

# Profitability and break-even point

Business



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Let us take under consideration one of our currently ongoing major bids in London, UK. In case we win, the new project will begin in 3 months. At the moment we are in the bidding phase, which means that we are in negotiations with the customer, we have a bid team travelling in and out of London to talk to the customer, to have meetings with our subsidiary in London and to work on the bid document, which will be a synergy of documents on which all team members are working at the same time. The costs for these travels for our colleagues who will keep travelling till the end of the bidding phase are as followed.

At an average price of 150,- Euros per day and per person for hotel rooms, 350,- Euros for each person's fly-in and fly-out ticket for every week, and with a daily allowance of 20,- Euros for the 3-month bidding phase we have the following table At the end of the day, we will have spent an amount of approximately 45. 080,- Euros for the bid, and this is a risk our company is taking since the customer may choose one of our competitors, since there is a high risk that we will not get reimbursed for these expenses.

Let us now see how much it would cost us, if we decided to send only two of our team members on location (project manager and senior engineer) and the other two (senior commercial and business development manager) would do the negotiations via web conferencing. The costs are decreased to almost 50% and that is in case we decide to send two people for inspections and consulting on site. Usually, we would not need them to be there every day of the week for all 12 weeks, which means that the actual travel costs would be even less than 40% of the current costs.

Because of its concept, the break-even point in web conferencing is low. In order to better our hourly output we would need to improve the efficiency of our X-minute meetings. These simple calculations notwithstanding, there should be sufficient minimizing of the mileage of our travels, as well as saving on other expenses (food, other means of transportation, etc. ).

5. 2 Competitive advantage In opposition to offline enterprises, we would become the leaders of a live, just-in-time market of organizations, due to the limited use of such software in the current situation of the Greek market.

Furthermore, we would enable meeting recordings for absent people and we could gather historical information for the use of the induction of new employees. Our company would be able to respond faster to opportunities or threats through the constant and immediate collaboration and consultation of our employees. They would share and exchange information on computer screens and work together to update and enhance changes in real time, no matter whether the participants are in the same building or different continent.

Finally, our ability to react faster to opportunities or threats than our competitors and our accelerated decision-making processes would make the difference in the market before our competitors can catch up with us.

6 Challenges of implementation The perspectives offered by web conferencing, if adapted and implemented efficiently, would facilitate our efforts to materialize even our most advanced visions. The real challenge remains in the implementation of this new technology. The problems of such an implementation are in fact not financial but more a question of changing choices and adapting new, innovative and better-performing practices.

In order to fully adapt such new processes, several issues should be taken under consideration. The colleagues who are responsible for implementing and organizing this change should receive full support from all company levels. Their efforts to bring a new technology in our offices would result to nothing, if there were, for example, no support from the highest level management and vice versa. Furthermore, even if the new software was properly installed and ready to be used, we should allow a testing period for the execution of a pilot project in one of our departments (e.

g. internal use in the bidding phase for London). After the completion of the test, the user's testimonies and results should be valued in order to make any adjustments or modification required and to see what works best for us. Supposing we have completed the implementation of the new technology in our department and its advantages are tangible, it will not be long till the other departments in our organization start using it, after having witnessed its benefits; and so, the implementation will have been successful. 7

## Conclusion

In this paper, I have presented the difficulties and disadvantages that arise through our everyday conference and communication processes, such as high costs, ineffective meetings and late response times. The new technology is easy to learn and use and the installation and operational costs are very low. The benefits of the implemented technology would result to very low travel costs, faster and more efficient communication within the company and with potentials or our customers. This would give us a competitive advantage in the Greek market, where most companies are still using traditional telecommunications.