

Managers Letter

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Intranet Basics: Getting Started

Part One of a Two-Part Series

by *Joseph McKendrick*



When aerospace and technology giants Lockheed Corp. and Martin Marietta merged, managers of the combined company faced the daunting task of communicating new policies and benefits information to 190,000 employees scattered in 80 locations around the globe. Information was stored throughout the newly formed company among hundreds of mainframes, midrange computers and PC servers from the two companies' systems.

The new company rapidly achieved connectivity through a corporate-wide Intranet that resulted in millions of dollars of direct and indirect savings. Employees are now able to quickly access information from their desktop PCs, Macintoshes, UNIX workstations and laptops.

In recent years, both large and small companies have achieved similarly remarkable results within their organizations. Intranets, or internal networks that employ Internet technology, offer organizations a cost-effective, easy-to-deploy way to communicate and distribute information within a company. All employees need is a browser and a networked PC or laptop to take full advantage of this resource.

The latest Olsten technology management survey found that 51% of companies now have Intranets in place. Almost three-quarters (73%) of Intranet sites are set up to distribute company information, including policy and training manuals. About a third use their Intranets to distribute computer applications. Another one-quarter of companies use Intranets to distribute information to their sales forces. Other uses include sharing of corporate data between departments, distribution of reports, online corporate newsletters, executive information systems, product information, internal employee directories and even "rumor-and-gossip" bulletin boards.

An Intranet is an open TCP/IP-based network running Internet-enabled applications on organizations' local area networks (LANs) and wide area networks (WANs), with access limited to specific employees through security software and hardware such as firewalls and password protection. While expensive networking equipment — such as

bridges, routers, intelligent hubs and client-based access software — is available, it's not even necessary. A company's current network infrastructure is ideal for supporting a web-based Intranet. In fact, Intranets are compatible with popular PC local area networks, such as Novell Netware* and Microsoft Windows NT.*

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— **Ian Campbell**
International Data Corp.

To be able to access an Intranet, employees need browser software that runs on their PCs or laptops, such as Netscape Navigator,* Communicator* (for high-end systems) or Microsoft Internet Explorer.* A company doesn't even need to get involved in the intricacies of managing a web server, since this can be outsourced to an Internet service provider (ISP).

For all this relatively simple connectivity, the return on investment (ROI) can be phenomenal. International Data Corp. (IDC, Framingham, MA) studied the return on investment of a number of corporate Intranets, and found the typical ROI to be well over 1000% — far higher than usually found with any other technology investment. Meta Group Inc. (Stamford, CT) found that 80% of companies surveyed generated a positive ROI from Intranets, with an average annualized return of 38%.

Where does all this savings come from? As noted above, Intranets do not require expensive technology, so the cost to implement one is minimal. Also, by publishing corporate materials such as newsletters, policy and procedures manuals and employee directories online, companies can greatly

reduce printing and distribution costs. When materials require revision, further savings are realized through online updates. Additionally, new software upgrades can be pushed out to client machines and made available when employees log on to the Intranet.

The risks associated with Intranet projects are low, with typical payback periods beginning in about six to 12 weeks. Thus, for any company, "the best strategy is to begin an Intranet deployment today," says Ian Campbell, director of collaborative and Intranet computing for IDC. "The sooner an Intranet becomes a core component of the corporate technology infrastructure, the sooner the company can reap the benefits."

As your company or department becomes more adept at using the Intranet process, you will discover a myriad of applications and ways to leverage this exciting new technology.

In fact, a department or company can be up and running with an Intranet pilot within days, if not hours. "The quicker the better," advises Christie Comaford, Intranet development consultant and president of Planet U, based in San Francisco, CA. For example, a departmental employee phone directory can be quickly converted into an HTML format and posted to an internal web site. "Stick to a short development cycle," says Comaford. "Get something into users' hands as soon as possible!"

Then move on to bigger projects, such as online policy and procedures manuals. More interactive applications, such as online forms for submission of changes in benefits information, can be posted using a language called CGI. Interactive employee or product directories can be stored on PC databases and accessed through the Intranet as well. Sales figures and inventory stock levels can be made accessible to company employees on the road with laptops. More advanced web languages, such as Java* or JavaScript,* can also be used to develop applications that can be downloaded and run by end users. Links can be established with web sites outside the organization.

As your company or department becomes more adept at using the Intranet process, you will discover a myriad of applications and ways to leverage this exciting new technology. Some of the world's largest organizations are embracing Intranets for a variety of purposes. Federal

Express Corp. is delivering routing and billing information in record time via an Intranet consisting of 60 web sites accessed by 30,000 employees. Your taxes will be collected more efficiently, thanks to one of the U.S. government's most massive Intranets, implemented at the U.S. Treasury Department (Washington, DC), which includes the Internal Revenue Service. The IRS has more than 93,000 employees online, as well as the Customs Service, U.S. Mint, and a number of other agencies. The system enables simplified tax and wage reporting, linking law enforcement agencies for public safety and developing an international trade database.

No longer is client/server networking the domain of the largest corporations. Even the smallest organization can reap the advantages of this new approach to online information exchange and processing.

Part two of this article will discuss Intranet applications and look at the future of this technology.

Joseph McKendrick is a research consultant and author who tracks information systems and organizational development issues. He serves as research consultant to the William Olsten Center for Workforce Strategies and is also a contributing editor to a number of computer industry trade publications.

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