The Implementation of DSpace at the InterContinental Hotels Group: A Knowledge Management Project Success

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EXECUTIVE SUMMARY

The InterContinental Hotels Group (http://www.ihgplc.com) is the world’s largest hospitality and accommodation provider by room count. 2002 was a banner growth year for the corporate and the volume of customer relationship management projects and resulting reports posed a digital retention problem. To address their knowledge management challenge, the Decision Science Support department initiated a digital repository and archiving project. The original project scope was for a departmental solution but after implementation, other departments quickly realized the value of virtual communities of practice and the Decision Science Support department made the DSpace platform available to the global enterprise.

Keywords: case study; digital archive; digital repository; DSpace; knowledge management; LAMP stack; open source licensing; project management

ORGANIZATIONAL BACKGROUND

The InterContinental Hotels Group (IHG) is a global leader in the hospitality industry with over 3,700 distinct properties in nearly 100 countries. IHG is the world’s largest hotel management company, measured by room count, and in 2004 had over 120 million overnight stays. The world headquarters for IHG is based in Windsor, U.K. with regional offices located in Atlanta, USA, and Singapore. The corporate structure is shown in Figure 1. One notable accomplishment for IHG was being listed on the New York Stock Exchange in April of 2003. In addition to being listed on the London Stock Exchange, the listing on the New York Stock Exchange gave the company high financial visibility in the United States. An additional significant event in 2003 for IHG was the spin-off from its parent company, Six Continents, now known as Mitchells and Butlers. In 2004, the company had $4.23 billion (US) in revenue or turn over and approximately 29,660 employees distributed over the globe.
IHG uses a sophisticated franchise business model and has several widely recognized hotel brands in its portfolio, including InterContinental Hotels and Resorts, Crowne Plaza, Staybridge Suites, Candlewood Suites, Holiday Inn, and Holiday Inn Express. IHG offered lower mid-market accommodations at its Holiday Inn Express properties mid-market offers through Holiday Inn properties and luxury accommodations at its InterContinental Hotels and Resort properties. In 2004, IHG introduced a new mid-market hotel chain under the Hotel Indigo brand, which markets to travelers with upscale appointments with a Scandinavian décor. Also during 2004, motivated by market share loss, IHG implemented a revitalization and brand transformation plan for its flagship Holiday Inn brand.

The new marketing campaign was critical to corporate growth and profitability because more than 75 percent of IHG properties are under the Holiday Inn brand. While IHG receives 51 percent of its revenue from European operations, one interesting note is 72 percent of its rooms are in the United States. Figure 2 has a summary of room and brand distributions. In addition to the franchise model, IHG holds direct ownership of a small number of hotel properties. The company’s stated goal in 2004 was to sell all of these properties and focus on its franchising and hotel management operations and in early in 2005 IHG sold over 80 properties for approximately $1.9 billion (U.S.). The purchasers retained IHG management of the properties for continuity of operations.

The InterContinental Hotels Groups key competitors are Accor, Wyndham Worldwide, and Marriott. The Accor brand portfolio holds Motel 6 and the Red Roof Inn in the U.S. market and Novotel in the European markets. The Wyndham Worldwide brand portfolio contains Super 8, Days Inn, and Ramada. Wyndham Worldwide is the world’s second largest hotel franchisor by room count after IHG. The Marriott brand portfolio includes Courtyard by Marriott, Renaissance Hotels, Marriott Hotels and Resorts, Residence Inn and Fairfield Inn. Marriott is the world’s third largest franchisor by room count (Hoovers, 2006). Figure 3 provides a corporate profile of IHG.

**SETTING THE STAGE**

**The Digital Repository Vision**

In 2002, IHG initiated a long-term growth strategy, even though major markets, such as the United States were in the midst of recessions. IHG viewed itself as a portfolio of brands and due to the diversification effect of the global reach of these brands, IHG was able to prosper during 2002 and in subsequent years. It was during this time that IHG began customer relationship
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