

Making money and saving money with LANSA

IT divisions may see their budgets reduced as a result of economic uncertainty brought on by the financial crisis. Many companies are looking for ways to trim spending and improve their bottom line. Although information technology usually represents a small fraction of corporate spending, management inevitably turns its attention to IT budgets for cost cutting. However, IT investment can deliver more value to a company's top and bottom lines than savings gained from simply cutting IT budgets.

There's no doubt that many companies will put off decisions on big capital investments in hardware and total system replacement. What business and IT will be looking at during uncertain times is extracting more value from the systems they already have by extending them with targeted IT investments that will create new efficiencies and increased revenues in the short term.

The next 'big thing' in IT will not be from technology. It will be a business focus on improving the top and bottom line.

With this in mind, IT projects are likely to be re-prioritized. Now is a better time than ever to reuse existing systems and to extend and modernize these systems with cost-effective enhancements that will pay for themselves in the short term and provide genuine value.

Following are examples of cost reductions and increased revenue that our customers have achieved with targeted, and in most cases, relatively modest, IT investments.

Better Customer Service

By providing customers, agents and dealers with Web self-service solutions and by allowing for a variety of electronic data exchange formats, companies can achieve a significant improvement in customer service, as well as immediate savings.

Savings include reduced volumes of phone, fax, mail and email traffic, less rekeying of data and better accuracy. Customers with simple enquiries don't have to be put on hold and customer service staff have more time for complex inquiries. Another frequently mentioned benefit is improved



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INDUSTRY SHOWCASE
by Marjanna Frank

customer relationships by moving the responsibility for data quality to the source, thus avoiding expensive corrections in case of misunderstandings.

Shoe-D-Vision achieved an almost instant Return on Investment by using the Web to communicate with its customers.

Shoe-D-Vision, with its head office in Århus, Denmark, is a cooperative of shoe retailers with over 320 stores in Denmark and Norway. Shoe-D-Vision used LANSA to build a Windows and SQL Server based retail back office system installed at over 80 retail groups, each with several point-of-sale systems connecting to it. Shoe-D-Vision's central ERP system, also developed in LANSA, has been extended with Web access to retailers for stock and account inquiries, order placement and polling of interest for new shoe lines to carry.

"Now shops can see which shoes and what sizes we have in stock and place orders directly in our ERP system, at any time they want. We get far fewer phone calls, email and faxes. Also, we stopped mailing invoices. The system provided a ROI in under four months," explains Asger Simonsen, IT manager at Shoe-D-Vision.

"We are very proud of the efficient business systems we have delivered. The shops pay us to make sure we have the right systems and tools to provide a competitive advantage. We certainly have been able to do that and on a very modest budget. LANSA lets us deliver and maintain a Windows system for the shops, an iSeries-based ERP system and a dynamic Web solution, all with a single tool set and a small team of three developers, including myself."

Barrus secured a new and exciting partnership by delivering an EDI solution in under three months.

E.P. Barrus Ltd, located in the UK, designs and manufactures engines and distributes a diverse range of products including MTD lawn and garden machinery, moto-roma scooters and motorcycles, Mercury, Mariner and Yanmar marine and industrial engines.

A few years ago, Barrus needed to urgently implement EDI to secure a new and exciting

business arrangement with B&Q, the largest do-it-yourself chain in Europe. But Barrus's customers also include dealers, small shops, large retail chains, manufacturers and the Ministry of Defense, all with their own unique requirements (and limitations) for exchanging transactions. Barrus selected LANSA Integrator and implemented the B&Q EDI solution in under three months, followed by many more integration solutions to their other trading partners.

Dave Hansford, IT manager at Barrus, said, "We selected LANSA Integrator because it gave us the flexibility to accept and send business transactions in a variety of formats and communication methods. Another plus was that it hides the complexities of EDI and XML, allowing us to implement new BPI technologies with our own IT staff."

"The margins in our industry are very tight. Increasingly we need to work harder for less and efficiency is becoming even more important. Technology plays an important role in achieving efficiency. There has to be a business reason to implement new technology and it has to give a return on investment."

Weidmüller lifted the percentage of online orders significantly by using LANSA Commerce Edition.

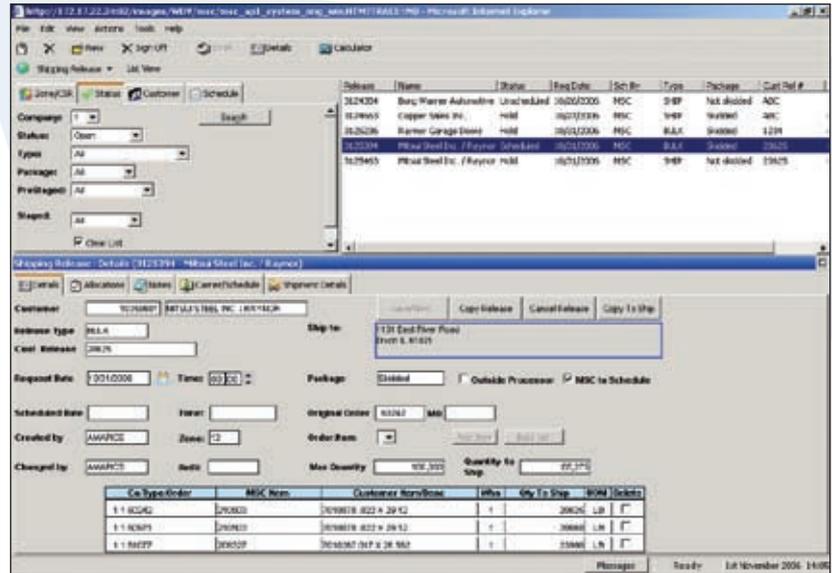
The Weidmüller Group is a leading provider of solutions for the transmission of power, signals and data in industrial environments with locations in over 70 countries. Weidmüller in North America, based in Richmond, Virginia, serves over 750 distributors and direct customers. Weidmüller lifted the percentage of online orders from under 30 percent to over 50 percent by replacing an inflexible eBusiness solution for its JD Edwards World ERP with LANSA Commerce Edition.

Selena Garner, customer service manager at Weidmüller, says, "We are now well on the way to achieving our target of 60 percent online orders. Just as importantly, the volume of inquiry calls has also dramatically dropped. The site has helped bring in new customers. It's not only easier to deal with us than it was in the past, it is also easier to deal with us than it is to deal with our competitors."

"Our company is expanding rapidly and sales have increased greatly over the last two years. Even so, the solution has freed up at least eight hours of labor each day."

Shortening the Supply Chain

In today's competitive environment, the supply chain and logistics processes of businesses need to procure supplies and distribute products faster, with better customer service, minimum inventory and



Material Sciences Corporation used Visual LANSA Framework to extend its ERP system and reduced its delivery and invoice cycle from 7 days to 15 minutes by streamlining procedures.

increased accuracy. Working together, almost as a single entity, entire supply chains must satisfy expanding requirements. IT is a key enabler in improving the flow of information, goods and services between parties.

Material Sciences Corporation (MSC) reduced its delivery and invoice cycle from 7 days to 15 minutes by streamlining procedures.

MSC, headquartered in Chicago, USA, is a world-class supplier of noise and vibration reducing coatings used in a diverse range of applications. Customers include major automobile, appliance and disk drive manufacturers. MSC works with outside processors who take MSC material for additional processing. Inventory, billing and order fulfillment remain under MSC's control. Shipping to the customer is generally directly from the outside processors.

MSC used Visual LANSA Framework to extend its ERP system with Web access for customers and outside processors, a wireless shipping release system and other enhancements. LANSA EDI Direct is also used to exchange EDI transactions with business partners.

Bob Needles, an independent consultant acting as IT project leader, said, "The customer support portal has raised customer service and the outside processor portal has streamlined production reporting and delivery. Partners now report production on the day goods are produced and enter shipment details when material ships. Billing is triggered automatically and finalized within 15 minutes of the shipment. The whole delivery and

invoice cycle went from 7 days, to one day, to 15 minutes."

General Electric Appliances Canada (Camco), part of the 6 billion dollar General Electric Appliances group, is Canada's largest manufacturer and marketer of major home appliances. Camco uses LANSA Integrator for Application-to-Application integration with kiosks at stores of Home Depot, the world's largest home improvement retailer. Transactions include stock availability inquiries and requests to accept and process orders, to which Camco's system responds with the requested inventory information or order confirmation.

The manager of Camco's eBusiness technology group, said, "This all happens in real time while the customer is at a Home Depot kiosk. Home Depot orders can be fulfilled and delivered from our warehouse directly to the home address of the customer in a completely automated process. Home Depot stores don't have to stock GE products and they don't have to phone or fax orders. The end result is savings on both sides and a quicker service to the customer."

Chunghwa Picture Tubes (CPT), in Taiwan, has automated its procurement procedures using LANSA. CPT is one of the world's largest manufacturers of computer displays for Dell, HP, IBM and other leading computer companies. CPT's display components are used in LCD, plasma and cathode ray tube applications. CPT has factories in Taiwan, China and Malaysia, sales offices worldwide and revenue of over US\$3 billion annually. →

CPT uses a LANSA Web-based B2B procurement solution developed with the help of Innatech Co. Ltd, a LANSA business partner in Taiwan. Over 1,000 suppliers now have self-service access to purchase orders, order replies, material acceptance status and payment information. This has dramatically streamlined communication and reduced the printing and mailing of order sheets and other paperwork.

Workfloor and Warehouse Automation

Integrating the manufacturing, warehouse or workshop floor with the core ERP system removes the barriers between front office operations and the back office shipping and accounting operations.

More importantly, by providing a real-time view of workshop floors and warehouse operations, managers can take immediate action when progress seems too slow (maybe a sign that more education is needed), or too fast (maybe a sign that someone is cutting corners and sacrificing quality).

PGI Nonwovens B.V. in the Netherlands is part of Polymer Group Inc., a global supplier of engineered materials and one of the world's leading producers of nonwoven materials for medical, hygiene, wiping, industrial and specialty uses. PGI Nonwovens used Visual LANSA to automate over 30 production lines in its converting and manufacturing plants in Cuijk in the Netherlands. The applications integrate in real time with PGI's PRMS ERP system and drive barcode scanners, label printers and robotic devices for counting and packing products and applying labels.

Fred Rambow, IT manager at PGI

Nonwovens B.V., says, "With the LANSA applications and related process changes, we have increased throughput without adding any production lines and achieved a 15 percent reduction in labor in both our converting and manufacturing divisions. We have done this with our own small team at a fraction of the cost of a packaged solution. Plus we have a 100 percent fit."

Brewers' Distributor Ltd (BDL) is Western Canada's leading distribution and container return service for the brewing industry, moving nearly a billion dollars worth of beer per year. After successfully extending its JD Edwards system with LANSA-based Web self-service and M2M integration for its wholesale customers, BDL used Visual LANSA Framework and LANSA Integrator as part of a dispatch and warehouse automation system that is saving them nearly \$500,000 per year.

Andrew Hobbs, manager of IT applications at BDL, says, "We should see payback in less than three years. The total capital required to complete this project was \$1.3 million and the annual savings are projected at over \$450,000, not yet including the soft benefits of effective performance measurement and reduced error rates. Without LANSA, we could not have achieved the look and feel necessary for this application, nor could we have implemented it in the short development window available to us on this project."

Enns Brothers, based in Manitoba, Canada, has been selling and servicing John Deere equipment for over 50 years and now also supports ATVs and Ski-Doo's from Bombardier. To streamline its business and improve service, Enns Bros uses an integrated

solution for heavy equipment dealerships from LANSA partner PFW Systems Corporation.

Since implementing the solution, Enns Bros' technicians, including those in the field, can access and update equipment information from the same wireless laptops that also have the John Deere and Bombardier diagnostic software. Technicians can see on their own laptop which work orders are waiting for them, what exactly needs to be done and how much time is budgeted for the job. They can drill down into the machine's service history, add their notes and accurately record job start and end times directly into the system.

Bert Gregoire, aftermarket manager at Enns Bros, explains "Because the information is now updated in real time at the source, supervisors have an accurate up-to-the-minute overview of what is happening on the floor. They can see which technicians are on duty, which work orders are going over budget, which bays are overbooked and take immediate action. The new system gives total visibility and eliminates many wasted man-hours in the workshop."

New Revenue Streams and Growing the Business

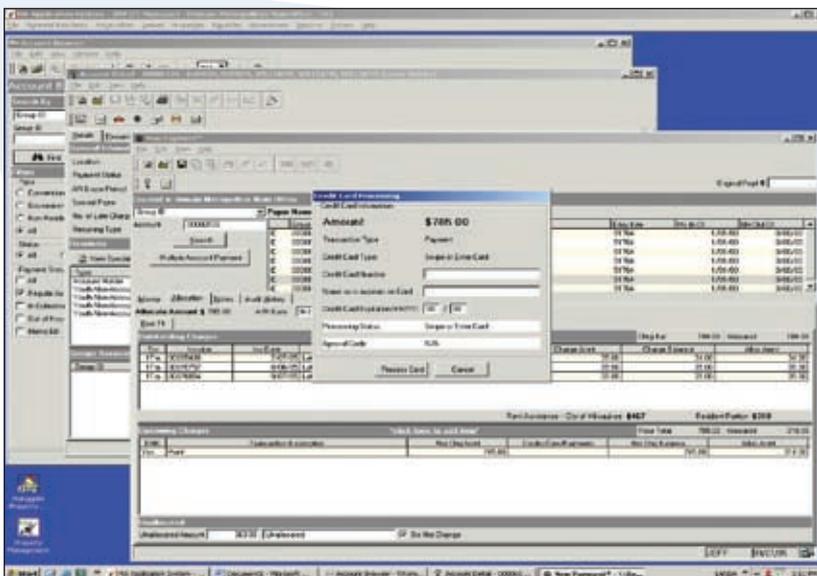
The cost justification for chasing new revenue streams is not always easy to calculate or justify. One should rather ask, "What is the cost of not doing this?"

Metropolitan Associates is a residential real estate firm managing over 4,500 apartment homes in Southeast Wisconsin, USA. Metropolitan has redeveloped its 20-year old property management system with Visual LANSA.

The new system offers far more functionality, integration with Windows applications and a more productive GUI for the business users. Staff at the apartment communities can now take a prospective resident from the beginning to the end, including property search, application, certification, payment and the move-in with associated services.

VP technology at Metropolitan Associates, Jeff Dremel, said, "We also have the ability to offer additional services, opening up an exciting new business area. For example, our residents can indicate which newspapers they want to have delivered and on which days of the week. We also plan to extend our services to cable TV and broadband. With our new system it's easy to integrate and communicate these services to third parties."

Neller has been a leading provider of Payroll, Human Resources and Labor Management systems for the Australian and New Zealand marketplace since 1976. Neller's Preceda application is used by over 350 blue chip organizations. →



Metropolitan Associates redeveloped their property management system with Visual LANSA. The system now gives them the ability to offer additional services, opening up new business areas.

Several years ago Neller was in danger of stagnant growth, simply because the Preceda offering already dominated its segment of the Australian HR/payroll market. To get a foothold in the wider market, independent of server platform or company size, Neller decided to offer Preceda as a SaaS application. Having already used LANSAs to provide a Web front-end to its installed base, Neller decided to also use LANSAs for the hosted environment.

Neller's new offering, Preceda Hosted, exceeded its revenue projections for each of its first four years of availability and continues to grow. Today, Preceda Hosted is used by more than 70 percent of Neller's clients.

"As an ISV, we rely on technology that can quickly help us meet our business and profit goals and LANSAs has certainly helped us achieve them," said Neller managing director David Page.

Walon created a new revenue stream by extending its RPG-based Vehicle Tracking Management System (VTMS) with an online configuration facility.

Walon is the leading supplier of finished vehicle logistic services to the U.K. automotive industry. Walon takes responsibility for a vehicle from the point it arrives in the U.K. and then delivers the vehicle to the manufacturers' dealers. Customers include most major vehicle manufacturers. Walon handles over 1.2 million vehicle movements annually and also takes care of technical enhancements and late configuration of vehicles.

One of Walon's customers, a manufacturer of vans, wanted to offer its customers an online configuration facility for accessories like extra racks and shelves. Walon met this request by developing a Web site, using Visual LANSAs WAMs that allow for the specification of these alterations. First, the dealer places the order for a standard vehicle on the manufacturer's Web site and when modifications are needed, the dealer is redirected to Walon's site.

"In effect the dealer is registering a work order directly in our VTMS, so we can let the dealer instantly know how configuration options affect the price and delivery date," explains Colin Williams, Head of IT at Walon. "Using LANSAs, we created a totally new revenue stream. Without a Web solution, the costs could have been prohibitive. Even though this was our first Web application and also our first LANSAs project, two members of our existing VTMS team delivered it in just three months."

Agile Infrastructure

Both Terminix and Truvo illustrate that an agile IT infrastructure is vital in supporting efficient procedures and company growth.



LANSAs provides practical tools and solutions that allow our customers to focus on the business issues and opportunities, rather than technology.

Truvo Belgium has shaved several days off the lead-time it previously took to get an advertisement published by integrating its packaged and in-house developed systems across several platforms.

Truvo Belgium, the market leader in local search and advertising, publishes the printed and online Golden and White Pages phone directories. Truvo has implemented a .NET application, used by over 400 sales representatives, that integrates with the core LANSAs system and with its publication systems using LANSAs Integrator and Web services.

The solution allows sales reps to download customer portfolios and upload contracts and advertisement specifications, taking several days off the lead-time it previously took to get an advertisement published. Directories and guides are prepared on the System i and delivered for overnight Web publication in XML format, also using LANSAs Integrator.

Gunter Gheysens, IT development manager at Truvo Belgium, says, "If you want to stay in the game in this industry, you have to be able to adapt quickly and use every window of opportunity. That is not always easy when you use packaged solutions. Using LANSAs Integrator and Web services we can use best-of-breed systems in the back office, in the graphics department and on the sales rep's laptop and integrate them all seamlessly."

Terminix, is a good example of how a new central LANSAs-based system supports the company's growth and competitive position.

Terminix in the USA, is the largest termite and pest control company in the world, safeguarding over three million homes and businesses. Several years ago, Terminix

replaced a COBOL mainframe system and hundreds of standalone UNIX systems at its branches with a central LANSAs-based application on a single iSeries.

Today over 12,000 employees at over 400 locations, plus 5,500 service specialists with wireless hand-held devices, use the system that also interacts with an increasing number of third-party systems using LANSAs Integrator and Web services.

Lee Crump, Terminix vice president and CIO, said, "The old distributed IT system hampered our growth and did not let us get a competitive advantage for a company our size. One of the reasons we have been able to grow annual revenue over the past six years from 600 million dollars to over a billion dollars, is our iSeries and LANSAs-based system. The cost of opening new branches is much less than it was with the old distributed model. We have the flexibility of hand-held devices, thin clients or fat clients for users and Web services with other parties, while all the data and LANSAs computing power is back here at the head office."

Conclusion

LANSAs provides practical tools and solutions that allow our customers to focus on the business issues and opportunities, rather than technology, and deliver cost effective solutions. Because LANSAs developers don't have to code at 'the plumbing level', our customers can deliver solutions with their own, often very small, development teams. LANSAs customers are well equipped to do more with less. ■