

Lawson M3 Enterprise Management System Customer Benefits

Lawson has been serving companies in the Make, Move, and Maintain (M3) sectors for over 30 years. In supporting the business objectives of our customers in manufacturing, distribution, and maintenance related industries, we succeed in helping these companies achieve tangible business benefits.

These successes are recorded, and Lawson has accumulated numerous customer profiles and video presentations where our customers describe:

- The challenges they faced
- Why they selected Lawson as a business partner
- The significant benefits they achieved after implementing their Lawson M3 solution

Common Challenges

Our customers started out with many of the same challenges:

- Outdated software
- Software no longer supported by the vendor
- Proliferation of software packages within the organization, leading to high maintenance and integration costs
- Standard software platform required following a company merger
- Lack of transparency within the business, creating many manual procedures
- Need for improved reporting and analysis
- Need for improved customer service
- Need for improved operational efficiencies
- Need for improved product production desired, while reducing operational costs

To overcome these challenges, our customers made the decision to invest in Lawson software and services. An integral part of any software system decision is the overall justification for and resulting return on investment (ROI) of your ERP solution.

Let's review how quantifiable benefits are part of an overall ROI calculation:

Components of ROI

Costs to Consider:

- Hardware Cost
- Software Cost
- Professional Services
- Internal Staff Cost
- Post-implementation Cost
- Opportunity Cost

Time

- Time to Implement
- Time to Benefit

Overall Benefits Achieved

The type of benefits enjoyed by Lawson customers include:

- Improved Quality of Product or Service
- Greater Operational Efficiency
- Greater Organizational Transparency
- Improved Financial Results – Revenue / Profit Growth and Cost Savings

These statements are made as a result of delivering concrete improvements calculated and/or widely recognized by executives within an organization.

- Improved service – delivery certainty up from 64 percent to 99 percent
- Freed-up time within a group – improved productivity by ten percent
- Redeployed staff – administrative savings of 15 percent
- Real monetary savings – five percent reduced effort in handling charges and purchase costs
- Improved order to cash cycles – 45 percent reduction in accounts receivables

It's relatively easy to work with customers to understand cost and time. Benefits, however, can be very difficult to understand and quantify. We have extracted the benefits-stream from customer profiles and video presentations. Executives from just a few of our over 4,000 customers speak about the realized value their companies achieve both through the implementation of Lawson M3 and through streamlining operations, as well as business growth.

Customer – Benefit Analysis

The benefit analysis is organized by major industry sector and by the type of benefit achieved. If, for example, you are interested in reducing inventory in the distribution sector, you can easily see the summary of benefits achieved by our customers within that area.

Make

Fashion

[Broad benefits achieved](#)

- **Decreased finished-good inventory levels by about nine percent. Improved service levels by ten percent. Improved productivity by ten percent.** Enabled the company to reassign employees to other parts of the company for expanded operations. (Cintas)

[Improved supply chain performance](#)

Synchronized global supply chain and increased customer responsiveness, while **reducing inventory levels by approximately 30 percent.** (TAL)

Fashion continued

Improved **supply chain visibility – demand and supply information all in one single view**. This allows for better response to customer requests, and on-time delivery. (TAL)

[Better customer service](#)

Improved demand management with relevant information consolidated to a single database, allowing better customer service using real-time information. (TAL)

Food and Beverage[Improved visibility of stock, often directly tied to improved customer service](#)

We know the exact location of every unit and we can tell our customers precisely when we can deliver the goods to them. (Arla Foods)

[Better order delivery](#)

We keep our promises through efficient distribution and providing the right deliverables at the right time. (Arla Foods).

The Lawson M3 System gives us the **ability to process high volumes of order lines quickly every day**. It also enables us to bake the right products as close as possible to the moment they are delivered, and in the correct volumes to avoid waste. (Schulstad Bread)

[Better order delivery](#)

Increased delivery capability and precision from 90 percent to 96 percent. (Swedish Meats)

Increased precision rate to 99 percent on its deliveries, with a yearly staff survey on management and environment showing a significant improvement in satisfaction. (Arla Foods)

[Significant returns on investment](#)

Benefits derived include the use of EDI and an **estimated €3 million per year savings on logistics**. (Pain Jacquet)

Stock levels reduced by more than €4 million per year, with an approximate logistics earnings of €3 million. (Pain Jacquet).

[Improved customer satisfaction](#)

Improved customer service by four points in the fresh products sector, with a 99.8 percent rate of satisfaction. (Pain Jacquet).

Increased high-volume order processing, giving retailers option to place orders as late as 6:30 PM one day for delivery early the next. (Schulstad Bread)

[Improved forecasting accuracy](#)

Improved sales forecast accuracy from 70 percent to 90 percent. (Swedish Meats)

[Better planning](#)

Reduced local stock levels. On the fresh meat side, this is marginal volume that gives a significant return. Improved overview of total stock. (Swedish Meats)

Increased production efficiency to ensure optimal use of the entire animal. (Swedish Meats)

[Better inventory management](#)

Improved stock control. Previously, counted stock every month, wasting both warehouse space and man hours. Now count is done just twice a year. (Ballantyne)

Food and Beverage continued

[Better manufacturing accuracy](#)

Improved accurate measurement input and output to production, allowing control over real production costs. (Ballantyne)

[Better access to information](#)

Improved access to up-to-date information. The system enabling creation of more efficient customer call plans, improved planning for meetings, and quick analysis of product and individual retail outlet performance. Added an extra half-day a week to for individual customer visits. (Schulstad Bread)

Manufacturing

[Improved decision making](#)

Improved decision making in demanding, exceptional situations by simulating alternate conditions, allowing the company to and choose the most suitable one. (Boliden Commercial)

[Strong financial results](#)

Expected to **meet ROI within two to three years**. Currently managing to considerably lower maintenance costs. Further benefits include improved financial reporting, optimized logistics processes, and improved service due. (Olympus)

Move

Distribution

[Improved visibility of stock, often directly tied to improved customer service](#)

[Administrative cost savings](#)

Reduced effort in handling charges and purchasing costs by approximately five percent. (Fiege Medical Order Center)

Achieved an **administration savings of approximately 15 percent** as a result of the hospitals outsourcing the entire logistics process. (Fiege Medical Order Center)

Improved operating earnings by 12 percent. Inventory value declined by 72 percent. Order fill rate increased to 97 percent. Value of accounts receivable declined by 45 percent. (General Binding Corp)

[Reduced inventory cost](#)

Reduced overall stock holding charges by approximately ten percent. (Fiege Medical Order Center)

Almost immediately **reduced inventories** by approximately 20 percent. (Colony Liquors)

[Staff time recovered](#)

The IT solution supplied by Lawson gave staff an invaluable commodity—namely time.

“Nurses can now place orders for pharmacy and non-drug-related medical items via a web shop. Recording drug usage is now done via a bar scanner. Any doctor can call-up a list of prescriptions whenever and wherever they are and can authorize the use of drugs using an electronic signature.” (Fiege Medical Order Center)

“**We are releasing resources from manual registration tasks to more valuable tasks** such as additional sales.” (Brodrene Dahl)

Distribution continued

[Serving customers faster and better](#)

The minute a **product hits the dock and is put away, it is allocable for orders**, significantly decreasing previous lag time between goods arrival and paperwork processing (Colony Liquors)

Increased delivery certainty to a solid 99 percent, up from 64 percent. (Arla Foods)

Customers can find information 24 hours a day, leading to visible results on the bottom line. (Brodrene Dahl)

Increased service level and improved delivery time performance with ability to outsource logistics. (Econocom)

Reached **95 percent “perfect delivery” target**. (Dorel)

[Increased processing volume: – Getting more done with the same or less resources](#)

Increased order line for parts per day to 6000 from 4500. (AutoDistribution)

Increased delivery by 40 percent to meet market demands – to 1 million, up from 700,000 – without staff additions. (Dorel)

Equipment Rental

[ROI Investment Calculation](#)

Expected **ROI within 2 years**. (Hewden)

[Improved customer service](#)

Improved customer service in 12-month timeframe to become most technologically-advanced company in marketplace. Are now a benchmark company for power-equipment rental industry. (Aggreko)

[Broad benefits](#)

The Lawson M3 System gives Aggreko the tools and capabilities to be successful in meeting all their tough service and commercial goals:

- “Plug and play” access to a global information database, anywhere, anytime. Consolidated, real-time view of the business with ability to drill down to further level of detail.
- Total visibility of equipment and accessories for hire.
- Optimized materials planning to best meet demand while achieving full equipment utilization and maximized margins to provide customers with tailored, rapid response service.
- Improved month-end reporting, now achieved in a much shorter timeframe.
- Transparent view of all labor and material costs, as well as of margins and profit at individual item and contract levels
- Fully-optimized fleet utilization, improved equipment availability to customers, and reduced transport costs.

[Improved cash flow](#)

Decreased time taken to make warranty claims for repairs – from an average of 30 days to three or four – with corresponding benefits to internal cash flow. (Cummins Diesel)

[Better access to information](#)

Increased quality and detail of **information to drive business**. (Cummins Diesel)

Equipment Rental continued

[Better customer service](#)

Able to effectively treat customers without credit accounts as individual customers, resulting in **3,000 new customers in a six-month period**. (Cummins Diesel)

[Better planning](#)

Lawson Opportunity Analyzer **identified areas of business improvement**, as well as set practical business performance targets. Expect to meet 100-percent growth target within the next five years. (GAP Group)

[Competitive Advantage](#)

Rolled out ERP system world-wide and announced to customers and shareholders that company **completed full restructure in just two years**. Increased competitive base and lead as a best-practices company in marketplace. (Aggreko)

Improved efficiency with less capital by running business in a single integrated ERP package. (Aggreko)

Maintain

Equipment Service Management

[Better management of spare parts inventory](#)

Reduced time taken to replenish used parts in service vans, allowing for quick response to ad-hoc parts requests from the field. (Crown Equipment)

[Provide better service to customers](#)

Five-fold increase in speed, productivity, and efficiency to field operations and customer service. (Crown Equipment)

Steadily improved service with reduced staff. **Decreased average response time from 5.7 hours to 3.3 hours.** (Ricoh)

[Cost Savings](#)

Saved €2.5 million per year with new hand-held solution, resulting in more up-time for customers. (Toyota Material Handling - formerly BT Europe)

Reduced stock levels by 35 percent in just three years. (Migatronic)

[Improved Administration](#)

Saved €2.5 million per year after previously managing 1.2 million work orders manually – now entered into the enterprise application. (Toyota Material Handling - formerly BT Europe)

Received payback within six months through automated billing, reduced manual administration, and rapid communication of more accurate information to field service engineers. (Migatronic)

Administrative duplication is eliminated, information becomes freely available, service reports are available daily instead of one or two weeks later. And the bottom line is better service all round and improved cash flow." (Migatronic)

[Improved Cash Flow](#)

Improved cash flow by approximately 25 percent. (Migatronic)

Equipment Service Management continued

[Improved Product Design](#)

Improved operations efficiency, allowing for a shortened timeframe for new product development – from the industry norm of one to three years to six months years. (Migatronic)

[Reduced Workforce](#)

Reduced number of service dispatchers managing 56 service technicians – from eight to two. (Ricoh)

Enterprise Asset Management

[Complete access to information](#)

Can now scan or receive digital versions of all equipment drawings and store for easy access, including maintenance information for all the equipment. (Kappala)

[Improved maintenance](#)

Improved **preventive maintenance processes to lengthen life of equipment**, optimizing operations by lengthening the life of equipment. (Kappala)

Increased tracking ability on equipment breakdowns, allowing for preventative work before situation becomes acute. (Skane Dairy)

Increased management visibility to maintenance status of plant equipment and time.

Improved cost analysis for inventory and man hours. (Kappala)

[Better management of spare parts inventory](#)

Reduced value of stock by 40 percent, to nine million Swedish crowns. (Skane Dairy)

Broad benefits achieved by Skåne Dairy:

- Computerize preventive-maintenance routines
- Improve the spare parts purchasing and handling process
- Improve analyses of assembly line breakdowns
- Allow production and maintenance personnel access to relevant data to help make better decisions, which would improve overall quality of the plant.
- Gained better control over costs related to maintenance.

The Quantified Advantage

Naturally, any process improvement must be turned into quantifiable monetary advantage. Lawson recognizes that it's vital that companies about to embark on an ERP implementation are able to justify and measure the expected project scope and results.

We at Lawson believe it is in the best interest of a company to:

- a) Map processes - quantify which process activities cost the most to carry out today, as well as problems and opportunities within these
- b) Focus on quantifying possible effects by opportunity with the help of best practices, using KPIs to target and measure progress
- c) Focus on which improvement themes and which target owners will become key to the implementation
- d) Measure post-implementation monetary growth targets or cost savings achieved

Any company that can understand quantifiable benefits is likely to be successful with their ERP work.

For further detail on the preceding benefit highlights, you can view the relevant Customer Profile or video presentation, which are posted to our web site at www.lawson.com. See "Industries" in the navigation menu toward the top of our home page. You may also find these profiles by clicking on "Application," then selecting "M3 – Make, Move, Maintain."

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.

For more information, please visit www.lawson.com/m3.

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