

Instant messaging helps boost Kaga's productivity and save costs



Mr. Lee said Kaga(HK) saved 30% of IDD costs by using Lotus Sametime for internal communications.

Electronic manufacturing and components trading company Kaga (HK) Electronics Ltd had a problem familiar to many distributed organisations – staying ahead of a competitive market while keeping the different parts of the company in touch. Long distance phone calls, faxes and emails were all proven means of communicating but none seemed to strike the right balance between cost and immediacy.

Kaga now uses IBM's Lotus Sametime business instant messaging software to link its head office staff in Hong Kong with its factory in China, providing the benefits of real time communications and collaboration without the high costs of IDD calls.

The company is a subsidiary of Japan's Kaga Electronics Group which designs, develops, imports and exports electronics parts, semiconductors and related products, computers and peripherals, and

information services. Listed on the Tokyo Stock Exchange, the company is known to consumers in many countries through its Taxan brand of PC peripherals.

Kaga (HK) was established in 1992 and has a staff of fifty-five. Apart from electronics components trading in the region, the company provides electronics manufacturing services to customers requiring printed circuit assemblies. Kaga has its own factory in Shekou, near Shenzhen, and also sources from mainland China subcontractors.

Instant communications critical to success

"Our business operates in an age of just-in-time delivery and wafer-thin margins," said Mr. P. L. Lee, Director of Operation, Kaga (HK). "Prompt and accurate communications aren't just a technological requirement for us. They are essential to our customers, who constantly require new functions and new designs, and want them

Software

- IBM Lotus Sametime
- IBM Lotus Notes
- IBM Lotus Domino

immediately. As a result, we are very aware of the need for rapid time-to-market."

In response to management's desire to improve productivity and internal communications, Kaga's MIS Department proposed instant messaging (IM) as a cost-effective solution with little downside and potentially significant benefits. The department won management's support for a review of the options and started researching the IM solutions on the market.

"We compared solutions from different vendors, including Microsoft MSM, AOL and ICQ," said Lee. "Part of the evaluation was price, part of it was how well the solution would integrate with Lotus Notes and add collaborative capabilities to existing applications, and we were very concerned with the solution's security capabilities such as encryption and authentication."

These assessments, followed by a request for proposal and three months of

testing within the MIS Department, showed that the consumer IM products of Microsoft, AOL and ICQ are well short of the standards required by most business users. The MIS team instead recommended Lotus Sametime, an integrated IM and e-meeting platform for business with a raft of capabilities including online awareness, text, audio and video, application sharing and whiteboarding. Lotus Sametime met all of Kaga's requirements and answered its security concerns.

The runaway leader in the corporate IM sector, Lotus Sametime has seven million users worldwide. It has been selected by companies big and small looking to boost customer service through better communication, and to save both time and money while doing it.

Its pedigree has been confirmed by independent reviewers such as SmartBusiness, which gave Lotus Sametime a five-star rating, and by Osterman Research, which credits it with an 81 per cent market share among large companies that have standardised on an IBM platform. IBM, which has 225,000 staff using Sametime day to day, says it is proven to reduce phone use by 72 per cent and email use by 85 per cent.

"Lotus Sametime was clearly superior in terms of security, reliability, availability and scalability. The consumer chat products just didn't have the same capabilities," said Lee.

Raise productivity and save costs

Lotus Sametime was a natural fit within Kaga's IT environment. It was no surprise that deploying Lotus Sametime to 90 users in Shekou, Shenzhen and Hong Kong in January 2002 was relatively straightforward. "We undertook deployment of Sametime ourselves and it took less than a week. Training was also not an issue – our users have found Lotus Sametime to be very intuitive," said Lee.

"One of the things that was appreciated early on was Lotus Sametime's support for multiple languages. That's important for users with different cultural backgrounds. For example, imagine an employee who might be a good reader of

Chinese but not necessarily a good writer. That user has the option of reading incoming Chinese text but responding in English. For us, that has been a surprisingly useful feature, especially for communications between HK and China staff."

Another win: costs. The bill for IDD calls between the HK office and the factory has nose-dived by 30 per cent with Lee saying that many users now habitually choose Lotus Sametime instead of reaching for the phone.

A further outcome is less tangible but perhaps most important of all: productivity. Kaga had found that, using email, responses were sometimes just too slow. Lotus Sametime has turned that situation on its head.

"Imagine a scenario where an overseas customer is asking for the production status of a particular component. Using Lotus Sametime, our Hong Kong office can talk to the factory and get an update on the spot. That's an almost instant response, and that's where the productivity increase comes in, which results in higher customer satisfaction," explained Lee.

Go beyond IM to e-workplace

After using Lotus Sametime day in and day out for nearly a year, Kaga is now considering extending it to further users in the Japanese headquarter. Currently used only for text messaging, Sametime's video and e-meeting features may also be switched on after a planned capacity upgrade to the company's wide area network.

"Unlike other IM products, Lotus Sametime can be started small and expanded quickly and easily without further software investment," said Lee.

Also, in the frame is a roll out of Sametime to Kaga's customers. "This is another value-added service we are considering providing to our customers because we believe they rely on instant communications just as much as we do. By improving our mutual communications we can increase our market competitiveness and thus capture more business opportunities," said Lee.



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