

IBM Start Now Helps Attract New Business Development to Germany's Bayreuth Region

When companies are choosing a site for a new office or manufacturing plant, they want detailed economic information about the region they're considering. And they want it fast. The Chamber of Industry and Commerce for Upper Franconia, Germany, receives queries from potential investors every day. To cost-effectively meet the demand for detailed, instantaneous data, the Chamber decided that an integrated Web-based database solution was worth the investment. They turned to the e-business integration expertise of IBM Business Partner KiNETiK Gesellschaft für Informationstechnik mbH and the IBM® Start Now e-business solutions family.

A Slow Process for a Fast Economy

With a trade volume of over 282 billion DM (\$123.2 billion USD), Bavaria, the German state in which Upper Franconia is located, is one of the leading economic regions in the world. Its economy is among Germany's fastest growing and it boasts the nation's lowest rate of unemployment. Despite these bullish economic growth indicators, the local Chambers of Industry and Commerce typically hunt through meters of paper to answer inquiries from potential investors and existing local businesses.

The Chamber of Industry and Commerce in Bayreuth was no exception. The Chamber is responsible not only for the City of Bayreuth but also for the 200 other cities, towns and villages that make up Bavaria's Upper Franconia region. When requests for information arrived, Chamber employees could spend as much as eight hours searching various reports for population and employment statistics and commercial property costs. The Chamber also had to pay for proprietary statistical data when required.

Although the Chamber of Industry and Commerce had created a Web-based application three years ago, the application did not offer adequate functionality or capacity-handling. This time, the Chamber turned to an outside partner, KiNETiK, for help.

KiNETiK Solution Answers Investor Queries in Fifteen Minutes or Less

KiNETiK, an Advanced member of IBM PartnerWorld® for Software, is a solution provider and systems integrator who uses IBM DB2® Universal Database, IBM® WebSphere® Application Server and IBM® eServer to provide IT solutions for the printing and publishing industries and local government sector. For the Chamber of Commerce, KiNETiK used the methodology and select components of IBM Start Now Web Self-Service (now available as IBM Start Now Infrastructure), combined with custom Java components. The result — OWINET (<http://www.owinet.de>).

OWINET is a DB2 and WebSphere Application Server based solution that lets investors select from among Bavaria's 2,185 cities, towns and villages and specify associated economic data, such as number of inhabitants, employment rate and years. A second database provides information on more than 400 commercial real estate properties. After submitting a query via the Web, OWINET users receive the data they requested in fifteen minutes or less.

"The IBM Start Now solution saves us the time and cost of having to develop an e-business application from scratch and provides an inexpensive offering that is very scalable," said KiNETiK Software Engineer Heinz Aigner. "Our customers like it because they know the project cost and functionality right from the start."

After implementing OWINET, the Chamber has reduced its response time from hours to minutes, freeing up valuable employee time for other projects. The cost of buying proprietary statistical data has also declined sharply.

It's the Office of the Chancellor on Line One

There is one additional benefit they didn't anticipate — greater visibility within the German government

and European parliament. Peter Belina, responsible for economic research & market information, Chamber of Industry and Commerce for Upper Franconia, gives this example: recently an American company sent a 24-page document containing 90 questions to the government offices of a small city near Bayreuth. Employees there were unable to answer most of the questions. After two weeks, the Bavarian Ministry for Economic Affairs requested the answers, so the employee called Belina's office for help. Two hours later, the employee had all the information he needed and a detailed response was couriered to the American company by midnight.

"This solution positions us as a valuable and competent partner in helping drive Germany's economic growth. As one of only two systems like this in the country, OWINET enables us to serve the information needs of the Bavarian Ministry for Economic Affairs, members of the Bavarian, German and European Parliaments – even the office of Chancellor Schroder," explained Belina.

Coming Soon: More Data

OWINET currently houses around 3.5 million statistics about Bavaria, with data reaching back to 1919. But the Chamber wants more – it's planning to add information about local industrial sites and the 45,000 companies that belong to the Chamber of Industry and Commerce of Upper Franconia. To Belina, the system's affordable base price and unbelievable scalability make it an investment that is easy to cost-justify.

"We are a relatively small region and can't afford to spend millions for a system. When I look at how OWINET works today and envision all its future possibilities, I'd say our investment is absolutely reasonable," says Belina.

KiNETiK Makes 75% Margins

KiNETiK has reached the same conclusion. According to Aigner, the first sale of a Start Now solution more than offsets KiNETiK's ramp-up costs for training, certification and marketing. The company deliberately architected the solution into components by writing JavaBeans, Java servlets and JSPs (Java Server Pages) to isolate the application functions specific to the Bayreuth Chamber of Industry and Commerce. But even with this custom development, KiNETiK is achieving a 75% profit margin on its customized Start Now infrastructure solution — marketed under the brand "KiWEB Invest! – which it is delivering to other Chambers of Commerce.

"As we deliver more solutions, we are establishing two very profitable revenue streams," notes Aigner. "One is up-sell and cross-sell opportunities with existing customers, and the second is new installs of KiWEB Invest! at the other 80 chambers of commerce in Germany. Start Now makes e-business both affordable and profitable – a winning proposition for our customers and for us."

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