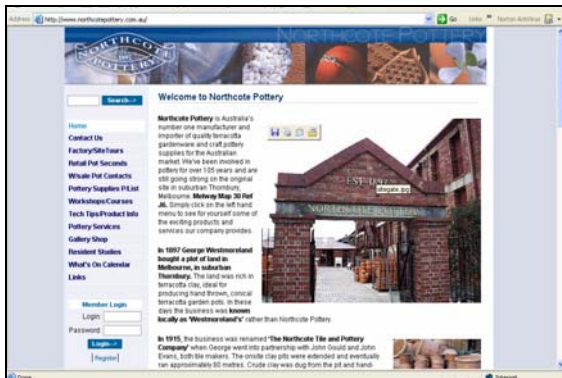


Case Study 15 of 20 Website Content Management Industry: Retail/Wholesale

>> THE BUSINESS

Established in 1897, Northcote Pottery operates a second retail outlet for imported terracotta gardenware and craft pottery supplies, as well as a potters gallery and a potters workshop. Its unique brand and historic factory combined with a strong artistic and education culture make it a 'potter's paradise'. The business employs 23 staff and is based in Thornbury, Victoria.



>> WHAT WAS INITIATED?

The website was originally initiated to reduce the costs of physical newsletters being sent to customers that were expensive once the printing, packing and postage costs were taken into account.

As the website grew to incorporate the commercial and artistic perspectives of the business, a Content Management System was introduced to ensure the website could be easily updated on an ongoing basis.

What is a Content Management System (CMS)?
A CMS is a software package that creates and maintains content on a website by providing a set of tools for creating, editing and publishing the webpages and directories that makes up a website.

The content management system allows a Northcote Pottery administrative staff member to update the website without incurring the costs of an external website developer. This is very convenient and cost effective for Northcote Pottery given the website updates are required on a weekly basis.

"Implementing a content management system on our website has ensured school teachers, parents and children can enjoy seeing more of their handiwork displayed on the website immediately following a workshop held at the Pottery."

Peter Faulkner, Managing Director

These changes include workshop session times, booking details, product price lists and a calendar of events.

A content management system has allowed Northcote Pottery to have a standardised layout ensuring the website is visually consistent and easy to navigate for customers looking at the comprehensive product range. This system also supports a 'Search' query tool across the website for online customers to easily find in depth information sheets on a range of potting techniques.

>> HOW THE TECHNOLOGY WORKS

Authorised website administrators are issued with content management software (CMS), which is installed on their computer hard drives. The following steps are undertaken in order to amend sections of the website and add, move or delete pages:

1. The authorised Northcote Pottery administrator opens the content management software
2. Content amendments are made to individual sections of the Northcote Pottery website
3. 'Saving' amendments publishes the new content pages directly to the internet via a CMS server located at Northcote Pottery's web developer's offices
4. Amended website is 'published' on the Internet.

>> RESULTS

Northcote Pottery has achieved savings from reduced operations expenses, estimated at \$22,800 per annum. Although Northcote Pottery is yet to implement online shopping, the website has played a part in driving an estimated \$100,000 worth of gross sales.

With a eCommerce expense reductions totaling \$22,800, the savings and contribution to revenue measured against outgoings reveal an overall return on investment of a \$41,800.

>> COSTS

Both establishment and ongoing costs were relatively low with the major expense being the establishment of the website at \$10,000, amortised at \$3,300 over three years. The human resource to update the website is \$10,000 per year. Overall, the upfront expenses came to \$4,600 during 2003 with operational expenses amounting to \$11,400.

>> CHALLENGES AND PROCESS CHANGE

The content management system has enabled Northcote Pottery to provide indepth information on a timely basis to customers.

The website has increased productivity for several of Northcote Pottery's staff. It has freed up those involved in time-consuming and menial tasks of printing and packing physical newsletters, allowing more promotional and educational tasks, leading to higher staff morale.

The Internet has also enabled wages to be paid directly into employees bank accounts by using online banking. This has saved several hours per week for management.

>> FUTURE PLANS

Northcote Pottery plans to utilize its website to better promote its retail offerings by including more real time information on current stock and supplies.

As Northcote Pottery caters to a high passion interest market, they are also exploring ways of better utilizing their valuable database of customers and workshop participants.

>> REFERENCE WEBSITES

www.northcotepottery.com.au
www.webalive.com.au

>> REFERENCE eNOTES

eNote 5: Website Development
eNote 15: Online Banking

For further information go to: www.mmv.vic.gov.au/casestudies

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>> E-COMMERCE PROFIT & LOSS ANALYSIS

	2003
Additional Revenue from eCommerce	\$
Indirect Sales via the Internet	<u>100,000</u>
Less: Cost of Goods Sold	<u>65,000</u>
Net Profit for eCommerce	<u>35,000</u>
E-Commerce Expense Reductions	
Reduced telephone bills	1,200
Reduced postage, freight, couriers and handling	5,000
Reduced paper and printer cartridges	3,000
Reduced banking and superannuation costs	500
Reduced staff costs in lodging tax forms	100
Reduced travel time to deposit cheques	5,000
Reduced staff costs to travel to banks, post offices and newsagents	500
Reduced wage processing (Winpay)	2,500
Total eCommerce Expense Reductions	<u>22,800</u>
Gross Benefit from eCommerce	<u>57,800</u>
Less: Up Front Fixed Expenses	
Website and Content management systems	3,300
Anti-virus and Security software	700
Staff Training on technical systems	300
Telco hardware and connection costs	300
Total eCommerce Up Front Fixed Expenses	<u>4,600</u>
Less: E-Commerce Operational Expenses	
Internet Service Provider	1,000
Hosting of Website	400
Staff dedicated or allocated to website and customer service via email	10,000
Total eCommerce Operational Expenses	<u>11,400</u>
Total eCommerce Costs	<u>16,000</u>
Total eCommerce Benefit	<u>41,800</u>

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