



## STORY OF CONVERSION OF KVOS INTO KVOS.COM THROUGH VIAPOAR MODEL

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### **Abstract**

This study shows that how KVOS will be converted effectively into KVOS.com and carries on to meet up the needs of its clients. It uses the project life cycle to ensure its product high sale in the market and provide brand new fashions in the dynamic online retail industry.

This case study has given a rough sketch that how to take advantage of the increasing reputation of online shopping for the growth of the business. The company's key executives required a dedicated program leader to ensure that all portions of this highly complex, enterprise-level strategic initiative of introducing online manufacturing unit were orchestrated as a coordinated effort of the company. The project sponsor (i.e. CEO) has got the answer of the following question raised through the VIAPOAR (i.e. values, information, assessment, powers and policy, options and action & review) model and thereafter they recommended the introduction of the online retail manufacturing system in KVOS and thus the commencement of KVOS.com has happened by the permission of the CEO, the project sponsor of KVOS.com.

### **Introduction:**

KVOS is a billion-dollar manufacturer and marketer of beauty, personal care, and retail fashion products around the globe. It proposes own-labelled, branded fashion dresses and designer suits. The headquarters of KVOS is in Camden Town in North London. The company was commenced in May 2000 with just two employees to bring the latest fashion and retail trends to shoppers as soon as possible. It has swiftly developed to become the UK's largest autonomous fashion retailer.

KVOS provides high fashioned women clothing, along with men and children clothes, as well as accessories, footwear, beauty products and jewellery. The target audience of 16-34 year olds was the aim of KVOS. However, as the company maintain its growth and diversify its product ranges. KVOS is trying to become a market leader and increase its brand awareness. In this regards, online fashion market can appeal to a much wider generation of population. Over 25% of its existing

customer database is aged over 35 years. Hence the senior executives decided that after completing a 15-state hunt to search a site for its new manufacturing facility in the United Kingdom, the company thought to accomplish an ambitiously forceful timeline of its new site KVOS.com. KVOS management has felt that making investment in manufacturing unit can better in the terms of online retailing units than purchasing manufacturing unit in any state of UK

Online shopping endows a customer with the handiness of making acquisition of the goods whenever and wherever they like. KVOS.com' use of technology helps to boost sales by providing effortless navigation around the website. It can use helpful tools on its site such as the 'catwalk' option so clothes can be easily seen on moving models. The online retailing business also benefits from its far-sighted approach to traditional retailing by not having highly expensive street stores. This helps in low staffing cost and property costs becomes down.

This study shows that how KVOS will be converted effectively into KVOS.com and carries on to meet up the needs of its clients. It uses the project life cycle to ensure its product high sale in the market and provide brand new fashions in the dynamic online retail industry.

Before introducing online retailing facility KVOS has conducted a survey and found the following facts about the UK retail Industry:

- In 2007, there were 26 million online shoppers in UK.
- The total online spend of UK in 2007 was £42.0 million.
- Survey suggested that around 30% of women have bought clothes online.
- Approximately 60% of 16-28 year olds purchase clothes through online mode more than once a month.

This study has given a rough sketch that how to take advantage of the increasing reputation of online shopping for the growth of the business.

#### **The Basic Project Plan:**

The company's key executives required a dedicated program leader to ensure that all portions of this highly complex, enterprise-level strategic initiative of introducing online manufacturing unit were orchestrated as a coordinated effort of the company. They hired an expert senior project manager who could meet the aggressive organizational goals, identify the right resources to involve, translate the company's vision into an actionable plan and coordinate all stakeholders toward the

common aim. The role of senior manager was to initiate the project, minimizing the existing confusion, improving communications skill among business units and senior executives, building consciousness among project team members on the effective strategic implications of the project. The main aim of senior project manager is to establish and manage the schedule in a way to ensure that strategic milestones of creating an online manufacturing unit were being met.

A new team of project management was incorporated with more than 20 senior internal leaders from over 25 corporate branches. The senior program manager encouraged the team for evolutionary change within the organization in terms of reducing barriers for the budding goal and building communication bridges between the different units of KVOS. At the site level, senior project manager used inclined manufacturing principles to assist the team in the translation of going on corporate policies to position into the new online manufacturing culture.

Introduction of any new strategy involves proper research prior to its implementation in the organization. KVOS group has taken the support of secondary sources of information. These sources of information have specified the following data:

**Sales data:**

Each and every organisations collect information for their everyday operations. Fresh Orders are received and delivered, included costs are recorded, personnel involved in sales submit customer visit reports, invoices are made, and returned goods are recorded in inward and outward registers and so on. Much of this information is of great use in marketing research. Organisations commonly overlook this priceless resource by not inaugurating their search from secondary sources through an internal audit of sales orders, inquiries about new products not properly stocked and delivered, returns made from customers etc. For example, if we want the answer of the question that how much information can be acquired from sales orders and invoices then we have to search for the following:

- Sales by customer type
- Sales by territory
- Average size of customer order, type of customer, geographical area of customer.
- Prices and discounts offered
- Average sales done by sales person and
- Total Sales by pack type & pack size etc.

This type of data is constructive for identifying the most profitable product and customer group. It can also provide trends within the existing customer group and reveals the overall enterprise's sales target to be made for online retailing facility.

#### **Financial data:**

It provides the data regarding cost involved in the production of goods, its storage cost, transporting and marketing cost of its products and other miscellaneous cost of product lines. These data helps in marketing research for measuring the efficiency of marketing operations of the firm. It also estimate the costs involved in production of the new products. It will also help in estimating the cost of the product to be launched on KVOS.com

#### **Transport data:**

These data helps the organization to do the trade off analysis and further to establish a profitable decision regarding the purchasing or hiring of the transportation vehicles for the organization. Good data on transport operations enables the best financial outcome for KVOS regarding the transportation cost to be involved in new retailing facility.

#### **Storage data:**

The storage data provide the results regarding the cost involved in storage and stock handling costs. It helps in assessing the competence in the marketing operations and the efficient marketing system as a whole. This data can be further refined to calculate the profitability per unit, and incurred rate of sale. In this way, KVOS can also calculate the stock to be kept in hand for the direct product profitability.

#### **Alternative course of action**

KVOS has adopted a methodology of research for taking the alternative course of action. The Opportunities for discussion was discovered by the project leader for effectual operation of the online manufacturing facility.

- **Performance appraisals –**

The project team has prearranged an occasion to have a one-to-one discussion about job of converting from site manufacturing unit to online retailing facility. Team had done a performance appraisal in order to explore whether leaders in the team are experiencing any undue pressure from the new formulated strategy.

- **Team meetings –**

These meetings can provide very valuable opportunities for team members to recognize and share views on current problem that may be potential sources of undue pressure. These meetings often reacted as the stress removal for the staff members.

- **Informal talks to staff –**

In order to find out the mood of individual employee or the team informal talks are promoted by the managers. If people seem constantly unhappy with the system, and are not performing well, then the leaders asked them about the existing problem.

- **'Walk-throughs' –**

KVOS is not dealing with the online retailing since its initiation so regarding this strategy the manager walks through some departments and observes work processes to measure whether there are any obvious change aspects in the job of the employee. This step has removed the pitfalls of the online retailing system.

- **'Talk-throughs' –**

Introduction of the new project regarding the new retailing facility has created a doubt in the minds of the employees. Several meeting were organized for describing what happens when this task is being carried out in KVOS. It helps the employees to think about tasks allotted to them in terms of the organizational goal related.

The project sponsor was the CEO of the KVOS Group. He has checked the promotional activity that helps KVOS to provide potential customers with information about its online products. It is a market-orientated company, which believes in customer relationship management system. This system helps them to understand its customers and their buying behaviours. So the alternative course of action taken by the lead managers has promoted the project sponsor to introduce the online retailing manufacturing facility.

### **The decision making model**

The decision making model which need to be adopted by KVOS Group was the essential part for the proper implementation of the online retailing in the company. The key elements for functioning of the decision models are:

**Values-** The decision taken by the executives must be ideal for examining the requirement of the organization and action taken accordingly. It signifies that:

- How the mission and values of the policy will be created and the protection of employee's rights will be done during this situation?

**Information-** By taking the help of the source of information the team must know the answer of the following question:

- What source of information was available?
- What sort of intelligence to be used?

**Assessment-** Policy implementation includes making the assessment of the following factors:

- What potential benefits and losses were assessed?
- What will be the threat assessment methods?
- What will be the working strategy implemented?

**Powers and policy-** Prior to implantation of the new retailing system the organization need to check the government policies and must ask a question that:

- If there is any policies, powers or regulation which needs to be considered?

**Options-** In the case of the failure of the strategy made the company must pre-plan that:

- How will be the viable options identified and practiced?

**Action and Review-** The team of project must not only perform required action but they must need to review the same on the following background:

- If the decisions made is ethically proportionate and legitimate?
- If decisions made are reasonable in the circumstances?
- If the decisions is communicated effectively?
- If the decisions are appropriate for them?
- Whether the decisions monitored and reassessed properly?
- What lessons can be occupied from the outcomes and how it will profit the Group?

Thus in this way the decision model of VIAPOAR which stands for values, information, assessment, powers and policy, options and action & review. This model will help to form the decision model from the ends of the various issues raised by the industry and the customers.

### **Impact on the Organization**

KVOS lead managers may also collect information and data from broad indication of employee's behavior. They can check whether stress related to work is expected to be a problem for organization or not. The team of project has started to identify the 'hot-spots' for knowing the work linked stress caused due to following possible sources, which includes:

- **Sickness absence data**

High levels of sickness absence may point towards a budding problem. The managers investigated the reason for the absences made by the employees. The experts demonstrated that the employee absence is due to sickness and not due to stress in KVOS.

- **Productivity data**

The observed performance is far better expected one. When performance was compared with previous years or between different departments of the organisation then after the involvement of the online retailing the results were better. Working methods or conditions was not causing work related stress and it is affecting the performance in the positive direction.

- **Staff turnover**

A higher rate of staff turnover is also a condition noticed in various cases. For this exit interviews was conducted which indicate a problem with change strategies related issue. Regarding this the lead manger has counselled the employees for educating them the benefits of the online retailing system for them. This has reduced the staff turnover ratio in KVOS.

**Methods of Communication:**

There are various methods of communication which can be used in this situation. As introducing online retailing system is the new step of the KVOS so the high level of communication should be involved in order to bring into knowledge to all individuals who are directly or indirectly related with the business. Some of the methods which will be more effective for disseminating the information are as follow:

- **Letters:** Letter to the employee should be given for suggested project of online retailing system in the organization.
- **Fax:** Fax should be send to farfetched employees who are working from other countries and also to the stakeholders of the company.
- **Direct mail:** Direct mail should be send to the employee and the old clients for the effective promotion of the sales. One to all mail should be send to all the existing customers and the suppliers for becoming well known in the market area.
- **Internet:** KVOS should take the help of various social networking sites on internet which will promote the sales of the company.
- **Video:** Advertisement videos on the Youtube will be more attractive for the promoters, suppliers and customers. So it will also be served as the best means of communication for the firm.

- **Telephones:** Telephonic talk with the clients for the online retailing plan of KVOS must be communicated systematically and accurately.
- **Advertising:** T.V advertising is proving to be the most famous means of communication in the modern days. The cost issue involved in it is the major factor of it. So KVOS can also use it by making it as the deferred revenue expenditure which will be allocated as the expenditure in the next five to ten years.
- **Written Communication:** It involves publishing of the related notices, Comparative industry reports and Memos in the famous journals newsletters and other dailies.
- **Conferences & Seminars:** Conferences and seminars can also provide a platform to KVOS for making face to face interaction with all the associates of the companies. Team briefing is also a way used in seminars to produce the reason of any new project released in the company and clarification with feedback is also given in this method of communication.

Finally, as the better communication helps in doing best strategy implantations so the proper combination of all the modes of communication will be proved as the best method of communication for the KVOS. The methodology of communication is highly depends upon the available resources of the company and proper allocation of it. So advertising which involve highest cost among all should be attentively released in the direction of attaining the organizational goal.

**Achievements:** KVOS.com is new retail shopping site in the market and slowly it became the market leader of UK in online fashion retailing. KVOS.com originally stood for a simple seen of dresses on Screen. It carries the stocks over 22,000 product styles on its newly launched website and introduces up to 2,000 latest products on its lowest ranges each week. The KVOS.com website attracts over four million visitors each month and the company presently has approximately 1.2 million active customers which their account on the website. It was rewarded as Online Retailer for the Year in 2007 by Retailer Week Awards committee.

#### **Final Recommendations:**

The project sponsor has got the answer of the following question raised through the VIAPOAR model and thereafter they recommended the introduction of the online retail manufacturing system in KVOS and thus the commencement of KVOS.com has happened by the permission of the CEO, the project sponsor of KVOS.com.





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