

ITSM4SME Media Material

1 Grilled Kebab – A Case for ITSM at Alebon

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3 **Small and medium enterprises normally excel in their core business, which, in most**
4 **cases, also represents a single source of their competitive advantages. Not many of**
5 **them are actually aware that combining complementary resources from a different**
6 **industry domain can represent a huge potential for a new or significant barrier to erosion**
7 **for their existing competitive advantages. Information technology, whose full potential**
8 **European small and medium enterprises have yet to discover, may represent one of**
9 **such sources of competitive advantage. But in the end, the selection of the right sources**
10 **for achieving sustainable competitive advantage and the way in which IT will contribute**
11 **to their success story is a business decision and above all, a reflection of a personal**
12 **preference and openness of SME owners and managers.**

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14 Let's take for example Alebon - a small but successful Slovenian company with no more than
15 sixteen employees. The company is one of the leading companies engaged in the production
16 of original grilled kebab intended for use in the food industry, as well as for end consumers.
17 And they have included IT as a source of their competitive advantage extremely well. But why
18 are they so special, and where does a small kebab manufacturer see the value of IT?

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20 Well, not only do they use IT heavily, but they are using it wisely and in a highly advanced way.
21 Moreover, they not only outsourced most of their IT but also the production of their core
22 business product - kebab. In terms of IT, all the outsourced business and supporting IT services
23 are used as a service in a cloud whenever possible. Every IT decision is valued and financially
24 evaluated. If some legacy IT systems are implemented in a traditional hosting manner and not
25 as a service in a cloud, it is because those legacy systems cannot leverage cloud's pay as you
26 go model effectively. The heavy usage of IT leads to easier and automated business processes.
27 However, using merely standardized IT services in the cloud alone, although being cost
28 effective, would not represent a real source of competitive advantage. The success of Alebon's
29 IT is therefore in the excellent and unique integration layer on the top of those standardised IT
30 services. This way, all IT services (hosted and those in the cloud) are integrated into a
31 comprehensive business system. Such integration provides them with not only an excellent
32 business intelligence system for analysing past events, but also gives them capacity for a solid

33 prediction. Interestingly, they have recently included even weather conditions in their automatic
34 manufacturing order procedure.

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36 Although this is an example of a good recipe and pattern of effective use of IT, it is still just
37 about how they use IT services. A more important question, though, is why they are using it.
38 Firstly, all co-owners are highly entrepreneurial oriented with extraordinary mutual trust and
39 respect, which somehow is a significant success factor. Secondly, they know what they want
40 from IT. As the co-owner responsible for finance and investments is not only good at business
41 but is also a highly IT-savvy person, he or she knows how to underpin those business needs
42 with adequate IT services. From the business perspective all they want is to increase revenue,
43 decrease costs and avoid risks. But the key is in their customer intimacy competitive strategy
44 which amongst all other is based on the following simple principle: Their customer will NEVER
45 run out of supplies and goods. They would deliver it even if a customer forgot to order it. In
46 other words, they always have everything in stock. This would normally imply a huge stock of
47 even perishable goods, unless they have a highly optimized logistic and production planning
48 system. With their smart IT they managed to reduce the production planning cycle to seven -
49 ten days. There was some investment needed but significantly less than their yearly savings
50 on bound capital and warehouse space. The second exceptional business idea was related to
51 the mitigation of risks. They have all their claims insured. In case some customer would not be
52 able to pay the debt, they would be refunded by the insurance company. But they have to
53 comply with strict insurance conditions, which require excellent cash flow control. For
54 companies of their turnover, the yearly waiving of debts would be around € 20,000, whereas
55 their investment in the development of additional IT functionality was only € 15,000. Direct
56 benefits with return on investment shorter than one year are obvious, but there is also an
57 indirect bonus. With their excellent cash flow control and insured claims their creditworthiness
58 has increased, hence cost of money has decreased. This way the money can be further wisely
59 invested into further business growth. It can therefore easily be said that Alebon is saving and
60 even earning money by investing in IT.

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62 We cannot say that IT service management will provide you with brilliant new business ideas
63 like in the given example, but it will definitely help you select and manage the right IT services
64 that will effectively and efficiently support your business, providing you with business value.

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66 But how can SMEs start with IT service management? The project ITSM4SME supported by
67 the Life Long Learning programme of the European Union developed a simplified IT Service

68 Management method for SMEs of the Danube Region to implement IT service management
69 and innovations. The project relies on the results of the successful European INTERREG
70 project INNOTRAIN IT. More than 25 different “best-practice-examples” for service-orientated
71 SMEs have been gathered in six European regions as part of INNOTRAIN IT. They form the
72 knowledge base for trainings in the areas of cost optimization of IT processes and business
73 process redesign as well as process and product innovations. The learning modules of
74 ITSM4SME focus on different service topic, like

- 75 • The **Implementation level of the method** (e.g. How to define a service
76 catalogue? How do I implement a service desk?)
- 77 • **The IT infrastructure level** (such as standardization, automation, and possibly
78 outsourcing of services like printing or hosting services)
- 79 • **The Level of business processes** (e.g. integration of external sales-services and
80 standardization of logistics services)
- 81 • **The Final product level** (sale of internal support-services to external customers,
82 sale of IT-supported after-sale-services).

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84 This method as well as the ITSM4SME training program are strictly modular. After an analysis
85 of the to be status, the SME is offered the necessary modules only. If needed, the growing path
86 to a higher level of qualifications can be suggested. Interested people can still get access to an
87 eLearning platform with short courses and modelling tools for the enterprise architecture. With
88 those tools, everybody can work on solutions for case studies – together with other managers
89 and IT-directors in the region. More information can be found on the internet at
90 www.itsm4SME.eu.

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About ITSM4SME (www.itsm4sme.eu)

The ITSM4SME project builds on the results of the INTERREG IVB Central Europe project INNOTRAIN IT. The innovative project results, for example the ITSM method, the training concept, training materials and the ITSM modelling tool, are be adapted and transferred to the countries of Bulgaria, Romania and Slovenia. Accordingly, the consortium consists of three partners, who were part of the INNOTRAIN IT consortium and cover parts of the conceptual and methodological work, and three training partners from the Danube region, who have extensive experience in the training of IT and innovation skills. ITSM4SME is funded by the

European Commission within the framework of the Leonardo da Vinci programme and has a total budget of almost 400,000 euros.

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