

## The Benefits of Lawson Solutions

Lawson has published over twenty detailed success stories — or Realized Value Case Studies (RVCS) as we call them — where our customers describe their business challenges and how Lawson allows them to achieve significant benefits.

### Common themes to customer challenges

- Software outdated and needed upgrades
- Software no longer supported by the vendor
- Too many software packages in operation with numerous interfaces
- Company mergers requiring a new enterprise software solution
- Company growth by acquisition requiring new software solutions to accommodate all new business operations
- Better reporting and analysis capabilities needed
- Better web-based access required

There are common themes to the benefits as well, and they revolve around saving time, redeploying staff, reducing cost, and achieving major savings through better procurement activities.

### Common benefits

- Activities (e.g., monthly closing) completed more quickly
- Staff time savings (e.g., saving managers 10 hours/month on report and decision support activities)
- Staff reduction (e.g., eliminating 2 FTEs in Accounts Payable)
- IT cost savings (e.g., reduced maintenance with new software)
- Real dollar savings (e.g., achieving 10% higher discounts with suppliers)

As companies evaluate Lawson, they are keenly aware of the kinds of benefits they want to achieve. For this reason, we captured the major benefits from the RVCSs by benefit type. In this manner, a company can examine a desired benefit, and cross-reference all the companies that achieved that benefit.

### RVCS Benefit Analysis

Benefit analysis organized as follows:

- By major business area: Financials, Human Resources, Procurement
- By type of benefit achieved
- Customer achieving the benefit

## Financials

### Completed activities more quickly

Saved \$2,000 to \$5,000 each month by closing the books on the fifth business day, a five-day reduction.

[Banner Health](#)

Reduced the time to close the books each month from 15 to five days, saving 720 staff hours and approximately \$22,579 in personnel costs per year.

[Buncombe County](#)

Reduced month-end closings by a full two days — from the 12th to the 10th day of each month.

[St. Vincent Health](#)

Reduced closing monthly financial books from three weeks to about five or six business days.

[Pilot Travel Centers](#)

Consistently closed the Finance Department books on the 10th of each month, versus the 20th.

[Memorial Healthcare System](#)

Distributed the consolidated financial report on the eighth business day each month, versus the 25th previously.

[Banner Health](#)

Shortened the accounts-payable cycle by one day, saving nearly \$42,000 per year.

[Buncombe County](#)

Reduced time needed to conduct annual financial audit by half during first year, saving 360 staff and management hours and approximately \$15,813 in personnel costs per year.

[Buncombe County](#)

Made departmental reports available in real time via user specific dashboards; previous to Lawson implementation, reporting took two days to create and distribute.

[FOCUS Brands](#)

Reduced the amount of time it takes to enter payroll journal entries into the General Ledger from six hours to fifteen minutes.

[FOCUS Brands](#)

### Increased staff efficiency and effectiveness

Experienced dramatic growth in operating budget — from \$170 million to \$200 million in four years — without needing to hire additional administrative staff.

[Buncombe County](#)

Increased overall efficiency by decentralizing data entry tasks from one department to 50 County departments. Each department empowered to control own financial data — from input to final reporting and inquiry.

[Cumberland County](#)

Eliminated labor-intensive paper preparation and distribution through electronic e-broadcasting of financial reports.

[Memorial Healthcare System](#)

Increased sales by \$6 million per month using analytic data drawn from Lawson Financials to better understand and manage deli side of business.

[Pilot Travel Centers](#)

**Financials** continued**Reduced Costs**

Reduced annual paper costs by \$1 million via online distribution of financial and other key reports.

[Catholic HealthCare West](#)

Prevented an estimated \$1 million in budget overruns on capital projects each year.

[St Vincent Health](#)

**Eliminated or redeployed FTE positions**

Reduced 12 FTEs, saving \$400,000 annually, by consolidating two corporate accounting teams into one.

[Banner Health](#)

Reduced four FTEs, saving \$185,000 each year, by combining three accounts payable functions into one.

[Banner Health](#)

## Human Resources

### Reduced Costs

The state has committed, and remains on track, to save up to \$28 million over the first five years of MI HR operations. To date, they have documented savings of \$2 million in the first year and over \$4.8 million in the second year, as a result of the initial FTE reductions and planned attrition.

[State of Michigan](#)

Saved \$6,000 to \$7,000 per year in cost of printing paper paychecks, while experiencing no late paychecks.

[Buncombe County](#)

Increased direct deposit participation by 30%, reducing cost of printing and mailing by at least \$50,000 each year.

[Banner Health](#)

Decreased number of pay cycles from four to two, saving an estimated \$30,000 annually.

[Banner Health](#)

Eliminated approximately 250,000 personnel action faxes received by corporate, saving at least \$125,000.

[Hannaford Brothers](#)

A projected five-year reduction of \$3.6 million in contract-nursing expenses.

[Somerset Medical](#)

### Eliminated or redeployed FTE positions

Eliminated one payroll office, saving four FTEs and \$200,000 to \$300,000 annually.

[Banner Health](#)

Reduced payroll staff by two FTEs.

[Hannaford Brothers](#)

Reassigned nine payroll team members from administrative setup to more strategic roles.

[Hannaford Brothers](#)

### Increased staff efficiency and effectiveness

Eliminated 35% of manually processed personnel actions with implementation of Lawson Employee and Manager Self-Service applications.

[Banner Health](#)

Transferred 100,000 annual personnel actions from paper-based processes to online entry by managers.

[Hannaford Brothers](#)

Processed benefits for approximately 2,600 employees from an acquired company without affecting the overall health-benefits staffing levels.

[Hannaford Brothers](#)

Shifted 550 to 600 monthly transactions from manual data entry in health benefits to Lawson Employee and Manager Self-Service.

[Hannaford Brothers](#)

Eliminated "lost" Employee Data Manager (EDM) files by allowing store management to key changes directly into the Payroll system.

[Pilot Travel Centers](#)

## Human Resources continued

Eliminated need to print labels for Accounts Payable check stubs and potentially save 15 hours per week by automatic routing of garnishment and payroll check request information to Lawson Accounts Payable system.

[Pilot Travel Centers](#)

Accommodated employee population growth from 6,000 to 8,000 during a three-year period, without a corresponding increase in core department staff.

[Memorial Healthcare System](#)

Moreover, self-service tools, in conjunction with the workflows now automated through Lawson ProcessFlow, have enabled the state to make sizable reductions in its HR support costs. "We have decreased our support staff fulltime equivalents (FTEs) by 30%, deliver best in class service and enhanced the experience and customer satisfaction of employees and managers."

[State of Michigan](#)

### Improved management

Implemented decision-maker alerts on discrepancies in human resources data and activities, so prompt corrective action can be taken.

[Triad Financial](#)

### Reduced turnover

Reduced employee turnover from about 59% five years ago to 47% today (due to a number of factors, including the rollout of self-service HR).

[Hannaford Brothers](#)

Reduced turnover by improving the timing of employee-review process — retaining 5 percent of its hourly employees saves \$1 million in annual personnel costs since it costs \$1,000 to hire and train a new hourly employee.

[Pilot Travel Centers](#)

### Saved money

Prevented erroneous payment of health-benefits claims due to lack of timely data synchronization (in excess of \$400,000 overpaid previously).

[Hannaford Brothers](#)

### Improved Return on Investment (ROI)

The return on investment of MI HR has been remarkable: reduced data entry and data errors, improved access to current information, faster user response times, fewer paper transactions, and substantial decreases in costs, encompassing both HR support staff and the operation and maintenance of HR/payroll systems.

[State of Michigan](#)

## Procurement

### Saved Time

Shortened requisition-to-purchase-order cycle from up to seven days to one day, saving 3,900 staff hours and approximately \$97,266 in personnel costs per year. This also allowed the reassignment of two purchasing staff to more strategic roles.

[Buncombe County](#)

### Reduced Costs

Saved \$30 million in supply chain costs during initial 18-month period; \$50 million in cumulative savings from 2001 through the end of 2003. Reduced supply cost per adjusted discharge ratio to 14% below national average. Reduced supply cost compared to net revenue to 21% below national average. Maintained consistent capture of vendor discounts.

[Advocate Health Care](#)

Reduced supply chain costs by 3.5%, or \$16,297,597, during 2004. Decreased the ratio of supply chain expense as a percentage of net patient revenue by almost 1% during 2004 — from 18.3% to 17.5%. Limited supply cost increases to less than 6% from 2002 to 2003, on a per-adjusted-admission basis.

[Banner Health](#)

Reduced ratio of hospital supplies expense as a percentage of net patient revenue in 2000 — from 13.2 percent to 12.8 percent. Saved an estimated \$4.5 million in 2000. Similar value reported in recent years.

[Allina Hospitals and Clinics](#)

Shortened requisition-to-purchase-order cycle — from seven or more days to one day — saving 3,900 staff hours and approximately \$97,266 in personnel costs per year:

[Cumberland County](#)

Realized a one-time savings of \$1 million when, due to tighter purchasing controls, purchasing levels came in significantly lower than anticipated.

[Cumberland County](#)

Cut purchasing costs by \$2.9 million during a 12-month period.

[Memorial Healthcare System](#)

Saved projected five-year supply chain costs of nearly \$11.5 million, due to an overall reduction in annual price increases — from 17% to 10%.

[Somerset Medical](#)

Eliminated a \$1 million discrepancy between materials management and general ledger systems.

[Somerset Medical](#)

### Improved patient care

Improved support for patient care through product standardization and contract compliance.

[Advocate Health Care](#)

## Procurement continued

### Increased staff efficiency and effectiveness

Tripled purchase orders without hiring new purchasing staff. An employee from the Finance department became a second buyer. The work the employee left behind was reallocated to others.

[Cumberland County](#)

Maintained staffing levels despite business growth of \$500 million in revenues.

[Allina Hospitals and Clinics](#)

Trimmed purchase order turnaround time by one day.

[Banner Health](#)

Reduced time to count par locations by up to 50 percent — 20 versus 40 minutes — in par locations with more than 100 items. This equals a reduction of 1.5 FTE positions and an annual cost savings of \$45,600. Saved 260 personnel hours per year using barcode scanning and wireless data transmission, enabling counting in more par locations without adding staff.

[BryanLGH Medical Center](#)

Reduced time and resources to complete physical inventory — from 24 hours with 25 employees to 10 hours with 12 employees.

[BryanLGH Medical Center](#)

Reduced number of requisition lines manually created by Sacramento-based buyers by 57 percent.

[Catholic HealthCare West](#)

Decreased order backlogs — from five days to two days or less. Fulfilled 70% of central services orders next day. Increased purchase order throughput by 38% without increase in fulltime equivalencies.

[Memorial Healthcare System](#)

### Improved inventory turns

Increased accuracy contributed to efforts that improved inventory turns from 11 to 13.7 per year in facility storerooms and from seven to 18 per year in the central warehouse.

[BryanLGH Medical Center](#)

### Leveraged EDI

Increased number of purchase orders processed via EDI by 20%.

[Banner Health](#)

Transmitted 70 percent of all purchase orders via EDI.

[Catholic HealthCare West](#)

Increased EDI processing of purchase orders — from 32% to 68%.

[Memorial Healthcare System](#)

## Procurement continued

### Improved efficacy for buying on contract

Increased on-contract orders from 60 percent to 92 percent, in the first year after completing the Sacramento-area pilot project, through increased use of online requisitioning. Reduced number of non-contract supply orders made by Sacramento-area hospitals — from 43 percent to 32 percent between March 2004 and March 2005. Saved \$1.5 million in supply costs to date by increasing compliance on vendor contracts. The goal is to save \$4.3 million per year, on average, once Lawson is live across entire network.

[Catholic HealthCare West](#)

Enhanced opportunities to save substantial money through standardization, contracting, and pricing initiatives.

[Franciscan Missionaries of Our Lady Health System](#)

### Eliminated or redeployed FTE positions

Centralized invoice matching, allowing for reduced staff — from 9.5 FTEs to six.

[Franciscan Missionaries of Our Lady Health System](#)

## Bottom Line

As you can see, our customers have achieved dramatic benefits through the deployment of Lawson software. Moreover, although it is not the subject of this document, they are all pleased with their payback on their investment (often two years or less). We have a strong belief that Lawson provides an excellent value proposition, and we believe we provide our customers with the most value per dollar invested.