Bing, 2000). Others like David Murray, CEO of Australia Commonwealth Bank, resent the IT industry in general. In a recent speech Murray (2002) explained how he believed the "IT industry in the United States had single-handedly wrecked the world economy over the last couple of years."

Information Technology Market

Given all the changes in the industry, people like Tom Rodenhauser, president of Industry Analyst Consulting Information Services, have been led to believe that the industry has come to a halt after years of enormous growth (Steele, 2002). In 1998, the information technology services market almost reached $350 billion globally with an analyst from Dataquest predicting a near

$622 billion by 2003 (Caldwell, 1998). This market includes all transactions in the IT market, including consulting. In December of 2001, Canada's IT growth fell to 3.5 percent compared to 7.5 percent in 2000 (Schick, 2001). Nevertheless, Canada's income from IT is higher than the United States and most of the world since the dot-com did not have as much of an effect in Canada's IT market (Schick, 2001).

Though the information for the 2001 IT services market has not yet been published, one can examine estimates that were made at the beginning of the year. Cahners In-Stat Group (2001) predicted that, on average, there would be a 12 percent decline in IT spending by the end of 2001. To make this estimate, In-Stat grouped companies into four subsets based on the size of the companies (See Figure 1). Giga Information Group (2001) also predicted a decline in spending. Giga's original estimate for 2001 was a decline of 3 percent, after the September 11th attack on the World Trade Center; however, they adjusted their prediction to a decline of 5 percent. In a more recent study, Merrill Lynch estimated that IT spending in the United States declined 2.8 percent from 2000 while spending in Europe increased 2.6 percent (Mosquera and Kemp, 2002). The decline in the United States was due to the fall of the dot-com and the realisation from organisations that their IT investments had no return on investment. Originally, Europe was not intensely affected by the rise of the dot-com; thus, their fall did not have much of an impact either.

Figure 1 shows the four subsets that were derived by In-Stat in 2001.

All subsets indicate a decrease in IT spending by the end of last year.

Figure 1: Estimated decrease in IT spending for 2002 (Computer Power User, 2002)

Together with all the predictions for the decline in IT spending, there

are many experts who believe that IT spending will increase during 2002.

Merrill Lynch predicts that IT spending in the United States will increase by 2

percent in 2002 while the Europeans are a bit more optimistic with an

increase of 2.6 percent (Mosquera and Kemp, 2002). Giga Information Group

(2001) also predicts that IT spending in 2002 will increase 4 percent over

2001. There are, however, reasons for this decrease and differing predictions

for an increase in the IT market. One of the reasons for the slowdown in the

market is that IT consulting firms have now been and will be primary target of

budget-conscious executives as seen in Figure 2 (Hayes, 2002).
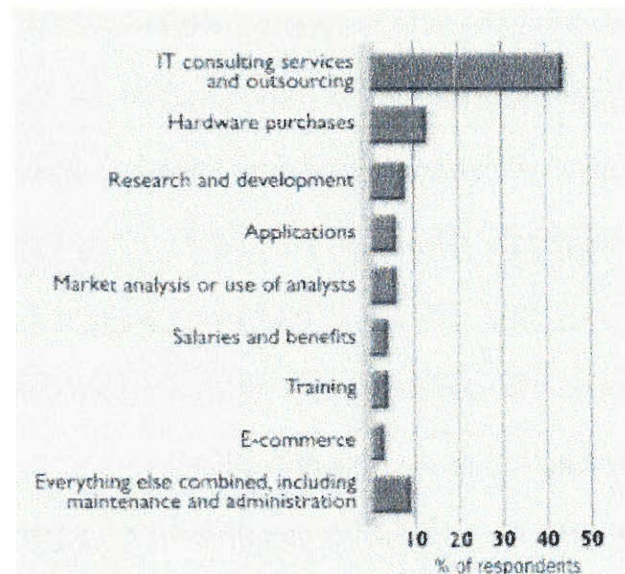
Figure 2: Percentage of Respondents Cutting Spending in Separate IT Sectors
(Hayes, 2002)

According to a study conducted by InformationWeek, 20 percent of the

125 high level executives interviewed expect to cut consulting expenses

(Hayes, 2002). Another major reason is that since the market has matured in

the last few years, the growth rates have begun to fall. With the current

recession in the United State's economy, the IT market growth rates have

fallen even lower. However, the spending of IT to support e-business is

growing, which is helping to offset the reduced rates on IT markets

(Input.com, 2002).

Online Marketing

Many believe that the Internet is the most important new

communication media since television and that it is fundamentally redefining

contemporary understanding of sales and marketing (Bloomberg, 2002). The

sudden rush to capitalise on the potential of the Internet in the late 1990's

caused many organisations to market ineffectively which resulted in poor planning and business models that often neglected to include realistic goals and profit margins. An estimation of over a thousand organisations experienced the effects of poor planning and business policies in the final quarter of 2000 with the collapse of numerous dot-com firms. Because of this, every organisation that sells a product or service to a customer should have a formal marketing plan (Lee and Hayes, 2002).

The fundamental information required for an organisation to build a marketing plan is identifying the organisation's customer base, their competitors, the dynamics of the media channel to be used, most effective mix of marketing strategies, whether the business model is realistic, and how and when the return on investment is expected (Bloomberg, 2002). A complete understanding of the e-business market is essential to the success of any involved organisation as a basic and general understanding will not be adequate (Gartner, 2002a).

Marketing Tools

There are several marketing tools that are currently available to be used on the Internet. Banner ads, e-mail, and list servers are some of these tools. Banner ads are similar to billboards that allow companies to advertise on other websites. A newly developed replacement for the banner ad is the Messaging Plus Unit (MPU). The MPU is slowly replacing the banner ad because it is slightly larger and interactive, allowing the visitor to become involved with the advertisement. Because the MPU is a new method, little information is currently available on the successfulness of it (B to B, 2001). E-mail can be used for marketing purposes and for contacting current and

prospective customers. List servers, or mailing lists, allow interested consumers to receive information or product information via e-mail. List servers allow organisations to contact only those consumers who are interested in the organisations product, therefore allowing the organisation to focus their advertising efforts.

Concerns Regarding Entrance to the Global Marketplace

Entrance into the e-commerce (See Glossary) marketplace requires a large commitment by an organisation. To be successful, there are several business factors that must be addressed such as change in business system, international trade and IP regulations, and security.

Conflicting and complicated government regulations can cause many unplanned problems for international business transactions. Government interference can often slow or even prevent e-commerce transactions. Organisations may run into problems pertaining to e-commerce laws of other countries (Schwartz, 2001). International data retention practices, for example, illustrate the range of varying policies that different nations can have and how these policies can affect international organisations. According to the Telecommunications Directive of 1997, European Union nations are required to pass local legislation that prohibits telecommunication providers from saving collected data about an interaction once the bill is paid or the time for a customer to contest the interaction has ended. This directive has had a profound effect on business security since past computer crimes would be impossible to solve without historical interaction data (Charney, 2000). International organisations have to decide whether to take this security risk to compete in the European Union (EU) market. Members of the United States

Commerce Committee urged President Bush's administration to review the

European Union data privacy laws last year. The EU data privacy laws have

costly implications on foreign organisations (Thibodeau, 2001).

Electronic Transaction Security

Before the Internet was even formed, organisations risked fraud and

error within almost every transaction. They risked bad checks, expired credit

cards, forgeries, impostors and corporate espionage. According to Andrew

Phillips (2002), the Vice President and Service Director of Gartner Dataquest

Research Group, the risk is much greater with electronic transactions over the

Internet.

There must be a process of authentication with every electronic

transaction so that the identity of both transaction participants is verified. The

identity of participants in transactions without computers can be verified by the

presentation of personal identification in person. The four traditional forms of

authentication are things one knows, such as passwords and PINs; things one

has, such as a key or "Smart card" (See Glossary); a personal characteristic,

such as a person's facial features, fingerprints, or voice; and somewhere one

is, such as specific location or at a device such as an ATM (Automated Teller

Machine). The Gartner Group defines "strong authentication" as requiring at

least two of these forms of identification in unison. With electronic

transactions, PINs and passwords, tokens (See Glossary), public key

infrastructures (See Glossary), and biometrics (See Glossary) are the four

standardized forms of authentication. Organisations must consider these

authentication options and reassess their current policies and systems. There

are millions of computers around the world and less than 10 percent of those computers use strong authentication (Phillips, 2002).

Internet security has been a major focus for organisations involved with electronic business transactions. The lack of "strong authentication" usage indicates that Internet security policies of organisations involved with electronic transactions must greatly improve. The Computer Emergency Response Team Coordination Center (CERT/CC) of the United States survey results show that the number of security incidents has doubled each year over the past three years from 10,000 in 1999 to 21,700 in 2000 and to 52,600 in 2001 (Costello, 2002). According to CERT/CC, vulnerabilities in software have also followed the same trend over the past three years from 417 reported in 1999 to 1090 reported in 2000, and 2437 reported in 2001 (Costello, 2002).

The Computer Security Institute and the United States FBI surveyed 538 computer security experts from a variety of organisations, government agencies, financial institutes, and universities. Eighty-five percent of those surveyed had detected security breaches and 64 percent had experienced financial losses over the past year. One hundred and eighty-six of those 538 respondents were willing to share details about the amount of lose experienced. The losses totalled nearly $378 million (Hatcher, 2001). Because of these large amounts of money that have been lost and can still be lost, information security is an essential aspect of entering the online market.

Information Security

Before 1999, at least 75 percent of all enterprises were isolated from the Internet (Gartner, 2002c). The Internet's popularity, usage, and

importance have risen greatly since 1999, and so has the number of security

tools and distributed security technologies. Enterprises have been trying to

use these tools and technologies to secure their networks. The Gartner

Research Group forecasts that more than 80 percent of enterprises will be

using the Internet as a significant part of their business system by 2004. By

2011, the Gartner Research Group forecasts that enterprises' annual

spending on information security will multiply by ten and require over 4

percent of their annual revenue. Information security expenditures are an

unavoidable cost for companies wanting to expand and take advantage of the

risky online market (Gartner Group, 2002c).[1]

Intellectual Property Management

Peter Normington (2002), writer for Semiconductor International,

believes that intellectual property is often the most important asset for many

organisations. IP is usually protected by patents, copyrights, and trademarks.

IBM and Texas Instrument are the leading organisations who report an

earning from licensing their IP because of their large size and numerable

licenses. Normington (2002) considers that the key to success is an effective

integration of IP management with the organisation's technology strategy. He

states that there are two major problems that organisations experience when

developing their IP. Firstly, many organisations set a goal to achieve a certain

number of patent applications a year based on industry standard and

individual competitors. Goals like this cause patent applications to be

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[1] The Gartner Group launched a major multi-client study in January 2002, described as "first of its kind", that addresses the most vital information security concerns and needs of more than 950 small to large enterprises Australia, New Zealand, India, Singapore, Malaysia, Philippines, Korea, Taiwan, Hong Kong, China. The key sponsors of the study are Symantec, Network Associates, and Hewlett Packard (Gartner Group, 2002c).

submitted very poorly written and not completed or submission of multiple applications for the same invention. The second problem, according to Normington (2002), is the refusal to drop old patents. When organisations continue to license patents that are no longer part of the organisation's business strategy, there is no return revenue received on the money spent on the patent.

Normington (2002) also believes that the individual or group responsible for developing, maintaining, and submitting IP within an organisation must be carefully selected. They must create and implement a proper strategic plan in line with their organisation's business system. They should also evaluate all patents submitted by their own organisation along with other competitors. It is because of this that IP management is an essential task in any high tech organisation (Normington, 2002).

Organisations must know and take into consideration government regulations whenever working with their intellectual property. Governmental regulations must be considered even more when an organisation is involved in international and electronic commerce, just like Capability Management plans to be. The two major international IP governing bodies are the World Intellectual Property Organisation (WIPO) and the World Trade Organisation (WTO). Below is a description of both of these organisations and their current activities towards intellectual property protection.

According to WIPO (2002a), their international organisation is dedicated to promoting the use and protection of intellectual property such as inventions, designs, trademarks, books, music, and films. This organisation is one of sixteen specialised agencies of the United Nations system of

organisations. It administers twenty-three international treaties covering different aspects of intellectual property protection. Australia is one of the 177 nations (over 90 percent of the countries in the world) that WIPO recognises as member states. Dr. Kamil Idris, Director General of WIPO, commenting via a section located on the website (WIPO, 2002b), states that their organisation has been confronted by many new challenges. One of the most urgent challenges for their organisation is the need for both the organisation and its member states to adapt to and benefit from rapid and wide-range technological change, particularly in the field of information technology and the Internet (WTO, 2002).

The World Trade Organisation (WTO) also makes the international laws for the organisation's members. Australia was one of the first countries to join the WTO on January 1, 1995. There are currently 144 countries that are members of the WTO. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is their most recently released document, which was produced to reduce the international confusion associated with IP laws. The TRIPS agreement is Annex 1C of the Marrakesh Agreement Establishing the World Trade Organisation that was signed in Marrakesh, Morrocco on 15 April 1994 (WTO, 2002). The WTO meets each year to discuss and update the TRIPS agreement.

Chapter 3. Methodology

In this section we present the tools used to find the best method to market Capability Management's product. These tools were also used to investigate the societal aspects of this new product on the consulting market. The first five weeks in Melbourne were spent using the following methods while the final two weeks were used for interpreting the gathered data and formulating conclusions and recommendations.

Interviews

We conducted ten semi-standardized interviews. The subjects, which can be seen in Tables 1 and 2, were chosen by using purposive sampling. Because of the type of information required by our project, the most effective interview structure was more of a conversation than the basic interview structure with direct questions and answers. Though the conversation was carried out in an interview style, there were times when it was more appropriate to ask a non-scheduled question than to continue with the pre-planned structure. All primary questions, however, were carefully designed and worded before the interview.

Capability Management provided our team with the contact information for all past clients since 1 January 2000 and all current clients. Since there was only one client that was working with the new method, all other current clients were considered past clients. Table 1 indicates the names of the people that were interviewed, the organisation they worked for, their status of whether they were past clients, current clients, or potential clients, the timeframe of the project that has been completed with them, and whether they

have had more than one project with Capability Management or not. Though
the chart indicates that there are three current clients, only one of them is
working with the IP Management Programmes.

Organisation	Current Client	Past or Potential Client	Contact Name	Project Description	Project Timeframe	Repeat Client
Express Promotions		X	Robert Reed	Project Consulting	1 Year	No
Smorgon Steel	X		Doug George	ERP Strategy Web developers selection SAP implementation project review	3 weeks 4 weeks 2 weeks	Yes IP Licens-ing
Mayne	X		Steven Walker	Business Case Development Market entry research	10 weeks 12 weeks	Yes
GlaxoSmith-Kline	X		Louise Hogan	Business planning process simplification	6 weeks	Yes

Table 1. List of client interviewees

The interview with Doug George of Smorgon Steel was the most
important interview in all our study since he was the only client that was
working with Capability Management's new IP Management Programmes.
His insight on the results after working with the product and the feedback on
why he purchased the programmes in the first place gave us a basis on
questions that were then asked to past clients.

In addition to the client interviews, we interviewed six other
organisations that provided supplementary information. These organisations
ranged from e-learning software organisations to marketing organisations.
The goal of the non-client interviews was to help provide additional

background information in the areas of e-learning and general marketing and determine what other professionals in related areas within the IT industry thought about the product. The description of the product was first introduced during the interview. Some of the background information that we were interested in dealt with different marketing strategies and the methods that were being used in successful e-learning programs. Table 2 indicates the list of people who were interviewed and the type of work that they do.

Organisation	Contact Name	Organisation Description	Topic of Discussion
Hiser Group	Paul Cruse Ann Marie Mosley	Software consultants, offer same type licensed IP product	Advertising mediums, targeting special market, customer requirements
Swish	Anthony Hing	Graphic & website design and hosting, and e-learning	E-learning and training
ACUMEN	Russell Yardley	E-commerce and web developers	E-learning and training
Ballistix	Justin-Roff Marsh	Marketing/Selling specialist consulting firm	Selling the IP Products
Young & Rubicum	Austin Simms	Advertising firm	Advertising mediums for IP Products
Professional Advantage	Paul Orfanos	SME Software sales and support	Customer requirements

Table 2. List of interviewees, organizations, and topics

For both the client and additional interviews, we met with the individual who worked or would work closest with Capability Management during a project. Their opinions were essential as we tried to develop a clear understanding of what organisations would require and expect in this type of product.

In addition to the face-to-face interviews, we utilised phone interviews to ask follow up questions of prior interviewees and to complete initial

interviews with organisations that were located too far away from the city of Melbourne to meet. The phone interviews were a condensed version of our planned face-to-face interviews.

Before conducting any interviews, we developed our interview questions and structure for each sample with Project Manager Ms. Maria Karagiannis and Simms. We analysed the question content, words, sequence and structure. Because of our limitation in sample size, we encountered the problem of not being able to pre-test the interview questions on any companies. Since we were unable to pre-test, interview questions were structured as clearly as possible. Through this method, we planned to remove as much ambiguities and errors that our questions may have had. We also used many probing questions to gain as much information as possible to help overcome the lack of pre-testing.

Our team received a short summary of Capability Management's relationship with each organisation before conducting the interview. The background information about clients included the organisation and contact name, project description, project timeframe, and whether the organisation was a repeat client. The information provided in the summaries helped our team prepare for interviews. At least two team members were present during the interviews. One team member lead the interview, while the remaining members of the team present took notes.

An interview summary (See Appendix C) was created after each completed interview. The interview summaries included the time and date of the interview along with all participants present. The body of the interview summaries included the major interview themes and interview questions, with

the interviewee's response for each. The summaries were organised systematically in an electronic filing system. Finally, a thank you letter was written, signed, and sent to all interviewees. Once all the interviews had been completed, our team analysed the data by searching for similarities or dissimilarities between interviewee's responses. This method was used to analyse all the data collected from face-to-face and phone interviews.

Analysis of Interviews

Our team wrote a summary of each interview (See Appendix C). The summary contained key ideas that were discussed during the interview. Each team member present at the interview contributed to these summaries. Following the completion of the summaries, they were examined to see if there were any common threads of information among the individual interviewees. We were interested to see if there were similarities or dissimilarities in what the interviewees believed. Our project conclusions were drawn from the results of this analysis. This process was essential in formulating correct and useful conclusions allowing us to make beneficial recommendations.

Website

After performing our interviews and determining a successful marketing plan for the IP Management Programmes, we realized that we could present Capability Management with suggested requirement for a business website that could also be used for selling their new product. The website requirement outline lists the key elements for Capability Management's

website to be a successful e-commerce website. We used a usability test from three resources and other online requirement documents.

Sample Size Issues

There was an issue with our methodology that did not allow us to make concrete conclusions and recommendations. The sample to which we access to was so small that any data acquired from it had a large margin of error. The major sample size problem is due to fact that there is only one current client. Though technically we would have no margin of error since we sampled 100 percent of the population, one client is not enough to determine if other potential clients will have the same attitude towards this product once they become clients and use the product.

The main factor in these problems is the short time that Capability Management has been operational. The organisation has only been in business for eight years, usually dealing with five or less clients a year. Not only is the organisation small, but the product that we were enquiring about is so new that part of it is still in development.

Thus, our team conducted what amounts to small case studies on each of our client interviewees in order to gain the most knowledge from their data. The case studies were short exploratory case studies of an organization.

Chapter 4. Data Presentation and Analysis

In this section we present the data that we collected during our research and the analysis of those data.

Interview Data Graphs

Located below are two graphs containing the data our team collected separated by interview. In Table 3, each interview that was conducted for additional information is separated into columns. The left most column contains the topics that were discussed during the interviews. If an interviewee agreed with a particular topic, a green yes is present. If the interviewee disagreed with the topic, a red no is present. Table 4 is a similar chart containing information about the interviews of clients. It is organized the same as Table 3.

Topics that were discussed and researched	Russell Yardley	Anthony Hing	Justin-Roff Marsh	Paul Orfanos
	Acumen	**Swish**	**Ballistix**	**Professional Advantage**
Product Market				
Is there a niche market?	YES	YES	YES	YES
Because of the need for businesses to have documented processes?	YES	YES		
Product Presentation				
Discussion Board	YES	YES		YES
Need Human Interaction	YES	YES	YES	YES
Suggests Audio/Video	YES	YES	YES	YES
Testimonials	YES	YES		
Scaled Pricing	NO	NO	YES	
Security Risks				
Suggests Locked PDF	YES	YES		
Secure Connection	YES	YES		
Branding				
Need to brand name before successful sale?			YES	YES
Social Implications				
Trend Towards Electronic Communication	YES	YES		
Will it effect the consulting market	YES	YES		

Table 3. Data collected from additional resource interviews and the topics discussed

Topics that were discussed and researched	Robert Reed Express Promotions	Doug George Smorgon Business Services Group	Steve Walker Mayne	Louise Hogan Glaxo-Smith-Kline
Market For Product				
Is there a niche market?	YES	YES	YES	YES
Because need to have documented processes?	YES	YES	YES	YES
Feelings Towards Consultants				
Resentment towards Consultants	NO	YES	SOMETIMES	NO
Product Presentation				
Discussion Board	YES			YES
Need Human Interaction	YES	NO	YES	YES
Suggests Audio/Video	YES	YES	NO	YES
Testimonials	YES	YES	NO	NO
Scaled Pricing	NO	NO		
Security Risks				
Suggests Locked PDF	YES	YES		
Secure Connection	YES	YES		
Branding				
Necessary before successful?	YES		YES	YES

Table 4. Data collected from each Capability Management client interview

Is There a Market for This Product?

With the data collected from the interviews with past and current, we found that all the clients in our sample were interested in there programmes. Though only one of the four clients expressed an explicit need or desire for a programme that they had not already purchased, the other client interviewees expressed interest in the programmes and requested more information about them. This data suggested that there is an interest and potentially a market need for consulting based IP Management Programmes.

One of the four client interviewees avidly discussed his feeling of resentment towards the consulting industry as a whole. He believes that executives throughout all sectors of business who have dealt with consultants are irritated that most consultants acquire some of an organisation's intellectual property while completing their project. This gives the consultant firm more knowledge and consequently more power. He also felt that consultants are often hired to do a job that should be done by the staff members of the organisation. It was because of this resentment, that the interviewee felt there is a market for a product that allowed organisations to gain consulting knowledge without hiring a consultant. However, the resentment is conditional and will be discussed in the next section.

All of the clients interviewed said the reason why they had chosen to engage Capability Management's consulting services was because of their prior relationship with Simms. Simms, through previous projects and personal network, was able to build trust between him and his clients by demonstrating his skill, knowledge, 30 years of experience as a consultant, and commitment

to delivering value to client projects. It is because of this trust that clients would be willing to engage Capability Management for future projects.

When discussing the IP Management Programmes, the interviewees suspect that only individuals who know Simms or have worked with Capability Management in the past would initially generate serious interest in this product. 'Consultant Buyers', executives who engage consultants within their organisation, would be less likely to purchase such a programme without having met Capability Management or knowing of their reputation and may also think the cost of the programmes are high. Those 'Consultant Buyers' who know or have worked with Simms have developed trust and a strong relationship realise the value of his knowledge. Initially, this market would therefore be more willing to financially commit to purchasing the programmes.

Opinion of Consultants

In the early stages of the project, we became aware of a feeling of resentment between organisations and consultants. Through the client interviews that we conducted, we found that the resentment towards consultants varied. This condition was based on the way an organisation utilised consultants. The three options for engaging consultants are as a temporary implementer to solve a common problem, as an additional staff resource, and for training (knowledge transfer). Engaging consultants to solve a temporary problem often leads clients to feel trapped when a similar project problem arises again and they are unable to implement the consultant's previous project solution. The second option of engaging consultants for a project that the organisation can possibly undertake themselves but do not have the employee resources to complete the task

within a specific timeframe tends to leave organisations again dissatisfied with no transfer of knowledge to permanent staff is possible (although it is not always necessary). The third option of engaging consultants is for training purposes so that the organisation can learn, document, and replicate the training process for sue by that organisation for future projects. This option tends to leave positive feelings concerning the consultant because their value is evident. Capability Management's new product falls into this final area where by providing clients with a well documented process, Capability Management's value and consulting advice, through their methodologies, is evident.

Product Presentation

All interviewees (See Table 3 and Table 4) expressed their views that selling these programmes in the form of a several thousand dollar "book" would be a difficult task and would most likely end unsuccessfully. Therefore, in order to successfully sell these programmes for their intended price, the programmes must be presented as more than a book. Possible options suggested were providing workshops or training courses that would accompany the written sections of the programmes. Every interviewee was asked whether they believed an additional combination of video and audio could be used to make the programmes easier to sell and help explain the contents of the hardcopy programme to clients. The interviewees responded positively and agreed with the suggestion. All clients interviewed suggested that presenting executive summaries, indexes, and examples of sections of the programmes would be necessary when presenting or selling to potential clients. They further discussed the importance of introducing actual real life

case studies for the benefits of removing any doubt potential client have in relation to the value of the programmes. All the interviewees were asked whether testimonials would be a positive and effective marketing tool. Most agreed that while it is not necessary, it would be an ideal bonus to have testimonials from clients that had used these programmes. Although some of the interviewees said that they personally do not pay any attention to testimonials because an organisation will never post a negative testimonial plus testimonials are ineffective if they are from companies that the potential client does not know. Instead, they would be more impressed and interested in having a reference where they could call a past client and about their experience with the programmes.

Financial Investment

When we discussed the option of pricing the programmes on a sliding scale determined by the size of each client organisation, all interviewees expressed the belief that it would deter potential clients from purchasing the product. The interviewees thought a flat rate or license based on per user and not per organisation would be preferable. This license scheme would allow Capability Management to charge more to larger organisation because they would commonly require more licenses.

Security Risks

Security risks and warnings were discussed during all interviews that covered marketing the programmes over the Internet. Both online multimedia interviewees agreed that security is a major issue that must be dealt with in order to protect Capability Management's programmes and private client

information. All interviewees mentioned that if programmes were distributed or displayed in an electronic form, that they must be locked from editing in Adobe Portable Document Format. One of the interviewees suggested that if the documents needed to be restricted to certain clients, the documents should be linked to individual passwords so only those users with document access have the ability to view them.

Social Implications

Issues on how the fruitfulness of this type of product could affect society were also discussed in some of the interviews. The following sections outline the interviewees' thoughts and views on the different implications that may arise if the current style of consulting were replaced with less or no face-to-face contact and these programmes.

Consulting Market

Both online multimedia interviewees believed that the changes expected from this type of product would be a decrease in the number of consultants along with a shift in the consultant's current role. Instead of the consultants going out and assisting clients, they would spend more time within the consulting firm composing new IP programmes. They both expected that a certain amount of face-to-face contact would need to be maintained, so a few consultants would remain in the organisation specifically for external client support. However, most of the consultants would shift their role into a facilitator to be accredited and train individual companies.

Analysts are also people who would be affected by this movement towards "guide book" consulting. Considering that people will still need to

know what to purchase, analysts would be required to benchmark and determine what IP programme is necessary to implement.

Another major change expected is the decrease in the number of small consulting firms. Even though Capability Management will be one of the first consulting firms to enter the new "guidebook consulting market", if the larger and more known consulting firms join the market, their IP programmes will undoubtedly hold more value in the eyes of the business sector; thus, increase the competition in the marketplace. Since this type of consulting programmes will have an upper price limit, client organisation will likely be willing to spend the price difference for one of the more popular consulting firm's "guidebook" consulting products.

Global Marketplace

The rest of the changes that are expected from these consulting products will take place in the global marketplace. The current client interviewed believed that the first major change in the global marketplace would be the increase in organisations' core competency. He believes that with these programmes, more organisations will have the ability to do the work, previously outsourced to face-to-face consultants, themselves and do it according to their individual business needs. The programmes could also combine and integrate the IT department in an organisation with the rest of the business, since the IT department will most likely be implementing the processes in the rest of the organisation. Since the organisation would be doing the work themselves, there would also be a greater exchange of knowledge between independent departments in an organisation thus merging them together.

Clients would also begin to see the large return on their investment because of these programmes and thus reduce the number of complaints held against consultants, thereby changing the current feelings of resentment towards consultants to neutral or positive opinion.

SWOT Analysis

Based on our interviews and the case analysis of the current user, we developed a SWOT (See Appendix B) analysis of the IP Management Programmes. The analysis will examine what we believe to be the strengths, weaknesses, opportunities, and threats that this product has.

<u>**Strengths**</u>

1. The programmes help build core competencies
2. Currently no other organisation offers a similar product
3. The programmes decrease face-to-face exposure
    - Lowers cost
4. Material is based on years of experience
5. The programmes contain a process not just knowledge
6. Capability Management is not connected with any software or hardware vendors
7. Less expensive than standard consulting fees
8. Smaller organisation and therefore more adaptable
9. The product is well documented and can be referred to in the future
    - Knowledge is not lost

10. The programmes are a fixed cost and a client is not risking overspending their budget

11. The client is not at the consultants mercy as far as time is concerned

12. The programmes can be customized

- Customized from client to client

- Customized department to department within one organisation

Weaknesses

1. The programme decreases face-to-face exposure

- Harder to develop trust

2. Presentation

- Need to show value of programmes

- Need to find a way to show sample content without giving too much away

3. Capability Management lacks a fully defined goal statement of what is wanted from these programmes

4. The programmes concept has been attempted before by Ernst and Young and Andersen. Both consulting firms were unsuccessful in introducing their product to the market.

Opportunities

1. Training program

- Workshop style or possible on-site training

2. Ability to make additional programmes

3. Ability to enter into multiple markets

4. Yearly Updates

- If programmes are successful, updates can be offered for additional cost

5. Helps brand Capability Management and Jed Simms

   - Makes it possible for him to write other material and gain the recognition from these programmes

6. If successful, programmes can be expanded to the global market

Threats

1. More known competitor could enter with a similar product

2. IP could be "stolen"

   - If IP is stolen, Capability Management can lose the competitive edge

3. Increased competition

   - If product is successful, many imitations will enter the market

4. No real established name (brand)

5. Small organisation

   - May not be able to handle workload if high amounts of training are required

6. The IP Management Programmes must constantly be revised, strengthened, and updated

Chapter 5. Conclusions and Recommendations

In this section we present twenty-one conclusions and recommendations that were drawn from the analysis of our collected data. We believe that Capability Management should consider these recommendations when marketing their new IP Management Programmes.

General Conclusion

Capability Management's IP Management Programmes are innovative products that could transform many sectors of the consulting industry. The programmes are an early action within the consulting industry to follow the major trend of lowering the amount of human interaction between businesses and their customers. Businesses continue to supply their customers with more and more tools to do the job themselves.

This trend has already drastically transformed many sectors throughout the business world and individual's daily activities in the twenty-first century. Below are just a few examples of industries and new business approaches that have been revolutionised during the last decade.

The academic world has been redefined with the integration of distance learning and e-learning with the traditional methods of education. These new education systems have expanded the academic world and broken geographical barriers. The population that now has access to high levels of education has extended worldwide. Individuals have the ability to take classes half way around the world through the Internet and never meet their professors or classmates. The Internet has greatly helped full-time working professionals, travelling students, incarcerated inmates, pregnant mothers,

and many other groups of individuals who are unable participate in or dislike traditional classroom courses. Thousands of students are now able to advance their education that would not have or would have been unable to less than half a decade ago.

The electronic banking industry made a giant change from a paper dependent system to a primarily electronic and online system. Most banks encourage their customers to do all transactions through either an automatic teller machine (ATMs) or online banking webpage. With most banks, customers have the ability to make deposits, transfer funds, pay bills, check account status, look at check spending and withdrawal history, and withdraw cash without even communicating with a human bank teller.

The investment banking industry has also made a giant change from a paper dependent system to an electronic and online system. Stock traders can now complete all of their trading on the Internet much quicker and often cheaper. The industry has also been drastically changed with the implementation of Customer Relationship Management (CRM) systems. These systems enable and equip the client to bank more efficiently. These two major changes have made investment banking much simpler in many ways and quicker.

The home medical industry has expanded greatly allowing patients to carry out many treatments and tests that doctors only had the ability to conduct before this past decade. Ten years ago, a patient would need to go to a doctor to test his blood pressure but individuals can now test their blood pressure at home with inexpensive tools or even at machines placed in public

places like grocery supermarkets. These new inventions and conveniences have helped all medical patients, especially the elderly, save time and money.

The gasoline services industry has changed to a more customer friendly and efficient service system. Through self-service with electronic payment, a customer is able to only spend the amount of time needed to physically pump the gas. Most service stations allow the customer to prepay or pay for the gas purchased with a credit card or debit card payment machine that is built into the actual gas pump stand. Some service stations signup frequent customers to an electronic signal card that the customer is able to waive close to a signal reader on the gas pump stand and the customer is then billed once a month. These new gas services developments have made purchasing gas much quicker and more efficient.

We believe this trend will continue to spread and that Capability Management's IP Management Programmes are a step forward towards supplying clients with the tools to complete their projects, enhance core competency within the client's organisation, and give clients the ability to receive a larger return on their investment in projects. The programmes could be the action within the consulting industry to start a movement in the industry towards supplying the customer the tools and knowledge needed to complete their jobs themselves and create separation in the entanglement in most projects between the consulting firm and their client that so often causes their project problems.

Market for IP Management Programmes

1. <u>Conclusion</u>: A niche market definitely exists for Capability Management's new IP Management Programmes. The market consists of organisations

that have had problems getting a return on previous IT investments. Other executives or organisations who desire to have certain knowledge or leadership for projects are also included in the market.

Recommendation: Capability Management should continue and accelerate their organisation redesign towards selling IP Management Programmes and reducing face-to-face consulting.

2.   Conclusion: Though the market is broad, not many organisations will be willing to purchase this product because of lack of trust and understanding on the potential clients' behalf.

Recommendation: Advertise the new market offering through sending brochures on the available programmes, display programmes offerings on Capability Management website, and continue to network to past clients, current clients, and business contacts. For this group of potential clients, we suggest that e-mails only be used for close contacts who are likely to be interested in the product because e-mail may seem like spam or may not portray a professional image Capability Management and devalue the programmes.

3.   Conclusion: Capability Management is unsure of the pricing of the programmes.

Recommendation: Capability Management should have a finalised advertising and marketing plan as they begin to enter the market. Furthermore, it is imperative that Capability Management have a finalised pricing scheme before entering the market on a large scale.

Branding

4.   Conclusion: The market will be difficult to enter because Capability

Management's name and reputation have not yet been fully established

or branded in the Australian or international market.

Recommendation: Capability Management's Executive MD Jed Simms

should renew his membership in the CEO Circle organisation and

become a member of the Australian Institute of Management for

networking, marketing, and brand awareness purposes. Simms should

advertise the new IP Management Programmes in business magazines

to introduce Capability Management's name in the marketplace. We

believe that it might prove even more effective for Capability

Management instead of the programmes themselves. Capability

Management needs to develop a more professional website, whereby

they can direct prospective clients to the website in all marketing

advertisements and campaigns.

Website

5.   Conclusion: Capability Management's current website is inadequate to

use to market the IP Management Programmes successfully.

Recommendations: Though we were unable to design a fully competent

and professional website for the organisation because we put our focus

with our limited time on the bigger picture, we have done research on

how to create a successful e-commerce website. The website should be

as interactive as possible. A possible suggestion includes a visitor page

where interested organisations can sign up for newsletters, e-briefings,

or receive additional information. This will help attract and interest

visitors. If the website is dull and boring, visitors will dismiss it quickly and possibly get a wrong impression of Capability Management. Meanwhile, if it is creative and interesting prospective clients are more likely to return and look at the content of the website. Finally, the website should be user friendly and easy to navigate. Text should be short but informative and concise.

In terms of the IP Management Programmes, the website should contain a section where potential clients can choose from a set of problems or needs. This information would then be analysed and the potential client would be directed to the correct programme that they should purchase. For more detailed website recommendations and explanations refer to Appendix D.

6. Conclusion – Marketing efforts need to attract people to website.

Recommendation – All advertisements in magazines should direct the reader to capability.com.au. Capability Management should also register with Internet search engines.

Security Risks

7. Conclusion - Online security of the IP Management Programmes is a major issue that must be dealt with in order to protect Capability Management's programmes and private client information.

Recommendation – Capability Management must have a comprehensive security plan to gain the trust of potential clients and make them feel safe during communications and interactions through the Internet. Capability Management should use Secure Sockets Layer (SSL), a secure Internet protocol, during all direct communications with clients. Capability

Management should also encode all documents in electronic format as PDF files with an activation key. For more detailed security recommendations and explanations refer to Appendix D.

Product Packaging

8. Conclusion: There are many options on how to package the programmes (See Appendix F). It is imperative that all programmes be supported with some level of face-to-face contact. This contact can be in the form of fixed number of one-on-one training, group workshops, telephone communications, email communications, etc.

    Recommendations: Capability Management should package the IP Management Programmes in bounded sections that are accompanied with a small number of training sessions depending on the complexity of each programme. At first, the training sessions should be directed by Simms, then possibly by an in-house consultant or an accredited facilitator in the future. Another level of support that should be offered in the package, perhaps in the future, are a call centre, online discussion board, or real time instant chat messaging. Again, at first the support would be provided by Simms and would later be done by an accredited professional consultant. The idea behind the support is to provide help and guidance on a specific problem while working through the programmes.

9. Conclusion: More than one package should be offered to expand market.

    Recommendations: Capability Management should determine several packages from Appendix F, all of them should have some face-to-face

contact for now. However, Capability Management should offer several different packages, one that is very basic and contains the programme and perhaps some support, but no training. The idea behind this package is to allow people who believe themselves competent enough to implement the programmes themselves and want the cheapest financial option. Furthermore, Capability Management should also offer additional services. If the purchasers determine that they do indeed need help and guidance, then they would be charged an additional fee for the consulting.

10. Conclusion: The transition from face-to-face training to video training can and should be made fairly quickly. There should always be some face-to-face contact, but that would be for special problems or cases and will be used for coaching and not training.

Recommendations: Once Capability Management has led a number of training programmes, Simms and an outside observer should evaluate what information is required during the training sessions. They should then outline the required assistance that is often needed in each type of training session, what sections of the programmes clients have the most trouble with, and what are the frequently asked questions by clients. The observer, Simms, and a professional film company should work together to design a complete and comprehensive set of training videos. With the training sessions recorded on digital media, the set of training sessions should then be distributed with the programmes in both video-cassette and CD-ROM formats. Simms should then begin to market the programmes with the video training sessions thereby allowing Simms to

focus his consulting activities on writing and training accredited programme consultants and coaches.

Pricing

11. <u>Conclusion</u>: Capability Management's original pricing plan based on per user licences seems realistic and plausible.

    <u>Recommendation</u>: Capability Management should keep the programme's license range between A$10,000 to A$20,000. We recommend that price begin in the lower half of their original price range to attract more clients. However, if sold in a package with training and support, the price could be increased. Since several packages should be offered, each should have a different price based on the level of support accompanied.

    Capability Management should further investigate a license based pricing scheme based on users. A new pricing scheme should only be implemented when a programme version is released.

Product Advertisement

12. <u>Conclusion</u>: The IP Management Programmes develop core competency within an organisation.

    <u>Recommendation</u>: Capability Management should use the idea that IP Management Programmes are documented processes that give an organisation the ability, through documented thought processes and examples, to develop core competency within their organisation without sharing their IP as a key advertising and marketing tool.

13. Conclusion: The presentation of the programmes is critical to the success of its entrance into the market.

    Recommendation: Capability Management must present the IP Management Programmes as far more than a book. One aspect that should be covered immediately is to bind. From our research, we believe that it would be ideal to cosmetically split each programme up in several sections, so that they appear to be a series of processes within the one programme. Each section is to have its own bounded case.

14. Conclusion: Capability Management needs to provide very detailed examples and descriptions of the programmes on the website or potential clients will not have enough of the required information to motivate them to understand the level of value contained in the programmes and then want to purchase them.

    Recommendation: For potential clients, the website should include executive summaries, indexes, and a short example from the actual text. The programmes descriptions should be presented on Capability Management's website with links to audio, streaming video files, and Microsoft PowerPoint presentations that contain a detailed description of each programme. The streaming video option is geared towards individuals with high bandwidth while the audio option is for individuals that lack the bandwidth and are unable to stream the video over their Internet connection.

15. Conclusion: Potential clients would be interested in reading testimonials from past clients who have purchased and implemented the IP Management Programmes.

Recommendation: The testimonials would be an additional marketing tool but is not essential to marketing the programmes. An even more effective tool would be reference's details where potential clients could contact past Capability Management clients

Capability Management should give a testimonial on the usefulness of the programmes to help start the marketing process. Capability Management should ask Doug George from Smorgon Business Services Group for a testimonial to interest clients on Capability Management's website and other advertising products. Once Capability Management sells more IP Management Programmes, they should ask these clients to give them testimonials and references details so prospective clients have a number to choose from.

Market Opinion of Consultants

16. Conclusion: There is varying feeling of resentment towards consultants, which depends on how an organisation uses consultants.

Recommendation: Capability Management should use the idea that IP Management Programmes are documented processes that give an organisation the tools needed to complete their project and future projects themselves and receive a larger return on their investment as a key advertising and market tool.

Social Implications – Consulting Market Conclusions

17. Conclusion - This type of product could decrease the total number of consultants within the industry and the number of accredited people would rise. Consulting firms would concentrate documenting business

processes of consulting, rather than undertaking the actual consulting themselves.

18. Conclusion - The number of small consulting firms would significantly decrease. We expect that once the top tier consulting firms enter this market, their documented IP will undoubtedly contain more value in the opinion of most customers and thus lower the competition within the marketplace.

Social Implications – Global Marketplace Conclusions

19. Conclusion - There would be an increase in organisations' overall core competency throughout the business world.

20. Conclusion - The programmes would also combine and integrate the IT department with the rest of the organisation's departments.

21. Conclusion - The opinion towards consultants would return to a neutral or positive one within the business world.

The Hiser Element Toolkit Comparison

Towards the end of our research we were told of an organisation called The Hiser Group, who had a product similar to what we were enquiring about. After interviewing several members of the organisation and researching their toolkit, we realized that their product confirmed most of our recommendations. The Hiser Group does not solely depend on their toolkit for income, while Capability Management would like the programmes to be their main source of revenue. The offering of the toolkit, however, is very similar to what we recommended that Capability Management do for their new programmes.

Appendix E contains a summary of the interview and information about their product and how it is sold.

Topic of Recommendation	Recommendations	The Hiser Toolkit
Presentation	Provide hard copy and a copy on CD-ROM	Provide hard copy and copy on CD-ROM
	Bind the programmes into project phases	Toolkit bound in subsections
Support and Training	Provide additional training courses	4 day training program
	Provide video/audio	Customized Toolkit workshops
	Provide additional accreditation program	Accreditation program
	Provide a call centre	Email and phone support
Licensing / Pricing	Investigate licensing options	Provides three licensing options
	Continue with planned price range	
Online Marketing Methods	Provide detailed description of programmes	Provide detailed description of product
	Provide streaming video / audio descriptions	Binder content and overviews
	Provide binder indexes and overviews	Provide online tour
	Provide testimonials and references	Provide 3rd party reviews and testimonials

Table 5. Comparison between project recommendations and Hiser Toolkit presentation

Future Projects we recommend are:

IP Management Programmes Pricing Strategy Project

Scope and identify all possible pricing strategies for the IP Management Programmes. The first phase would involve conducting market research to identify similar toolkits or programme products and a comparison of the different pricing schemes. The market research should also involve identifying similar products that are packaged with additional support options and a comparison of those different pricing schemes. The second phase of the project would involve market analysis of all the pricing schemes. Then an analysis should be conducted on how the IP Management Programmes would most cost-effectively be packaged with additional support options and the pricing scheme that would be used for each additional support option packages. Finally, a business case for the continued use of or change in the IP Management Programmes pricing strategy should be developed.

US Market Investigation and Identification Project

Scope and quantify the United States market demand for the IP Management Programmes. The United States is the largest business market and has the greatest IT expenditure in the world. The first phase of the project would involve analysis of the past year's data from the release of the IP Management Programmes. The second phase of the project would involve conducting market research – identifying the client and prospective client wants and issues, options for reaching the market, and the development of a business case for market entry.

Website Usability Test, Enhancement, and Development Project

The first phase of the project would involve researching and developing a complete and extensive usability test for consulting business websites. Then, use the usability test on a large sample of consulting business websites to identify the required aspects of a first-rate consulting business website. The second phase would involve developing a fully functional and comprehensive website by either enhancing Capability Management's current website or the development of a new website for Capability Management with all of the required aspects identified during the project's first phase.

Appendix A. Capability Management Information

Capability Management is a consulting firm specializing in providing valuable core competency and Information Technology services to sizeable Australian organizations across a wide range of industries. Unlike other organisations which focus just on the IT department to promote maximum efficiency, Capability Management focuses on the business as a whole. They equip executives, managers and staff with the tools and knowledge necessary to be successful with IT.

Jed Simms originally founded Capability Management in 1994. Slowly establishing their name in the market as a reliable and efficient consulting firm for the past eight years, the chairman now seeks to expand the Capability Management business online in order to widen their customer base.

Figure 3. Organizational Chart for Capability Management

```
                    ┌─────────────────────┐
                    │   Jed Simms, CEO    │
                    └─────────────────────┘
                       │              │
                       ▼              ▼
┌─────────────────────┐   ┌─────────────────────┐
│ Maria Karagiannis,  │◄──│ Alex Chapman, Practice│
│ Project and Practice │──►│      Director        │
└─────────────────────┘   └─────────────────────┘
```
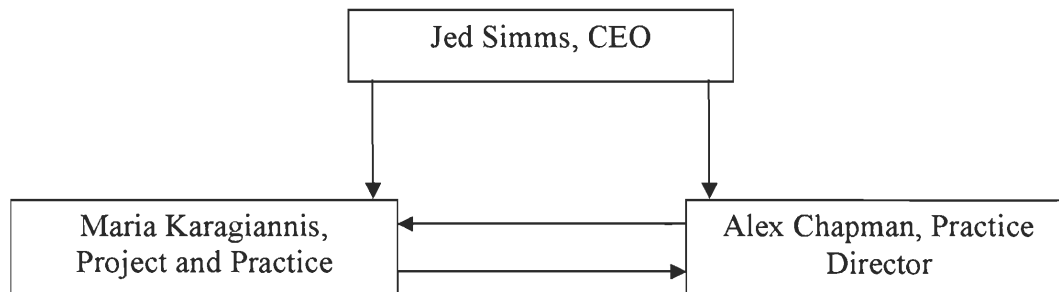
Management Team

Capability Management has a small, tight management team that works closely together to run the firm. This team is supplemented by outside resources such as professional accountants and lawyers.

Jed Simms
Executive Chairman
Founded the organisation in March 1994
Formerly the IT Strategist for The Boston Consulting Group in the Asia/Pacific region, Simms has been General Manager Strategy, Organisation and Planning for the State Bank of Victoria as well as working for Andersen, Black and Decker, ITT and T&G Mutual Life Society.

In addition to traditional CEO accountabilities, Simms is specifically accountable for product development and documentation. He is the primary creator and keeper of the intellectual property within the firm.

Alex Chapman
Practice Director
Joined October 1997
Chapman previously worked as General Manager IT at Australian Eagle, and in senior IT roles at Macquarie and Australia Banks as well as being the world's first international banking software specialist in the 1980s working for a number of banks overseas.

In addition to doing some consulting assignments, Chapman is accountable for the financial accounts and the efficient running of the office, including the management of non-consulting staff. Chapman is also responsible for special projects such as the sale of the drawings conversion business and the IT-management survey.

Maria Karagiannis
Account Project Manager
Joined November 1999
Karagiannis directs the Drawings Conversion business. She has previously held a variety of administrative and marketing roles with other companies. It is planned that she will stay with Capability Management when the drawings business is sold.

Expert Services Provided By:

Accountant	Mr. Brian King	Darvas and Co, Caulfield
Lawyer	Ms. Sue Gatford	Jerrard & Stuk, Melbourne
Financing	Mr. Ken Stout	Boutique Advisory Services, Melbourne
Marketing	Mr. Justin Rolf-Marsh	Ballistix, Brisbane
PR	Ms. Angela Porter	Recognition PR, Melbourne

Appendix B. Methodology Theory

Social Exchange Theory

The Social Exchange Theory is one of the main pedestals of all social science methods. It claims that whenever someone is asked a question, they do a cost-benefit analysis in their head before answering. It continues to say that if the costs are greater than the benefits, the person will either give no response or they will give inaccurate information.

In our case, there are many costs to the people that we interviewed, whether personally or through the phone. The greatest cost was time. Since time is precious, not many people are willing to give up thirty to forty-five minutes to be asked questions about something that they may think is insignificant. There are many other costs, such as fear of humiliation for making a foolish mistake or not knowing an answer and disclosure of private information. One of the benefits that we provided other companies is the chance at better service for future consulting from Capability Management. We also offered the possibility of a published benchmark that would include their organisation and thus allow them to see their standing in the field.

Triangulation

Triangulation is a combination of methods that will compensate for biases that pertain to any one particular method. Every process, such as an interview, will contain biases, such as inter-subjectivity, that are not obvious to the people using the tools. In order to compensate for all biases, one must use more than one research method, in this case at least three. The way that we accounted for all biases was by using face-to-face interviews, phone

interviews, and benchmarking of companies. Furthermore, follow-ups may be performed for clarification of a point and making sure that all information was understood correctly.

The Total Design Method must also be employed for each of these techniques in order to perfect the method as much as possible. The Total Design Method is a way of brainstorming the way the process is to be carried out, correcting the brainstormed idea, pre-testing it, correcting it yet again and repeating the process again until the method in question has been improved as much as possible. In our case, the team used the total design method on all interview questions to assure effectiveness and productivity.

Frame

The frame defines the exact population of people that we were interested in gathering information from (Berg, 2001). We gathered information from five past clients, the one current client and five additional information sources of Capability Management.

Interview Theory

Standardized interviews were not chosen because semi-standardized interviews provided needed digression from the schedule of questions. Semi-standardized interviews benefit from the structure of a standardized interview and the opportunity of dynamic open-ended questions from unstandardized interviews. Semi-standardized interviews begin with the formulation of predefined questions which are asked to interviewees in a systematic order. The interviewer however, may digress from that list of questions to probe the interviewee for more information about a certain response or topic.

Standardized interviews only allow the use of predefined questions and unstandardized interviews do not incorporate any predefined questions making it very difficult to analyse (Berg, 2001).

A thirty minute interview is needed to collect the amount and type of data required. Long interviews are designed for multi-layered and involved questions. In these interviews, one can observe both verbal and non-verbal channels of communication put together to make up the full channel of communication that describes the entire conversational interaction situation (Berg, 2001).

According to Berg (2001), the ten rules of interviewing that should always be followed so that the highest quality of data is collected, begins with stating that one should never begin an interview cold. Remembering the purpose of the interview, presenting a natural front, acknowledging the speaker, thinking about appearance, interviewing in a comfortable place, not being satisfied with monosyllabic answers, being respectful, practicing, and being cordial and appreciative are the other nine. Following these ten key points of interviewing determined whether the interview method was a success or a failure.

Telephone Interview

In some cases during the interviewing process, we needed to contact a person or organization that was too far to reach face-to-face. In this circumstance, it was necessary to conduct a telephone interview. Though, distance was our main reason, time constraints were also a large issue in this project and thus conducting a phone interview allowed us to obtain valuable

information without taking that much time. Alone however, telephone interviews are not a good source for qualitative information (Berg, 2001).

Questions

The questions for the project may be one of the most important aspects of the research. Much care must be put into the wording and order of the questions to get useful and correct data. Berg (2001) states that there are many different factors to be aware of when developing questions, some of these are specific ordering of questions, phrasing, level of language used, education level of respondents, cultural traits, and age of respondents.

There are four types of questions that can be used to build a trusting relationship with the respondent and gain as much information as possible in the time allotted for the interview (Berg, 2001). The four types of questions are essential, extra, throwaway, and probing. The essential questions deal directly with the research that is being gathered and are the last to be asked. Extra questions are very similar to essential questions regarding the information that they are gathering, but extra questions are worded slightly differently to help check the reliability of an answer. Throwaway questions are used to develop trust with the respondent as they help build small-talk. These questions generally have nothing to do with the topic and are used to make a comfortable atmosphere. Probing questions are used to draw more information from the respondent and guide them to the essential and extra questions. A question such as "Can you explain that more?" is an example of probing questions (Berg, 2001).

We avoided "double barrelled", "complex" and "affective" questions. These types of questions can corrupt the quality of an interviewee's response

and possibly the entire interview. "Double barrelled" questions ask about two topics in one question. The interviewee would either answer only one of the questions or neither. "Complex" questions contain a lot of information which causes the interviewee to become confused. This often leads to the respondent not answering the question or asking for the question to be repeated. "Affective" questions contain affective words, which are words that cause an emotional response from the interviewee. This type of answer is useless for qualitative research analysis (Berg, 2001).

Questions can be separated into two categories. The two categories are informational and attitudinal/behavioural. Informational questions contain no risk as they are not searching for how the respondent feels or what he thinks about something, instead they usually request yes and no answers in order to quantify something. Attitudinal and behavioural questions ask questions regarding the interviewee's feelings and thoughts on a specific topic. This means that questions evoke thought and the quality of the answer is based upon the level of trust between the interviewer and interviewee. To develop this trust, the "funnel" method was used. The "funnel" approach involves beginning with general questions, or "grand tour" as they are known, followed by domain questions, and finally resulting in the specific questions. The general questions will be the most interesting, comprised largely of throwaway questions and small-talk. The domain questions were harder questions to answer and the specific questions were the most sensitive. Through the process, we developed trust with the individuals so that when we reached the sensitive questions, they would feel comfortable enough to answer them (Berg, 2001).

Mini Case Study

Exploratory case studies were used for all client interviewees since this type of study can be used as a prelude to a large social scientific study. This type of study has an organizational framework, which was designed before the study was commenced.

The studies conducted were of organizations. During this type of study, the investigator gathers enough information about the organization so that he has an insight into the life of that organization. Though the information may be general it should cover all the subunits of that organization and an understanding of how they all fit in.

SWOT Analysis

A strengths, weaknesses, opportunities, and threats analysis (SWOT) is a simple, popular technique which can be used in preparing or amending plans, in problem solving and decision making, or for making staff generally aware of the need for change. SWOT analysis is a general technique which can find suitable applications across diverse management functions and activities, but it is particularly appropriate to the early stages of strategic and marketing planning

(Academic of Human Research Department [AHRD], 2002).

Performing a SWOT analysis involves the generation and recording of the strengths, weaknesses, opportunities, and threats concerning a task, individual, department, or organisation. It is customary for the analysis to take account of internal resources and capabilities (strengths and weakness) and factors external to the organisation (opportunities and threats) (AHRD, 2002).

SWOT analysis can provide:

- a framework for identifying and analysing strengths, weaknesses, opportunities and threats

- an impetus to analyse a situation and develop suitable strategies and tactics

- a basis for assessing core capabilities and competences

- the evidence for, and cultural key to, change a stimulus to participation in a group experience.

Appendix C. Interview Summaries and Short Cases

IntraLearn

Interviewee: Jerry Goguen   Date: 25 February 2002
            Managing Director

Attendees: Adam Landry
            Efrem Palmer
            Conn Doherty

IntraLearn is an organisation that develops e-learning system software.

One of the key points that were discussed during this interview was the idea that e-learning is not cheap to implement. The profits that people will see will come after a period of time. He said this is because once the system is implemented, the information that the system provides is always available. The information is retained within the organisation.

He also talked a lot about his product, explaining how it is like no other on the market. This did give a good look at the types of things that can be done with different systems. Some things that he mentioned were:
- Time – people can work on parts of the course at their leisure
- Allows a large amount of people to take the course without needing a lot of resources for room space
- Systems cannot replace leadership within an organisation. It just supplies needed information efficiently to all users of the system. This can better prepare user or employees of an organisation than ever before.

Smorgon Business Services

Smorgon Steel Group Ltd.
105-123 Dohertys Road
Laverton North 3206 Australia
Telephone: 61 3 9360 2470
Website: http://www.smorgonsteel.com.au

Background:

Smorgon Steel Group Limited is an Australian organisation that produces, markets, and distributes a broad range of steel and steel products. The organisation was listed on the Australian Stock Exchange on 3 February 1999. Today, the organisation is comprised of three operating divisions in Australia and New Zealand. It is currently Australia's most integrated steel producer with capacity of 850,000 tonnes per annum. Smorgon Steel Group currently employs over 6,000 employees and has over 50,000 customers within Australia and overseas.

Relationship with Capability Management:

Smorgon Steel Group worked with Capability Management on the following three projects.

ERP Strategy

This assignment focused on the information needed to do an excellent job across the organisation's operations, for information management and use. Capability Management's approach was organised to achieve these goals in two steps:
- A Feasibility study: Will the SAP solution enable Smorgon Steel to achieve the required benefits, short and long term, without undue trade-off consequences?
- A Viability study: What is the cost-benefit of the recommended solution compared to alternative solutions; such as a single ERP solution approach?

SAP Implementation Project Review

This project was in its final stages of data conversion and testing before a "Go Live" date of 18th February in South Australia and then rolls out through all of Australia through the remainder of 2002.

Given the scale of the planned implementation, the IT Steering Committee was understandably cautious with regard to the impact this major project would have on the business. Capability Management was asked to provide advice to the Steering Committee on:

- Whether the risk of serious business disruption is such that the scheduled "Go Live" South Australia on the 18th February should not proceed
- Whether the conversion acceptance / sign-off method is likely to be an effective means of project control and / or quality assurance in the lead up to "Go Live"

Capability Management assessed that the project approach was appropriate, that the project had been effectively carried out and whether the project will meet its objectives, expectations, and schedules.

Capability Management also conducted a rapid review involving; interviews with project team members and business staff, project document review against required documents and contents, and a project-business expectations alignment check.

<u>Web Developers Selection</u>

Capability Management was asked by the Smorgon Steel Group to evaluate a number of Internet Developers. The Internet Developers included those who had previously responded to Smorgon Steel Group's previous web-site redevelopment RFP plus additional IT organisations and leading Internet organisations. As a result fourteen organisations were issued an RFI. In the absence of any specific requirements, respondents were required to state and justify their capabilities in twelve critical areas. Capability Management then put forward a recommendation of the most suitable web organisation.

Interview

Interviewee: Doug George   Date: 18 March 2002
              Group General Manager
              Smorgon Business Services

Attendees: Adam Landry
              Efrem Palmer
              Conn Doherty
              Maria Karagiannis

1. What caused you to look for a consulting firm?

    - He was running into a number of IT project disasters, he was over spending on projects and had poor business cases
    - He needed to make some of his processes and procedures more efficient
    - He needed Project Management Assistance

2. How did you feel towards consulting firms at that time?

- He felt consultants focused too much on the sale
- Definite resentment
- He has seen consulting firms often send young kids without much work experience to do projects that they don't have the skills to do
- When the job is finished, they leave without ever doing follow-ups
- He believes consultants used the Y2K to get companies to spend large amounts of money when it was unnecessary. Especially in the area of complete software systems and suites.

3. Where did you first go to find a consulting firm?

- Internet Search Engine: "Project management tools", "Project management procedures" etc. Usually received information on business or management departments from universities and college in United States.
- Online searches were not successful

4. Why did you choose Capability Management?

- Because of trust that was built over passed experiences.
- Personally knew Simms
- Because he believes that Simms understands the process first
- Because Capability Management is not "aligned". Capability Management does not represent any particular software or hardware organisation
- Capability Management sells knowledge, not a physical product
- He believes that these IP Management Programmes develop core competency within their organisation. He thinks greater core competency is key since the managers in his organisation must be able to write business cases and execute them themselves.

5. What kind of advertising do you believe would help Capability Management get their product known in the market place?

- See about advertising on Gartner, IDC, Forrester etc.
- Do not mass market or market on the internet
- "Targeted selling" (research for clients)
    i. Find out who is having problems capturing the benefits of their IT.
    ii. Find out who has had project blowouts.
- Provide Testimonials (people that can be contacted about their experiences with Capability Management)

- Provide abbreviated versions of the programmes so people can get an idea of what they are purchasing.
- He believed that the advertising and marketing for this product could use regular project launch guidelines.
- Use some sort of audio or video

6. Why did you choose the manual method of consulting instead of the face-to-face method?

- By purchasing the program, the people within the organisation have the ability to learn the tasks.
- Core Competency – A organisation should be able to complete certain tasks without bringing in a consultant every time they need to do it
- People often bring in consultants to do a job that they are being paid to do

7. How do you feel about the product?

- Very large and repetitive
- Very easy to customise
- Very satisfied with product
- First thought that the product was expensive, but realised the amount of work put into it.
- The levels and responsibilities described in the programmes line up well with how most projects are managed
- He only needed basic help. No regular sessions needed for assistance during implementation.
- His legal department was able to easily and quickly build and proof a couple of the sessions of the program used
- The programmes were Simple, Simple, Simple

Misc:
- He did not find anyone else in the market offering a product like this.
- He suggested a possible subscription service
- He did not feel that he needed anyone to sit down and explain the manual
- He sounded very interested in seeing the other three IP Management Programmes when they are complete. When asked, he said that he would be most interested in the software selection program and probably not the change management. He believes that is what managers are paid to do
- He disliked the idea of having a varying price range depending on whatever organisation characteristic chosen.
- He really believes the produce should have a very simple name and advertise that a non-aligned individual developed them.
- He believes that this product can be expanded to other departments than the IT department. He thinks that the Programmes create a

procedure from a businesses' logic that can be changed and revised for other departments within an organisation.

Acumen Multimedia Pty Ltd

Interviewee: Russel Yardley   Date: 15 March 2002
                     Managing Director

Attendees: Adam Landry
                    Efrem Palmer
                    Conn Doherty
                    Maria Karagiannis

He told us about a research study that Acumen had conducted for Telstra between 1991-1994 to figure out why productivity between their 39 e-learning centres varied so much. The two conclusions formed as a result of the project were:

- Training without constraints does not work, users of the system need some form of time constraints
- There needs to be some avenues open for the users to interact with people

He provided us with several ideas on how to implement an e-learning system:

- Put yourself in the mindset of the user
- Understand the attitudes and behaviours
- Conduct usability studies by studying the use that's using the system
- Gain a full understanding of the "complex" process and be able to provide a simple method to solve the issue

He also suggested providing "Project Rooms" for the clients that purchase the product. This would provide a common place for all the employees that are using the product to get information. This also provides a place where Capability Management can check to see how its customers are doing. He suggested this because he feels there needs to be some sort of human interaction built into the IP Management Programs.

He suggested that online security approaches such as locked PDF files linked to IP addresses and password controlled sessions. These approaches could be used to protect Capability Management's IP and private client information.

He believes that the three keys to successful presentation of an online system are (1) the system is useful. There must be a focus on useability during the development of the system. (2) The system is engaging and "listens" to the user. The system should not just instruct and give the user information; the user should be able to interact with the system. (3) The system must be intuitive to the user. If the system is too complex or confusing, the user will either stop using or benefit much less from the system.

When asked about testimonials, he thought they would be a good way to help market the product.

Swish Group

Interviewee: Antony Hing   Date: 20 March 2002
           Business Development Manager

Attendees: Adam Landry
           Efrem Palmer
           Conn Doherty
           Maria Karagiannis

Hing is currently enrolled in RMIT's International Web Delivered Program to receive a Master of Business in Information Innovation degree. All of his classes are held strictly over the Internet. He gave us details about the four ways the instructors present class notes. These four methods are text, voice, voice and text, and PDF reviews. He also mentioned the discussion board and how it allows him to interact with the instructors and the other students. He felt that their discussion board has one major fault in that visual data such as diagrams, graphs, and pictures are unable to be posted. This is something that should be addressed if a project or client management system is developed for Capability Management. A discussion board may be a key feature of a project or client management system but all aspects useability must be examined.

How he felt the Internet has affected society?
- Knowledge Workers – how they have changed from older people that have been working in the field for a long time to younger people with less on the job experience.
- The Internet has also allowed for information to become easier to find – this means that people are more willing to share their information because if they do not, people will just go around them to find the solution. There is less value gained by an individual when holding information.
- Basic knowledge is becoming less important. How a person applies that knowledge is most important.
- The "half-life" of information has greatly declined and is one of the major causes in how we now treat information.
- The Internet can no longer be separated from the way people work.
- Allows for the change of the way business is done.

He believes that the two keys to a successful online system are motivation and presentation.

He thinks that Capability Management should develop an online system for the entire organisation and the new IP Management Programs. The system should include a progressive measurement device and key performance indicators (KPI), which could be linked to some type of rewarded system, for

the IP Management Programs. He believes that Swish Group could develop and provide Capability Management with such a system.

He also suggested and asked all four of us attending the interview and Simms go to Swish's website, swish.com.au, and look at their Benefits Calculator under the e-learning menu from the home page. The benefits Calculator wasn't too useful to our group since the IP Management Programs' presentation is not defined and is currently not based on e-learning. However, the idea of having this sort of calculator when selling a product is definitely worth investigating. One aspect on having this type of billing is that unless Capability Management is willing to invest the time and money required to put together a database on enterprises throughout the world, the billing would rely solely on the honestly of the corporation.

Feelings on how to market the product online.
- He believes that Capability Management should definitely have the following features when presenting the product online.
  - Downloadable text
  - Streaming video or at least some audio
- When asked about testimonial he said that it would be a bonus, but not something that has to be there.

Feelings on product
- Hing believes that one key aspect of selling online is that of security. He gave an explanation of how hackers can not only access a file and make it public, but how they can edit work and replace the original.

Ballistix

Interviewee: Justin Marsh   Date: 27 March 2002
             Sales Guru

Attendees: Adam Landry
             Efrem Palmer
             Conn Doherty
             Maria Karagiannis
             Jed Simms
             Alex Chapman

We attended this meeting as observers.

The biggest issue that Marsh had with the IP Management Programmes was the presentation. He feels that the products are being "undersold" and could be sold for a larger amount of money if the presentation were to change. He suggested several ways of doing this, which are:
- Leather bound sections
- Provide video and audio media going over the information in the programmes
- Provide facilitator manuals so that someone can help these people be trained on the particular Programme

One thought that came out quite a bit was the idea that the Programmes should be moulded into a facilitator assisted training program instead of a "manual" with side assistances. He feels that if these Programmes were presented in this manner, Capability Management could raise the price three to six times the amount they are asking now.

He suggested that we look at companies that need a product like this and see what other types of training programs that they are using. This may give some insight on what they are looking for as far as presentation.

He suggested that Capability Management and he set up a half-day focus group consisting of potential clients and marketers. The suggested time for the focus group to be scheduled was the week of 15-19th of April 2002.

Express Promotions

Express Promotions
4 Reeves Court
Breakwater 3219 Australia
Website: http://www.expresspromotions.com.au

Background:

Express Promotions is an Australian based manufacturer and supplier of business forms and cheques. Their main product line includes specific accounting software compatible forms and cheques, which are offered as either off the shelf stock or custom manufactured product.

They are unique in the market, as they are the only business forms and cheque supplier who: are authorised to produce forms by some of Australia and New Zealand's leading accounting software packages, ensure that their customers forms are 100% compatible with their software, and ensure all cheques are printed to comply with the very latest bank and security standards, protecting their customers against fraud.

Relationship with Capability Management:

Express Promotions was embarking on a large project jointly with a software vendor, Accounting Package MYOB. Medium to Large firms would purchase the accounting packing, input all their accounts receivable and payment information.   When it comes time to pay creditors, rather than the accounting department printing cheques and organising the mail out, they simply re-directed the above process, via a function within the software program, to Express Promotions who would print and mail-out the cheques on behalf of the clients.

To ensure the project was being managed correctly, it was required that an external consultant would audit the project management process on at least a monthly basis and provide applicable project management processes on how to commence working on such a project.

From originating to planning to delivery to closing the project, Capability Management facilitated workshops on how Express Promotions should consider the following elements as part of their project strategy: resourcing, scope, financials, communications, organisation structure, project schedules, risk management, quality management, and change control process.

Interview

Interviewee: Robert Reid   Date: 28 March 2002

Attendees: Adam Landry
              Efrem Palmer
              Conn Doherty
              Maria Karagiannis

The focus of this interview was to understand what Express Promotions would look for in the marketing of Capability Management's new product. We initially asked him if he had seen any product like this in the past. He mentioned that his organisation has manuals similar to these that are used internally, but he has never seen this type of product available for sale.

We asked him what he believes would be the best method of marketing this product. He suggested that the best method would to present the product at conferences. Then, the Internet can be used for exporting and possibly training.

We mentioned the idea of packaging videos along with the manual. He said that might work if it was incorporated into a workshop. He also said that there needs to be some proof of value. The product is expensive, and people may not take the risk unless they see something that shows the value of the programmes. He also mentioned how he would prefer to pay a complete flat rate instead of instalments.

We then asked him about his feelings towards consultants, he said that he was indifferent towards them. This information goes against the generality that there is a feeling of resentment towards consultants, so we asked him why he felt this way. He said that his organisation does not use consultants in the same way that most organisations do. Express Promotions hires consultants to train certain people within the organisation on a certain task. All the training is documented so that it can be reviewed later on. Most organisations tend to hire consultants to physically complete the task; this is where the conflict comes into play.

Professional Advantage

Interviewee: Paul Orfanos   Date: 9 April 2002

Attendees: Adam Landry
              Efrem Palmer
              Conn Doherty
              Maria Karagiannis

Professional Advantage is a vendor of software business systems to mid-sized organisations to meet their financial, distribution, e-business, customer relationship management, and business intelligence requirements.

When discussing marketing of the IP Management Programmes, Mr. Orfanos emphasized that the most important key is to maximize and show the return on investment that the client would receive.

He suggested that Capability Management consider taking a different approach to each programme in all aspects. He thought that aspects such as presentation, human interaction (whether it be training sessions, video or audio media), and pricing should be decided upon individually for each programme. The presentation of all of the programmes should not necessarily be generalized.

He believed that building a reputation would also be key to a successful entry into the consulting market. He believed that Simms must have the trust of potential clients because the programmes are such a large investment for a written programme. The only way that a potential client is going to make the investment is if Capability Management and Simms have reputation that their services return a high value on each client's investment. Capability Management and Simms' reputation restricts the size of their potential client market. The more Simms builds his reputation, the large the programmes market will be.

He suggested two advertising strategies that he believes would be most successful. He thought that advertising in magazines such as CEO and targeting organisations, which would likely need a product like the programmes, to contact.

He believes that some type of human interaction must accompany the programmes. He thought that some type of online helpdesk would be helpful with client problems and questions.

Mayne

Mayne
Level 3
390 St. Kilda Road Melbourne
Victoria 3002 Australia
Telephone: 61 3 9868 0408
Website: http://www.maynegroup.com

Background:

Mayne is Australia's leading private health care provider, and most diverse logistics operator, and a leading manufacturer and supplier of generic pharmaceuticals internationally. Mayne was founded in Australia in 1886 as a parcel delivery service. They employ a total of 38,000 people. With 32,000 employees in Australia, Mayne is a one of the top eight employers in Australia.

Mayne is broken into three distinct businesses; Mayne Health, Mayne Logistics, and Mayne Pharmaceuticals. Mayne Health encompasses hospitals, medical centres, pathology and diagnostic imaging services, workplace health management, pharmacy services, and the manufacture of consumer health care products for domestic distribution and export. Mayne Logistics' services encompass contract logistics, primarily in Australia and with a growing presence in Asia, cash logistics in Australia, and time-critical express in Australia and Canada. Mayne's pharmaceuticals division manufactures oral pharmaceuticals in Australia and injectable pharmaceuticals in Australia and Puerto Rico, for distribution to more than 50 countries around the world.

Relationship with Capability Management:

Capability Management was engaged by the IT department within Mayne to assist them in putting together a business case which was to be presented to their board. The business case was looking at having Mayne develop and provide doctors with a medical services ordering and results delivery system. This system was initially going to be catered for pathology services and later extended to include DI, hospitals, and potentially pharmacy services.

Mayne had developed a model, the Mayne Services Ordering System (MSOS), for Internet enabled services and results delivery that would significantly reduce manual labour costs of specimen reception and data entry, reduce the likelihood of errors, and increase the number of episodes.

The achievement of these savings was dependent on widespread doctor adoption and usage of the system. As part of preparing the business case, Capability Management undertook a market entry research project (in addition) to ascertain the feasibility of such a project. Their research found a

relatively low level of computing infrastructure in medical practices, and an even lower understanding of computing needs, options, and opportunities.

Interview

Interviewee: Steve Walker   Date: 16 April 2002
                    Web Manager

Attendees: Adam Landry
                    Conn Doherty
                    Maria Karagiannis

Walker believed that the IP Management Programmes were a very good concept and was interested in the Business Case Generation programme. He expressed his frustration that there is no standardisation between business cases within his organisation. He has experienced multi-million dollar projects passed with very incomplete business cases and no real understanding of how the project will finish or the effect on their organisation as a whole.

Walker believed that the Programmes could help cut back or eliminate some administrative overhead.

Why did he originally choose Capability Management?
- Walker examined Simms background and Simms inspired confidence in Walker through multiple discussions
- Simms focused on the business as a whole
- Walker felt that Simms added much value to the project and didn't just ask questions, transcribe the answers, and write up their business case. Simms was much more interactive and worked with Walker to develop a thorough and sound business case. Walker admired Simms' ability to extract the correct information that was needed and that he was always returning to the basic questions behind the business case to make sure that the project was always heading in the right direction.

The main point that kept surfacing during this interview was the idea that before these programmes could be successfully marketed, there needed to be a large amount of brand management carried out. He thinks that when moving online with this product, timing is everything. Walker said that until the brand management was carried out, he did not suggest that marketing on the Internet would be the way to go because he felt it would dilute the value of the programmes. He suggested that the programmes be taken to the "right" shops and wholesale distributors to add value to the programmes. He stressed that Simms profile must be elevated to implore trust in potential clients looking at investing in the programmes. He suggested that the programmes be advertised in magazines for business executives and business managers, specifically CFO.

When asked about expressing the value of the programmes, he liked the idea of having the individual sections bound into separate books. He felt that there needs to be face-to-face contact through some means of mentoring. He does

not feel that the mentoring could be done through videos accompanying the manuals. He thought that the programmes should be used as references during a short training and long continual use process. He did not feel that the programs could be generalised and still be effective.

He thought that if these programmes became successful, Simms would obviously be unable to do the short training programs for each client. Instead, Simms would need to hire a number of account managers for each client. The large organisation clients with more money would take up Simms' time.

He believes that most organisation administrators and managers do not understand the full value in a complete business case.

He believes that testimonials are ineffective and are becoming outdated as a marketing tool. He would much rather call a reference and talk with them personally. He does not feel that people will make the investment based on testimonials, but would like the idea of contacting references and getting their opinions about the product.

When asked about using sliding scale pricing, he suggested that we setup a software style licensing system based on the number of sub-sectors or departments that are implementing the programme. He also discussed possibly having different packages or versions for different size companies.

Though he believes that there will always be the "Big 5" type of consulting firms, he thinks that the business consulting market is headed back towards smaller consulting firms.

Finally, when asked about his experiences with consultants, he said that overall he had better experiences with smaller consulting firms that with larger ones. He felt that larger firms often give you more questions than answers, unless you are paying them for an already existing solution that the firm sells. He also felt that consulting firms that come in and get out within a month are better than ones that remain in the organisation for longer periods of time. He believes that consultant employees lose their objectivity and stop adding outside IP to the project. Instead, when consultant employees work within an organisation for over a month, they begin to develop inner organisation IP to the project and become more of an organisation employee than an outside consultant. Overall, he was VERY satisfied with Simms and Capability Management. He felt that Simms' presence was his best attribute. He felt that Simms was confident and focused on the correct focal points of their business case development project. He felt that Simms must take advantage of his great business presence when trying to introduce this new product to the market.

GlaxoSmithKline

GlaxoSmithKline
Pharmaceuticals Division
1061 Mountain Highway
Boronia, Victoria 3155 Australia
Telephone: 61 03 9721 6000
Website: http://www.gsk.com.au

Background:

GlaxoSmithKline (GSK) Australia is a leading supplier of pharmaceuticals, consumer healthcare products, and vaccines in Australia with an extensive range of products to treat and prevent disease. GSK Australia supplies essential medicines for Australians in areas including gastroenterology, asthma, bacterial and viral infections, depression, migraine, epilepsy, diabetes, smoking cessation, and pain control. GSK Australia is a major employer in Australia with over 1500 employees involved in areas such as research & development, manufacturing, distribution, medical, regulatory and clinical research as well as sales and marketing.

Relationship with Capability Management:

GSK had concerns about their business planning process and requested Capability Management to propose how they could help GSK streamline and simplify the process.

Capability Management proposed to use their 'business simplification' approach. This approach is designed to help businesses eliminate waste and duplication within processes and to look for different approaches to achieve the end results with less effort, time and cost. The approach had six steps supported by a series of interviews and data collection exercises. Reviewing the business planning process can lead to some impressive results.

Interview

Interviewee: Louise Hogan   Date: 17 April 2002

Attendees: Adam Landry
                     Conn Doherty
                     Efrem Palmer
                     Maria Karagiannis

When asked why she uses consultants, Hogan responded by saying that there are two main issues that have led her to use consultants in the past. The first issue is when she is embarking on a new project and she feels that she and the project team do not have all the required knowledge to carry out the project. The other times she uses a consultant is when she needs to have

an advisory voice. She said this often happens because people within the organisation feel better if they hear information from someone outside the organisation.

Hogan explained that she was introduced to Capability Management through a friend. The friend was explaining about Capability Management and Hogan realised that the organisation was exactly what she was looking for. She felt that Capability Management could add more value and experience to the project.

When asked about any possible feelings of resentment towards consultants, Hogan explained that overall she did not share these feelings. She continued to explain that when she chooses a consultant, she explains in very great detail that she wants for an outcome. She also mentioned that she makes sure that the consultant "teaches her to fish, and not just gives her fish," meaning that she learns how to solve the problem instead of having them solve the problem for her. She also works side by side with the consultants to make sure that everything remains on course. She feels that if someone has a bad experience with a consultant it is because that person did not manage the consultant well enough.

When asked if Hogan had any complaints about consultants, the only one that came to mind was when there was not a clear transfer of information. She mentioned occasions where she was unable to repeat a task after   consultant left because the process was never documented good enough.

One of the key points that Hogan brought up about the product was branding. She said that for her, with her background experience with Capability Management, it would be no problem to purchase these programmes. She knows who and what Capability Management is and feels comfortable. She does not believe that someone that does not know Capability Management will be willing to spend the money on the programmes. She said that there needs to be developed trust between Capability Management and the interested organisation, thus the need for branding the organisation's name before the product can sell successfully. Hogan suggested that these types of programs were more focused towards the HR department. She said that a program like this would be considered a training program within the organisation and felt that it wasn't her decision to make.

When asked if it was a good idea to have audio/video she thought it was because it would help people refresh their memories as they moved through process. She said the more interactive the programmes could be the better. She also did not feel that testimonials are really worth it. She feels that people are less likely to look at testimonials from organisations they don't know. She said that people want to hear about these things from people they trust.

Near the end of the interview, she suggested we look at Hiser Group (See Appendix E) which has a similar type of product. They offer a toolkit for interface design along with some training allowing people to do the job

themselves. However, if they did not want to do it themselves, they could still hire the organisation to do the job for them. She feels that offering a blend of the two is essential.

Finally, Hogan thought that the best way to go about marketing the product would be offer a company profile which would explain how Capability Management has developed a special solution to a set of problems. The programmes would be mentioned in the profile, but it would not be an advertisement for the product alone. Instead the executive who would read the document would likely be inclined to search for the organisation to find out more information about it and its solution.

The Hiser Group

Interviewees: Ann Marie Mosley   Date: 19 April 2002
                        Education Manager

                        Paul Cruse
                        General Manager-Victoria

Attendees: Adam Landry
                        Conn Doherty
                        Efrem Palmer
   Maria Karagiannis

The Hiser group was established 11 years ago. To separate the Hiser Group from their competitors and gain a competitive edge, they decided to develop a clear methodology of their consulting practices which is now called the Hiser Toolkit. The Hiser Group now sells and distributes their Toolkit to clients also use the Toolkit to assist their clients through the consulting process.

The Toolkit is primarily distributed through the Hiser Group, but can be ordered through their distributors in Europe and North America. They also distribute through DigiBuy.com.

The Hiser Group also offers training courses on several different topics. It is one of the easiest and most simply way of assisting a large number of clients through examples and problems.

Client relationships are extremely important to the Hiser Group. Because of this, they use their Toolkit to build stronger relationships instead of using them as the primary relationship. The client relationship would not be as strong if the Toolkit was the primary base of a client relationship.

The Hiser Group thinks of their services in a triangle diagram (described below).

Face-to-face Consulting

Training and Educational Sessions   Toolkit
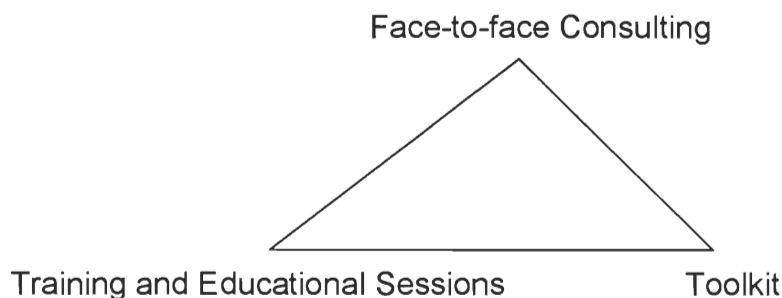
They feel that each area of the triangle build off each other and help provide a complete service to their clients. They feel that providing services in all these areas allows them to be a more rounded consulting firm.

The two interviewees thought that it would be very difficult for someone to totally separate themselves from face-to-face consulting and still successfully

write programmes about project processes. They said that their clients like and want to hear that the people that develop the Toolkit are experienced in the industry and an expert in their field. The industry will always be changing and evolving. The Hiser group thought that Simms would need to continue some face-to-face consulting so that his experience and knowledge continue to grow and evolve. This continued experience is critical to Simms' credibility in the IT consulting market.

The Hiser Group does not usually release new editions or totally revamp the Hiser Toolkit but they do update the Toolkit approximately every year and a half. The Hiser Group contacts their clients and offers the new updated Toolkit for a set fee.

They suggested that some type of warranty or tech support agreement is included in the programmes packages to make clients less reluctant when investing in one of the programmes.

The Hiser Group sells their Toolkit on a per user basis and not at a flat rate. They suggested that if we were interested in investigating similar products that charge on a per use basis, then we should look into business work flow and human resources products.

When discussing branding Capability Management and Simms, they suggested that submitting articles to online and printed publications could be an effective way of advertising the organisation and Simms.

The Hiser Group makes a clear distinction between what a client should expect when investing in consulting services and when investing in just the Toolkit. They call their consulting services as their expert services and the Toolkit is exactly what it is called. They suggested that the programmes should also be classified differently than regular consulting services so that clients do not become confused when comparing consulting options.

The Hiser Group divides their Toolkit into four sections, one for each stage of their consulting process. They also suggested that Simms consider the same strategy. They believe that this strategy organises the programmes better and would present the programmes as more of a series or collection. Simms could also divide his programmes up into his four main stages: setup, planning, execute, and close.

Appendix D. Website Recommendations

To succeed in the Internet market, however, you must become fully aware of Internet security threats, take advantage of the technology that overcomes them, and win the customers' confidence.   As your credibility grows, so does your potential market share (VeriSign, 2002b).

Security

Benefits of offering an organisation's product online

Worldwide presence – The web represents a new source of customers. Your web interface is open all the time, and requires no investments in brick and mortar (VeriSign, 2002b).

Market Share – The merchants who can win the confidence of these customers will gain their loyalty and an enormous opportunity for expanding market share (VeriSign, 2002b).

Cost-effective delivery channel – Many products and services, such as information, can be distributed directly to customers via the web. This saves time for your customers, which increase your competitive appeal (VeriSign, 2002b).

Streamlined enrolment – Paper based enrolment and forms workflows are fraught with delays. By accepting information via a secure website, you can speed application processing, reduce processing costs, and improve customer service (VeriSign, 2002b).

Better marketing through better customer knowledge – Establishing a storefront on the web positions you for one-to-one marketing with the ability to customize your products and services to individual customers rather than

large market segments. The web facilitates one-to-one marketing by enabling you to capture information about demographics, buying habits, and preferences. By analysing this information, you can target your merchandise and promotions for maximum impacts, tailor your website to appeal to the specific consumer who is visiting, and conduct effective, tightly focused marketing campaigns (VeriSign, 2002b).

Electronic transactions

On the Internet, without physical cues from touching and seeing, it is much more difficult to assess the safety of a business. Also, serious security threats have emerged. By becoming aware of the risks of Internet based transactions, business can acquire technology solutions that overcome those risks (VeriSign, 2002b).

Spoofing – The low cost of website creation and ease of copying existing pages makes it all too easy to create illegitimate sites that appear to be published by established organisations. In fact, con artists have illegally obtained private information from customers by setting up professional looking web interfaces that mimic legitimate businesses (VeriSign, 2002b).

Unauthorized disclosure – When transaction information is transmitted openly without encryption, hackers can intercept the transmissions to obtain your customers private information (VeriSign, 2002b).

Unauthorized action – A competitor or disgruntled customer can alter your website so that it refuses service to potential clients or malfunctions.

Data alteration - The content of a transaction can be intercepted and altered during transmission, either maliciously or accidentally. User names,

passwords, credit card number, and organisation's private strategic information sent openly are all vulnerable to such alterations (VeriSign, 2002b).

Components of Secure Online Transactions

Authentication – The customer should have some type of visual verification that the website belongs to the organisation and is not an impostor (VeriSign, 2002b).

Message privacy – Secure Socket Layers (SSL) should encrypt all information exchanged between the organisation's web server and customers using a unique session key. To securely transmit the session key to the consumer, the web server should encrypt it with the organisation's public key. Each session key should be used only once, during a single session (which may include one or more transactions) with a single customer. These layers of privacy protection ensure that information cannot be viewed if unauthorized parties intercept it (VeriSign, 2002b).

Message integrity – When a message is sent, the sending and receiving computers each generate a code based on the message content. If even a single character in the message content is altered during transmission, the receiving computer will generate a different code, and then alert the recipient that the message is not legitimate. With message integrity, both parties involved in the transaction know that what they're seeing is exactly what the other party sent (VeriSign, 2002b).

Strong security for worldwide commerce

Until recently, strong 128-bit encryption was not globally accepted by international laws. Recently, the United States Department of Commerce has approved individual companies to issue certificates for 128-bit encryption communications, the highest level of encryption ever allowed across United States borders. Strong encryption can now be used for all international transactions (VeriSign, 2002b).

Online Commerce for customers

The Netscape Navigator and the Microsoft Internet Explorer browsers have built-in security mechanisms to prevent users from unwittingly submitting their personal information over insecure channels. If a user tries to submit information to an unsecured site, the browsers can show a warning, which can make the transaction process seem threatening to the customer. If private information is submitted to a secure and valid website with an SSL connection, the warning does not appear. Website visitors should be check that transactions with an organisation's website are secured by looking for the following cues:

- The URL in the browser window displays "https" at the beginning, instead of http.
- In Netscape Navigator, a padlock graphic in the lower left corner of the Navigator window should be closed instead of open.
- In Internet Explorer, a padlock icon appears in the bar at the bottom of the IE window should be closed instead of open.

E-service

Most organisations fail to effectively exploit the Web's full potential as a customer service tool. Organisations commonly fail because they either are too slow to respond to customer needs, never develop a practical process for capturing the information customers want and quickly present it on their site, or leave out some of the key function that make e-service really work. E-service is a proven method of increasing website traffic, which increases online branding and promotional opportunities. The Internet is a productive tool to solicit customers, but it is also an easy way to lose and put off customers. In a recent study by Jupiter Communications LLC, a leading e-commerce market analysis firm, an amazing 42 percent of top websites surveyed failed to provide adequate customer service. If a customer is put off, they will go elsewhere, become unsatisfied with the organisation, and possibly phone the organization which would cost the organisation as much as $45 per incident more than it would have if the issue was resolved on the Internet (Gianforte, 2002).

Recommended Website Requirements

- Use Secure Socket Layer (SSL) protocol and 128-bit encryption for all transactions.

- Frequently asked questions query page that anticipates and answers customers' common issues. The page should be updated consistently.

- Use multiple "Contact Us" email links so that interested customers are not email a generic email address that collects all emails to the company. There should be a page with different links for different types of inquiries. This makes asking questions on the customer side and answering

questions on the organisation's side quicker and more efficient. All email inquires should be responded to within 2 days.

- Have a sign up area for sections or pages of content on the website that is often updated or changed so to that users can register to be notified when change have been made to the area of content.

- A phone number that customers can call to contact some human support staff to ask questions or ask for more information should be presented on the website. It should be presented many times and easy for the customer to find.

- Present as much information about the programmes as possible as soon as possible. Follow the 80/20 rule. The rule states that 80 percent of all site traffic is aimed at 20 percent of the content. In other words, a small amount of information can satisfy a majority of users if the right information is presented correctly.

- Track site traffic on the website. A large percentage of site visitors tend to have the same narrow set of questions, it is critically important the track requests for information as they are collected and responded to. The tracking data helps they person in charge of the website know where to direct his focus.

- Automate as many of the above tasks as possible with automation tools that can scale to meet rising demands. Try to create a fully responsive website.

- Purchase a .com domain name and use it instead capability.com.au. A .com domain name would give the organisation more of a global presence. Capability.com is taken but Capability Management should either make an

anonymous offer to the owner of that domain name or select another similar domain name such as capabilityonline.com that has not been purchased. To a domain name, it costs US$35 for 1 year and for each year there after. Consider similar misspelled versions of the chosen domain name so that traffic to the misspelled domains is still directed to the correct website.

- Capability Management name, logo, and slogan should be predominantly displayed on the web site home page. Websites should take advantage of this opportunity to exhibit the organisations brand identity.

- An "About Capability" link to a web page that describes Capability Management and Capability Management's products. This page should include a statement of purpose or a link to a page with the statement of purpose.

- Have a site menu listing the basic subsection of the website. This site menu should be present on every page throughout the site in the same location.

- The website should have an easily located page or section on "What's New" or "Events and News," which is frequently updated with pertinent information that will cause visitors to periodically return to the site for recent news.

- Register the web site with search engines. Over 90 percent of Internet users search one or more of the top engines to find what they need. Then make sure the domain name and information is present in the search results for common search phases. Use a professional organisation that specialized in submitting forms to search engines for web sites.

Submitwizard.com is a good example of a professional organisation specialized in search engine submissions. Submitwizard has the ability to automatically submitting a site to over 200 search engines and directories including Yahoo, Altavista, Lycos, Excite, Infoseek and more. The submission fee starts at US$59 per year.

- Incorporate the Capability Management domain name on all marketing and advertising efforts (brochures, advertisements, business cards, t-shirts, etc.).

- The entire page should be usable by disabled visitors. All graphics should have alternative text.

- Users should be able to return to the website home page from any page within the site.

- The website should include an effective and functional site map.

- There should be an email link to a webmaster or developer email account so that visitors can send comments, feedback, and ideas pertaining to the website.

Appendix E. The Hiser Element Toolkit

The Hiser Group
502 Albert Street
East Melbourne
Victoria 3002 Victoria
Telephone: 61 3 9668 8888
Website: http://www.hiser.com.au

The Hiser Group is a consulting firm that has been designing user interfaces since 1991. They have designed interfaces for character-based systems, GUI, web, interactive TV hardware and multimedia. The Hiser Group has taken their consulting methods to the next level with a similar product to that of Capability Managements product. Below is an outline of the product that they offer and the methods that they have marketed it. This outline is important for two reasons: it reconfirms the results that our team has reached and it shows a product of similar style that has been successfully implemented.

Presentation
- 5 binders and 1 CD-Rom
  - 3 binders contain the actual toolkit
  - 1 binder contains a quick start guide
  - 1 binder contains all templates, checklists, and worksheets
  - CD-Rom contains html versions of all the binders

Online Marketing Methods
- Overview which contains:
  http://www.hiser.com.au/world/product/product.htm
  - Description of the toolkit
  - Links to the online tour
  - Reviews from known 3rd party
  - Small screenshot of toolkit
  - List of features
  - Information about any new releases
- Tour
  http://www.hiser.com.au/world/tour/demo/tkadtour.pps
  - Available in PDF and PowerPoint formats
  - Provides an example of a organisation using the toolkit
  - Provides screenshots of the toolkit in action
  - Story format
- About Toolkit
  http://www.hiser.com.au/world/tour/demo/abouttk.htm
  - Contains in-depth description of the toolkit
  - Provides a file for download that contains more benefits
  - Contains a small section explaining who might use the toolkit
  - Explains the presentation
  - Briefly explains the licensing options
  - Briefly explains available training and support

- Binder Contents and Overviews
  http://www.hiser.com.au/world/tour/demo/listhom2.htm
    o Each binder's contents are available
    o Contains lists of the tools available within the binder
    o Each tool is briefly explained
- Testimonials and Reviews
  http://www.hiser.com.au/world/tour/demo/testimon.htm
    o Contains 3 testimonials from clients that have used the toolkit
    o Provides customers name and business
    o Also provides an outside review of the toolkit
      - http://www.webtechniques.com/archives/2001/11/
        desirevu/

Support and Training

- 4 day training programs
- Customized Toolkit workshops
- Accreditation Program available
- Email and phone support available in 10 hour increments
- Prescheduled meetings

Licensing and Pricing

- Three license types available
    o Single user version
    o Multi-user version
    o Server version
- Pricing is based on which license is purchased
    o Single user version is $1600
    o Must contact Hiser Group for cost of other versions

Other

- If the Toolkit does not interest you, you can still have the Hiser Group do that actual consulting part of the project

Appendix F. Package Option Tree

Key
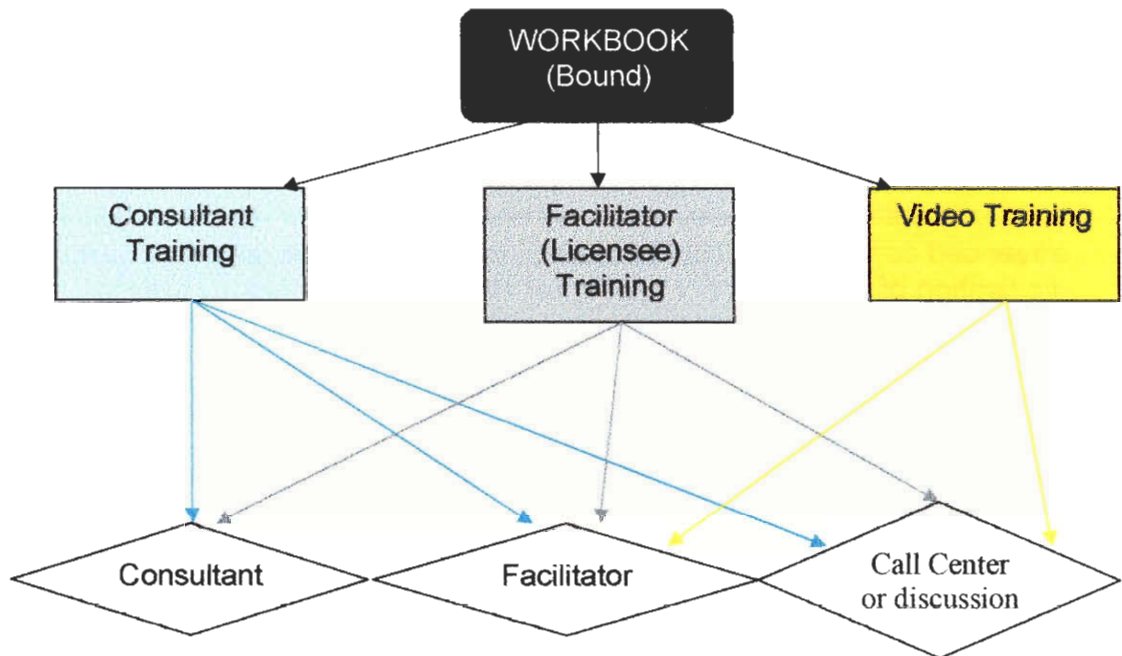
*Colours represent different packages.

Appendix G. Glossary

Biometric - www.whatis.com definition is biometric verification is any means by which a person can be uniquely identified by evaluating one or more distinguishing biological traits. Unique identifiers include fingerprints, hand geometry, earlobe geometry, retina and iris patterns, voice waves, DNA, and signatures. The oldest form of biometric verification is fingerprinting. Historians have found examples of thumbprints being used as a means of unique identification on clay seals in ancient China. Biometric verification has advanced considerably with the advent of computerised databases and the digitisation of analog data, allowing for almost instantaneous personal identification.

Business to Business (B2B) - On the Internet, B2B (business-to-business), also known as e-biz, is the exchange of products, services, or information between businesses rather than between businesses and consumers.

Chat room - www.whatis.com defines a chat room as a Web site, part of a Web site, or part of an online service such as America Online, that provides a venue for communities of users with a common interest to communicate in real time. Forums and discussion groups, in comparison, allow users to post messages but don't have the capacity for interactive messaging. Most chat rooms don't require users to have any special software; those that do, such as Internet Relay Chat (IRC) allows users to download it from the Internet.

Dot-coms – During the late 1990s, businesses begun to erupt around the US that had a virtual presence, contrary to a traditional physical location. During the year 2000, the virtual business market became flooded with companies and could not sustain such a high growth. The reason why they are called dot-coms is because their name and presence in the world was a mere website followed by the typical .com. The failure of these businesses led a decrease in the US Markets.

Information Technology (IT) - is a term that encompasses all forms of technology used to create, store, exchange, and use information in various forms (business data, voice conversations, still images, motion pictures, multimedia presentations, and other forms, including those not yet conceived). It's a convenient term for including both telephony and computer technology in the same word. It is the technology that is driving what has often been called "the information revolution."

IT training or consulting refers to professional education on how an organisation or business can use all available technology to their advantage. In the training, a business is shown how to interconnect all their services and products with whatever technology is available to improve effectiveness and productivity.

Instant Messaging - www.whatis.com defines instant messaging (sometimes called IM or IMing) as the ability to easily see whether a chosen friend or co-worker is connected to the Internet and, if they are, to exchange messages with them. Instant messaging differs from ordinary email in the immediacy of

the message exchange and also makes a continued exchange simpler than sending e-mail back and forth. Most exchanges are text-only. However, some services allow attachments.

Intellectual Property (IP) – Dictioinary.com (2002) defines IP as a product of the intellect that has commercial value, including copyrighted property such as literary or artistic works, and ideational property, such as patents, appellations of origin, business methods, and industrial processes.

e-commerce - www.whatis.com defines E-commerce (electronic commerce or EC) as the buying and selling of goods and services on the Internet, especially the World Wide Web. In practice, this term and a newer term, e-business, are often used interchangeably. For online retail selling, the term e-tailing is sometimes used.

Smart card - www.whatis.com defines smart card as a plastic card about the size of a credit card, with an embedded microchip that can be loaded with data, used for telephone calling, electronic cash payments, and other applications, and then periodically refreshed for additional use.

Tokens – www.whatis.com defines tokens as security token is a physical device, such as a special smart card, that together with something that a user knows, such as a PIN, will enable authorised access to a computer system or network.

Virtual Communication – Any type of communication that is done over a computer or electronic device.

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