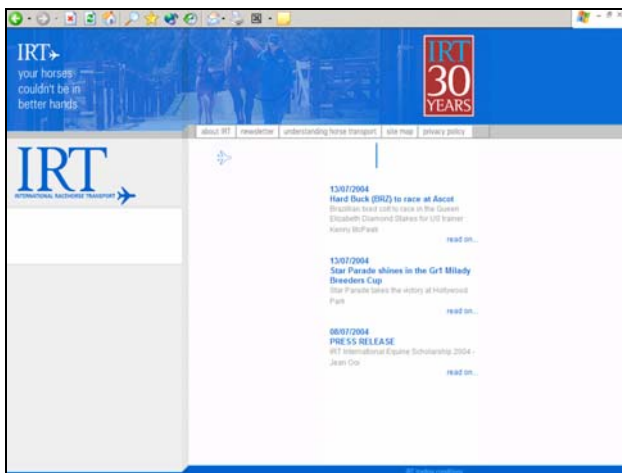


# International Racehorse Transport [www.flyirt.com](http://www.flyirt.com)

Case Study 9 of 20  
Knowledge Management  
(Using Intranets)  
Industry: Transport

## >> THE BUSINESS

Established in 1972, International Racehorse Transport (IRT) transports more than 5,000 horses around the globe each year. Headquartered in South Melbourne, IRT has 12 staff in the Melbourne office with branch offices in Auckland, Los Angeles, Chicago as well as two offices in the United Kingdom – Cambridge and Newmarket.



## >> WHAT WAS INITIATED?

The biggest challenge for IRT is to manage documents profiling each and every horse they transport around the globe. There is a lot of duplication of work and time consuming administration. Employees work long hours to keep up with the administration required by various customs authorities around the world and have detailed processes to file documents securely.

To decrease the lengthy labour costs and time taken for each transportation job, IRT is developing a centralised data base application (developed in Lotus Notes) which will centrally hold all information about each horse. This information is stored on servers based in the Melbourne offices and is accessible via an Intranet by international offices.

The application allows staff around the world to login and obtain required information to satisfy the customs authorities of their country in order to import or export horses.

*"Our document management system and Intranet will allow us to keep our clients and our overseas offices informed rather than being bogged down in administration."*

**Chris Burke, Transport Manager**

### **What is an Intranet?**

*A collection of private computer networks within an organisation, accessible only to members of the same organisation. It sits behind a firewall so computers cannot be reached directly from the public Internet network. An intranet uses all the same tools as the Internet, such as servers to store information, and browser software to let workers view the information.*

A success factor resulting from the implementation of the document management system will be the retention of staff that currently are working longer hours to process paperwork. The efficiency of the Intranet and documentation management system is geared to increase staff morale and improve overall job satisfaction.

## >> HOW THE TECHNOLOGY WORKS

The application is a centrally housed Lotus Notes based data base. It can be accessed by all employees around the world, giving them access to important information required on horses being shipped to their market. The process of the data management for each horse transported is outlined below:

1. The horse details are keyed into an interface when the horse is registered for travel at its point of origin.
2. The data is then stored in a database on a central server based in the Melbourne office.
3. The transport market to where the horse is being imported can then login and review details and change what is relevant to that market.
4. When required, all parties can login and obtain the required forms to meet the needs of customs in both the export and import markets – up to 28 individual forms need to be completed to ship the horse from one market to another!

## >> RESULTS

IRT estimates 40 per cent overall savings resulting from reduced administration work required for each horse. Although IRT is yet to realise the full benefit of the application, it is expected to save around \$750,000 per annum by internal document process improvement.

The savings and contribution to revenue measured against outgoings reveal an overall return on investment of \$440,600.

## >> COSTS

Both establishment and ongoing costs were significant with the major expense being the development of the software application of the website at \$200,000 and the hardware at \$75,000. The telecommunications costs amount to a further \$20,000 per year. Overall, the upfront expenses came to \$288,000 during 2003 with operational expenses amounting to \$25,400.

## >> CHALLENGES AND PROCESS CHANGE

Within IRT, staff training was required so that all transport managers could use the system effectively. Nearly all staff are keen to adopt the new system as it will save them time and make their job easier. However it is expected that there will be an interim period required to help staff transition from old processes to new processes, as well as get used to the new technology.

## >> FUTURE PLANS

IRT plans to further centralise its systems and are exploring opportunities to integrate an online booking application for clients. However, as many clients live in rural areas and have a limited exposure to technology, they will continue to offer traditional methods of registering horses for transport.

Once the benefits associated with the centralised data base have been fully realised, IRT's management will be able to utilise the time recovered to grow and develop their business to reach its true potential.

## >> REFERENCE WEBSITES

[www.flyirt.com](http://www.flyirt.com)  
[www.eos-solutions.com.au](http://www.eos-solutions.com.au)  
[www-8.ibm.com/software/au/lotus](http://www-8.ibm.com/software/au/lotus)

## >> REFERENCE eNOTES

eNote 19: Telecommunications

## >> E-COMMERCE PROFIT & LOSS ANALYSIS

	2003
<b>Additional Revenue from eCommerce</b>	<b>\$</b>
<b>E-Commerce Expense Reductions</b>	
Reduced paper and printer cartridges	4,000
Lowered administration cost (staff time/materials)	<u>750,000</u>
<b>Gross Benefit from eCommerce</b>	<b><u>754,000</u></b>
<b>Less: Up Front Fixed Expenses</b>	
Software development	200,000
Hardware requirements	75,000
Staff Training on technical systems	10,000
Anti Virus Software	<u>3,000</u>
<b>Total eCommerce Up Front Fixed Expenses</b>	<b><u>288,000</u></b>
<b>Less: E-Commerce Operational Expenses</b>	
Ongoing technical support	3,600
Hosting of Website	1,800
Telco and hardware and connection costs	<u>20,000</u>
<b>Total eCommerce Operational Expenses</b>	<b><u>25,400</u></b>
<b>Total eCommerce Costs</b>	<b><u>313,400</u></b>
<b>Total eCommerce Benefit</b>	<b><u>440,600</u></b>

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For further information go to: [www.mmv.vic.gov.au/casestudies](http://www.mmv.vic.gov.au/casestudies)

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