



Open Text's Livelink at Dexia Bank

Belgium, Brussels

R O I

437%

Dexia Bank, one of Belgium's largest financial institutions, chose AsBuilt Construction Groupware, an Open Text's Affinity Partner in Europe, to help with major renovations of a landmark building at its headquarters. Dexia Bank's campus includes the large Pacheco and Galilei buildings. Both are being gutted to remove asbestos, and, in the process, Dexia Bank is upgrading the wiring, lighting, networking, plumbing, general interior appearance, and much more. The Pacheco project tells a compelling story of the use of Open Text's Livelink® and offers a rare and intriguing comparison: The Pacheco project utilizes Livelink, while the Galilei project does not. This is because work on the Galilei building started about three years earlier, before AsBuilt met Dexia Bank.

Robert Wolfs, Dexia Bank's manager for the Pacheco project, said, "We opted for AsBuilt because they give us the tools and services we need. The company's relationship with Open Text has been a significant contributing factor in the success of our Pacheco project. This project involves scores of Dexia Bank staff plus numerous outside architects, engineers, and contractors based in different cities, and with AsBuilt's Livelink-based solution, everyone communicates quickly and efficiently. I'm impressed with the way it makes use of the Internet and by how easy it is to use. This solution is exactly what we were looking for."

Marc Ansoult, manager of AsBuilt, added, "Working with Open Text, we have developed an application to streamline communications in large construction projects. Open Text's Livelink is a well-established groupware platform, and the result of our cooperation is a practical, customizable application for the construction sector."

Payback time frame: 27 months, about half of the total project duration (five years)

Scope: Pacheco building, Dexia's headquarters

V I T A L
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*The AsBuilt groupware solution
(http://asbuilt.switch.be/index_groupware.html)
builds upon the functionality made possible by
Livelink.*

Background

According to *The Economist* magazine (January 15, 2000), construction is a \$3 trillion per year industry worldwide, of which about one-third is spent to correct mistakes and pay for delays. In the United States alone, the U.S. Census Bureau sizes the entire industry at \$835 billion per year (1997 Economic Census). Moreover, the industry is highly fragmented, with about 30,000 architects, 60,000 engineering companies, and 100,000 contractors just in the vicinity of Belgium (and 640,000 establishments in the United States).

In construction, it is exceptional to finish projects on time and on budget, and delays often cost thousands of dollars per day. AsBuilt's observations support *The Economist's* estimate, showing that about 30% of expenses are due to errors in communication and lack of collaboration. Project teams are perpetually forming and transforming, creating a crucial need for collaboration and communication. Some of AsBuilt's clients estimate that Open Text's Livelink applications can save the industry about 20%, but even a more moderate figure of 5% would represent a huge savings. This type of savings manifests itself in many ways for Dexia Bank.

The Project

Dexia Bank is completely renovating and refurbishing its 25,000-square-meter Pacheco building, the bank's headquarters and a familiar Brussels landmark. Asbestos removal triggered the renovation. Because all the walls would be torn down, the bank decided to replace all windows, technical installations, and fixtures as well. The project began early in 2000, with asbestos removal scheduled to commence in March 2002. This renovation is a multimillion-dollar project that Dexia Bank plans to complete by May 2004.

Construction projects are a perfect fit for Open Text's Livelink applications. During the planning stages, there can be as many as eight design or consulting organizations involved—including an architectural firm, a civil engineering and a structural engineering firm, a safety coordinator, and a project manager. In addition to these parties, 10 to 15 contractors join the project in later stages. Each organization has as many as 10 people directly involved in the project, and everyone must communicate. Dexia Bank viewed Livelink as the ideal collaborative software solution equipped to deal with the practical complexities involved in managing these working relationships. Open Text's strong track record for delivering innovative solutions that promote efficiency and encourage productivity, combined with AsBuilt's extensive experience covering the full cycle of a major construction project, compelled Dexia Bank's management to choose Livelink.

Platform Implementation and Deployment

Dexia Bank purchased Livelink in June 2000. The system was running by August, fully operational internally the same month, and open to external parties in early September. Although most workers had already been hired for the Galilei project, a clause covering "the use of a groupware system," included in all contracts, required these workers to submit new proposals for the Pacheco project. Dexia Bank not only used Livelink from the very start of the request for proposal (RFP) process, but it also banned all other means of formal communication. For example, official project information is no longer distributed on paper or by e-mail; project partners use the construction groupware system for all information exchanges. If an external party, such as one of the public authorities, writes a letter concerning the project, that letter is directly scanned into the system, transferred to text, and archived in the appropriate directory.

The project team felt that a gradual deployment of Open Text's Livelink would be best, noting that two to three months was adequate time for various external consultants to master the technology. IDC believes that for a system of this size and complexity, Open Text actually offered a very rapid time to implementation and time to benefit.

Benefits of Open Text's Livelink Platform

The overarching benefits of Livelink are that the system provides the project team with an efficient tool for information management and dissemination, as well as a mode of communication. There are many significant ways in which this becomes apparent (see Table 1).

Table 1
Benefits of Open Text's Livelink Platform

Benefit	Implementation
Drawing management	The project team uses Livelink exclusively to circulate, approve, and develop all drawings. Plans and designs are available for all partners to view, with excellent functionality in version control. Performing these functions was highly problematic without Livelink. Engineers were continually plagued by the circulation of outdated plans.
Task-driven information management	Prior to Livelink, parties used e-mail when discussing and resolving issues, without any workflow functions or formal accountability. Livelink utilizes task-driven information, in which data and discussion not only circulates but also factors into the team's decisions and tasks.
Accountability and tracking	All parties involved know exactly where the Pacheco project stands, what approval is required, what tasks are to be done, and so on. With Livelink, people can know at which stage a task is and what has happened up to that point, and they can view the process and all the challenges encountered. Users can trace a task, confirm that a coworker has received a message delivering a task and inform the coworker that a task is waiting if he/she has not realized it. In the Galilei building's construction, delinquent parties were not discovered or corrected; this has changed at Pacheco thanks to Livelink. Furthermore, late parties cannot claim, for instance, that they were not informed of their tasks, a problem also encountered prior to implementing Livelink.
Connectivity	Everyone involved in the project can be contacted wherever there is a computer with Internet access, whether or not they are working in a fixed office. This capability will be especially valuable for keeping in touch with construction contractors, who are often on different sites from one day to the next.
Streamlined contractor tender procedure	In the past, Dexia Bank needed several weeks to develop detailed designs, send paper copies to the contractors, clarify concerns, receive return bids, and complete the selection process. With the Livelink platform, the project team made all designs and information available on the system and posted answers to questions so that all contractors could view them. The project team also found the platform extremely useful for adding last-minute information during the tender process. Even contractors on different systems could communicate with the Livelink platform because the project team provided all documents in formats accessible to virtually everyone (e.g., Excel, Word, and Acrobat PDF).

Source: Dexia Bank and IDC, 2001

Table 2
ROI of Open Text's Livelink Platform (%)

Investments	Year 1	Year 2	Year 3	Year 4	Year 5
Livelink and AsBuilt licenses	54			33	
Hardware	10				
Housing services	14	38	55	30	45
Training employees	11	31		0	0
Consulting	11	31	45	24	37
<i>Total investment</i>	100	100	100	100	100
Returns	Year 1	Year 2	Year 3	Year 4	Year 5
Lower HR costs	14	40	57	31	47
Fewer delays					276
Lower admin costs	3	8	12	7	10
Increased mobility of personnel	4	11	16	9	13
Higher quality RFPs			529	288	432
Better contractor management			253	138	207
Better change management		69	99	54	81
Second project starting Y3				148	304
<i>Total returns</i>	22	128	968	675	1371
Returns on Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Annual investment	100	100	100	100	100
Annual return	22	128	968	675	1371
<i>Annual ROI (%)</i>	21.51	127.88	968.24	1,240.14	1,678.86
Cumulative investment	100	376	645	451	777
Cumulative return	22	187	1240	1350	3396
<i>Cumulative ROI (%)</i>	21.51	49.79	192.21	299.26	437.20

Source: Dexia Bank and IDC, 2001

Costs and Benefits Quantified

The largest single cost for Dexia Bank's implementation was the license fee for Livelink, although the sum of other costs proved higher in total (see Table 2).

Lower HR Costs

Livelink affords substantial savings by reducing the number of people required to manage a project. Fewer employees are already managing several stages of the construction project.

Fewer Delays

Wolfs expects Livelink to shorten the duration of construction by five to six months, yielding savings greater than the license fees for Livelink.

Lower Admin Costs

With a document management system for project information, costs for paper storage and distribution are immediately reduced.

Increased Mobility

Better information management makes it far easier to reassign team members as necessary (e.g., a new team leader might need as little as a month to be up to speed).

Higher Quality Calls for Tender

Better preparation before sending out calls for tender makes it possible for contractors to submit a more accurate estimate of real costs. The risk of

surcharges, corrections, and overruns once the project has started is substantially reduced.

Better Contractor Management

Any changes required during the course of the project are immediately conveyed to all concerned and completely traceable. No one can continue working “by oversight” after being informed of new plans, lessening the risk of claims and overspending by an estimated 30%.

Better Change Management

A clearer overview of the impacts of changes required by the project owner makes more efficient planning possible, resulting in savings of close to 50%.

Future Projects

Future projects will be able to reuse the hardware, software, and experience from the Pacheco project, representing further ROI.

Wolfs firmly believes that the improved management will result in better construction so that the bank will be able to use the refurbished building for at least 15 years.

The investment required to purchase the software, implement it with the assistance of consultants, and train the employees was less than the return Dexia Bank realized from Livelink’s implementation. Livelink paid for itself in less than three years, and in the following years the return will continue to increase. On top of the quantifiable returns, there are intangible benefits, such as improved overall quality and enhanced customer satisfaction, that increase the ROI of Livelink even further.

Lessons Learned and Future Plans

After implementing Open Text’s collaborative platform, Dexia Bank’s management found it easier to control the flow of communication with Livelink. Management could look at incoming and outgoing messages and identify the source and flow of information.

In an intriguing development, the operational benefits Livelink brings to Dexia Bank are being extended into the bank’s core business area. As the largest Belgian bank for financing public authorities, Dexia Bank is involved in several projects where platforms, such as Livelink, are beneficial.

Teams inside Dexia Bank may soon be implementing AsBuilt Construction Groupware as a standard application to help contain the costs of all projects for Dexia Bank’s public-authority clients.

Although the project team was lucky to face early enthusiasm for Open Text’s collaborative platform, it still views the Livelink implementation as a continuous learning curve. Every team or party involved in the project has a person responsible for the application. These user representatives come together to exchange ideas and information regarding Livelink and receive guidance from the project team. This is an ongoing, knowledge-sharing process that empowers all parties and users to benefit from a platform that continues to evolve.

The AsBuilt solution for the Pacheco building consists of procedures, computer-aided design (CAD) standards, a knowledge map, and many more tools that provide Dexia Bank with a virtual environment for working as a team. With Livelink, Dexia Bank now owns a construction groupware solution and a knowledge base applicable to other projects. Moving forward, each of Dexia Bank’s new projects will yield an e-knowledge base ready for operation and maintenance.

Livelink provides the project team with management tools they never had before. “Collaboration is simply tremendous and so easy, given Livelink’s knowledge-sharing functionality. We can only wonder how we ever managed without it,” said Wolfs.

NORTH AMERICA

Corporate Headquarters

5 Speen Street
Framingham, MA 01701
508-872-8200

IDC Canada

36 Toronto Street, Suite 950
Toronto, Ontario, Canada M5C2C5
416-369-0033

IDC Irvine

18831 Von Karmen Ave, Ste 200
Irvine, CA 92612
949-250-1960

IDC Mtn. View

2131 Landings Drive
Mountain View, CA 94043
650-691-0500

IDC New Jersey

120 Wood Ave South, Suite 509
Iselin, NJ 08830
732-632-9222

IDC New York

2 Park Avenue
Suite 1505
New York, NY 10016
212-726-0900

IDC Texas

100 Congress Ave, Suite 2000
Austin, TX 78701
512-469-6333

IDC Washington

8304 Professional Hill Drive
Fairfax, VA 22031
703-280-5161

ASIA/PACIFIC

IDC Asia/Pacific (Hong Kong)

12/Floor, St. John's Building
33 Garden Road
Central, Hong Kong
852-2530-3831

IDC Asia/Pacific (Singapore)

71 Bencoolen Street, #02-01
Singapore 189643
65-226-0330

IDC Australia

Level 4, 76 Berry Street
North Sydney, NSW 2060, Australia
61-2-9922-5300

IDC China

Room 611, Beijing Times Square,
88 West Chang'an Avenue, Beijing,
P.R. China, 100031
86-10-8391-3456

IDC (India) Limited

Cyber House
B-35, Sector 32 - Institutional
Gurgaon - 122002, Haryana, India
91-124-6381673 to 80

IDC Japan

10F The Itoyama Tower
3-7-18, Mita Minato-ku
Tokyo 108-0073, Japan
81-3-5440-3400

IDC Korea Ltd

Suite 704, Korea Trade Center
159-1, Samsung-Dong, Kangnam-Ku
Seoul, Korea 135-729
82-2-55-14380

IDC Malaysia

Suite 13-03, Level 13, Wisma KiaPeng
No. 3, Jalan Kia Peng
50450 Kuala Lumpur, Malaysia
6-03-2163 3715

IDC New Zealand

Level 7, 246 Queen Street
Auckland, New Zealand
64-9-309-8252

IDC Philippines

7F, SEDCCO 1Bldg
Rada Street Corner
Legaspi Street
Legaspi Village
Makati City, Philippines
632-894-4808

IDC Taiwan Ltd.

10F, 31
Jen-Ai Rd, Sec 4,
Taipei 106, Taiwan, R.O.C.
886-2-2731-7288

IDC Thailand

27 Soi Charoen Nakorn 14
Charoen Nakorn Road, Klongtongnai
Klongsan Bangkok 10600, Thailand
66-2-439-4591-2

IDC Vietnam

37 Ton Duc Thang Street
Unit 1606
District-1 Hochiminh City Vietnam
84-8-910-1235

EUROPE, MIDDLE EAST, AND AFRICA

IDC Austria

c/o Loisel, Spiel, Zach Consulting
Mayerhofgasse 6
A-1040 Vienna, Austria
43-1-50-50-900

IDC Benelux (Belgium)

29 Avenue Louis Gribaumont
B-1150 Brussels, Belgium
32-2-779-46-04

IDC Benelux (The Netherlands)

A. Fokkerweg 1
1059 CM Amsterdam
The Netherlands
31-20-669-2721

IDC Central Europe (ECE)

Male Namesti 13
Praha 1 110 00, Czech Republic
420-2-2142-3140

IDC Central Europe (Germany)

Nibelungenplatz 3, 11th Floor
60318 Frankfurt, Germany
49-69-90502-0

IDC Central Europe (Switzerland)

Niederlassung Züerich
WTC, Leutschenbachstrasse 95
CH - 8050 Züerich
Switzerland
41-1-307-1000

IDC Egypt

39 Iraq Street
Mohandesseen, Cairo, Egypt
20-2-336-7355

IDC France

Immeuble La Fayette
2, Place des Vosges, Cedex 65
92051 Paris la Defense 5, France
33-14-904-8000

IDC Hungary

Bajcsy-Zsilinszky út. 57
Building 3, Rooms 103-104
H-1065 Budapest, Hungary
36-1-153-0555/ext. 165, 166

IDC Israel

4 Gershon Street
Tel Aviv 67017, Israel

IDC Italy

Viale Monza, 14
20127 Milano, Italy
390-2-284-571

IDC Nigeria

House 2, 'C' Close
403 Road, 4th Avenue
New Extension, Festac Town
Lagos, Nigeria
234-1-883585

IDC Nordic (Denmark)

Jagtvej 169B
DK-2100 Copenhagen, Denmark
45-39-162222

IDC Nordic (Finland)

Jarumiehenkatu 2
FIN-00520
Helsinki, Finland
358-9-8770-466

IDC Nordic (Sweden)

Box 1096 Kistagängen 21
S-164 25 Kista, Sweden
46-8-751-0415

IDC Poland/ProMarket

Wrobla 43
02-736 Warsaw, Poland
48-22-644-4105

IDC Portugal

Av. Antonio Serpa, 36 Piso 9
1050-027 Lisbon
Portugal
351-21-796-5487

IDC Russia

c/o PX Post, RDS 186
Ulitsa Zorge 10
Moscow 125525
Russian Federation
7-501-929-9959

IDC South Africa

c/o BMI-TechKnowledge
3rd Floor, 356 Rivonia Blvd.
PO Box 4603, Rivonia, 2128
South Africa
27-11-803-6412

IDC Spain

Ochandiano, 6
Centro Empresarial El Plantio
28023 Madrid
34-91-7080007

IDC Turkey

Tevfik Erdonmez Sok. 2/1 Gul Apt.
Kar 9D; 46 Esentepe
Istanbul, Turkey
90-212-275-0995

IDC U.K.

British Standards House
389 Chiswick High Road
London W4 4AE
United Kingdom
44-20-8987-7100

LATIN AMERICA

IDC Miami

Latin America Headquarters
5301 Blue Lagoon Drive
Suite 490
Miami, FL 33166-6200
305-267-2616

IDC Argentina

Trends Consulting
Rivadavia 413, 4th Floor, Suite 6
C1002AAC, Buenos Aires, Argentina
54-11-4343-8899

IDC Brasil

Alameda Ribeirão Preto, 130 cj 41
01331-000 São Paulo
SP Brazil
55-11-253-7869

International Data Corp. Chile

Luis Thayer Ojeda 166 Piso 12
Providencia, Santiago 9, Chile
56-2-231-0111

IDC Colombia

Carrera 40 # 103-78
Bogota, Colombia
571-533-2326

IDC Mexico

Select - IDC
Av. Nuevo Leon No. 54 Desp. 501
Col. Hipodromo, Condesa
C.P. 06100 Mexico, D.F.
52-5-256-1426

IDC Venezuela

Calle Guaicapuro
Edif. Torre Seguros Alianza
Piso 6, Ofc. 6-D, El Rosal
Caracas 1060, Venezuela
58-2-951-3270

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