



Responding to Local Government IT Challenges

**Buncombe County, N.C.
Case Study**



ERP System Helps Maximize Taxpayer Dollars By Driving More Efficient, Effective Government Operations

ORGANIZATIONAL PROFILE

Established in 1791 with a handful of citizens, Buncombe County, N.C., now comprises 206,000 residents in the western part of the state. Today the county has approximately 1,700 employees across 30 departments, serving as firemen, sheriff deputies, nurses, social workers, child care workers, emergency medical workers, permit and inspections officers, planners, tax assessors and administrators.

With a \$200 million annual operating budget, Buncombe County's mission is to provide an effective and efficient government its citizens can trust while ensuring the county maintains a responsive workforce and viable economy. The county also aims to be progressive in how it uses technology to achieve operational efficiencies and maintain strong fiscal discipline while improving county services to meet its current and future needs.

CHALLENGES AND OPPORTUNITIES

Business Challenges

Like most government jurisdictions, Buncombe County faces the ongoing challenge of providing high-quality services at minimal cost. First, it must meet the demands of an increasingly sophisticated citizenry that wants to interact with government electronically and expects easy access to information, such as annual budget reports. Second, government workforces also require better access to information via computing systems that support data sharing and interoperability across multiple departments. Finally, lean operating budgets make securing funds for new IT projects a constant battle. The limited resources also require close supervision and strong fiscal management to maximize efficiency, accountability and cost effectiveness.

Legacy Systems Restrict Timely Data Access

In 2000, Buncombe County relied on an aging DOS-based financial system that consisted of multiple, disparate databases. "It was very user unfriendly," says Sonia Burgin, Buncombe County accounting manager. "It took forever to get monthly reports — 15 days to close the books, print them, and another four to five days to send them via interoffice mail — so the data was very old before managers ever saw it." Burgin also says the county's legacy system wasn't easily accessible to employees outside the finance department due to the complexity of its codes, resulting in only 20 users. And because the legacy system was so customized, the county struggled to keep it updated with current technology.

The lack of integration between applications and disparate databases resulted in highly manual processes and administrative inefficiencies, including an unending payroll cycle, numerous paychecks errors, insufficient reports and a cumbersome requisition-to-payment process. County managers wanted an administrative system that would eliminate such inefficiencies across departments, increase financial visibility and provide access to real-time data to support critical budget decisions.

"We also wanted a system that would take us into the future with a clear path for modern technology upgrades, which wasn't possible with what we had," says Burgin.

REALIZED VALUE

Since implementing Lawson's Financial, HR and Procurement suites, Buncombe County has documented several specific benefits, including:

- Reduced the time to close its books each month from 15 to five days, saving 720 staff hours and approximately \$22,579 in personnel costs per year.
- Shortened the accounts payable cycle by one day, saving nearly \$42,000 per year.
- Saved \$6,000 to \$7,000 per year on the cost of printing paper paychecks while experiencing no late paychecks.
- Shortened its 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 county to reassign two purchasing staff to more strategic roles.
- Reduced the time needed to conduct its annual financial audit in half during the first year, saving 360 staff and management hours and approximately \$15,813 in personnel costs per year.
- Experienced dramatic growth in its operating budget — from \$170 million to \$200 million in four years — without needing to hire additional administrative staff.
- Increased the number of system users from 20 to up to 300. Departmental time entry saves county payroll staff 1,170 hours and approximately \$50,000 in personnel costs per year. Departmental entry of cash deposits saves three finance staff 1,500 hours and approximately \$29,850 in annual personnel costs per year.
- Decreased the time required to enter data into the county's financial system from days to minutes with automated uploads, saving 300 Accounts Payable staff hours and \$6,650 in personnel cost savings per year. It also reduces general ledger time entry by 120 hours, saving \$4,300 in personnel cost savings per year.
- Reduced the number of finance employees from 20 to 19, saving 1,950 staff hours and \$38,000 in personnel costs per year.
- Provided 30 department directors with access to real-time operational data for better decision-making. Employees and managers now run their own reports, saving Finance staff 300 hours and approximately \$10,782 in personnel costs per year. This self-service access also has increased employee, manager and supplier satisfaction.

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Donna Clark
Finance Director,
Buncombe County

Comprehensive ERP System Addresses Administrative Goals

After a competitive bidding process and vendor evaluation, Buncombe County chose to implement an integrated ERP system from Lawson® Software in January 2001, including the Lawson Financials, Human Resources and Procurement suites. The county consolidated financial, procurement and HR operations for all 30 departments on a single platform.

Buncombe County Finance Director Donna Clark says the Lawson products were chosen for their cost effectiveness, functionality and flexibility. “Lawson provided all the things we were looking for,” says Clark. “Our IT and finance staff also felt the Lawson products could meet our needs for many years into the future and grow with us.”

Multi-Phased Implementation Eases Transition

Buncombe County went live on Lawson Human Resources in October 2001 and on the Financials suite in March 2002 — both on time and on budget. In addition to its internal project team, Buncombe County had one full-time Lawson project manager and four full-time Lawson consultants onsite for several months to provide training and support during the implementation.

“We had a lot of learning-curve issues with several county employees starting the process, then leaving, and someone new coming in to finish it,” Burgin explains. “We weren’t communicating between financial and procurement implementation teams as well as could have been either. But, Lawson was great in stepping in and helping us fix that.”

Choosing to implement the Lawson Financials suite in the middle of its fiscal year also complicated Buncombe County’s annual auditing process. And, the county faced complex data synchronization issues while running its legacy and Lawson systems simultaneously while it slowly decommissioned the legacy systems. The Lawson team’s industry-specific expertise was key to helping the county address issues like these and ultimately shorten the time needed to realize measurable business value.

Burgin adds that, “Lawson stood behind its product and made an extra effort to help county employees understand how the new system would directly benefit them.” The County has gone through a successful upgrade process and will complete another upgrade to Lawson’s Series 8.1 applications in early 2005. Both upgrades were made available on the county’s timetable — not Lawson’s — to help Buncombe County maximize the benefits of its technology investments.

REALIZED VALUE, SUPPORTED BY LAWSON

Since deploying the Lawson applications, Buncombe County has effectively addressed its key business challenges and realized a significant return on its investment in terms of both time and cost savings. System consolidation and automation have streamlined many of the county's core business processes. For example, time records, data uploads, payroll, requisitioning and other formerly manual processes went online while departments eliminated dual record keeping. The county also improved its ability to meet state and federal reporting requirements with the Lawson Activity Accounting module.

Automation Boosts Staff Productivity

Before implementing Lawson, Buncombe County's finance department manually entered large lists of invoices into its legacy financial system each month. Today, finance staff automatically push those lists into the system as Microsoft® Access files using Lawson Add-ins for Microsoft® Office. "Entering those lists took days worth of manual entry," says Clark. "Now it's done in a matter of minutes with a simple upload."

Human Resources staff also had time-consuming and complex payroll processes before Lawson. "We had multiple databases that weren't in sync and that left room for errors and a high level of data entry time," says Buncombe County Systems Analyst Sherry Banks. Now the organization has a structured human resources system that is fully automated and integrated with other applications, such as payroll and general ledger. Banks says, "Payroll used to be a full two-week, unending cycle. Now the county can complete a payroll process in two to three days."



“In the past, someone in the finance office sat and manually entered all the payroll data,” says Banks. “With Lawson, each department enters its own time for time cards and they verify it before payroll even gets involved.”

Banks adds that when the county used to process manual paychecks, the timekeeper would occasionally leave someone off who then wouldn't get paid. But with departments now entering their own time, along with direct deposit, there are no more missing or late paychecks. Reducing the number of paper checks printed has saved the county \$6,000 to \$7,000 a year. The county also recently rolled out the Employee Self Service module of the Human Resources suite, which enables each employee to access and view their personal data online, such as paycheck stubs and benefits information.

Streamlined AP, Requisition Cycles Drive Time and Cost Savings

The Lawson system has enabled Buncombe County to shorten its accounts payable cycle by one day. This translates into an estimated annual cost savings of nearly \$42,000. With its legacy systems, Burgin says the finance staff barely finished one accounts payable run before starting another. “Now they have a day or a day and a half of lead time between check runs so they can do other tasks rather than manually enter invoices all day, every day,” Burgin explains. Specifically, the shorter AP cycle has given staff time to focus on more strategic activities, such as improving the county's supplier relationships and cash management.

“With the Lawson System, I've saved approximately 35 hours per month on accounts payable data entry, enabling me to focus on more strategic tasks, such as implementing an electronic funds transfer program and managing a document imaging project for the accounts payable division of Finance,” says Buncombe County Accounts Payable Accountant II Irene Wolfe.



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Sonia Burgin
Accounting Manager,
Buncombe County

In addition to these timesavings, Buncombe County saves \$5,000 to \$6,000 annually on reduced check costs by automating its vendor payment process with increased use of Electronic Funds Transfer (EFT). “We print EFT remittances on plain paper as opposed to check stock, and we’ve saved money on bank service charges, too,” says Burgin. “It’s five times cheaper to create an EFT than a paper check.”

And, while Burgin says the county doesn’t carry much inventory, it has noticed significant productivity gains and efficiency improvements with purchases, particularly in the requisition to purchase order process. “With paper and interdepartmental mail, it took us six to seven days to produce a purchase order,” Burgin remarks. Now, because users from any department can enter an electronic requisition themselves via a standard Web browser, the department now receives purchase orders within a day. “The streamlined process has allowed us to reassign two employees from the purchasing department to more strategic roles.”

Real-Time Information Provides Real Value

County managers say the biggest benefit of the integrated system is access to real-time data and previously unavailable business intelligence. Consolidating back-office systems on a single database with integrated applications has given county managers immediate access to more detailed information, which has significantly enhanced decision-making.

Burgin says finance department employees used to spend a day running monthly reports and sending them, via interdepartmental mail, to the 30 department directors. Those departments now run their own reports from their desktops because the system allows them to capture data from anywhere in the county.



"Every manager and employee can access the system, not just finance managers," explains Burgin. "The ability to drill around and see all the stored information at any level makes it very user friendly. Plus it's Web-based and easy to use.

"The county now has up to 300 users who can run reports or make system inquiries as needed. And, the system's security environment gives the county a new level of confidence that users can securely access just the information they need. Not only has this broad accessibility enhanced decision-making, but it also has freed finance staff to focus on more strategic and fewer production-oriented tasks. This increased productivity also has helped enable the finance department to reduce its headcount from 20 to 19 employees while implementing other large projects, such as document imaging.

Another key benefit Buncombe County has realized with the enhanced reporting capabilities is a shorter month-end close cycle. Since 2001, using the enhanced reporting capabilities has assisted the county in reducing the time needed to close its books from 15 days to five days. For the first time, department directors have faster access to operational data to support better decision-making.

"Every department director now knows the position of their department on a daily basis — information they used to receive 15 days into the next month," says Clark. "That gives them a tool to help manage their department more effectively and react to changing conditions."

Consolidation Supports Simplified Audit Process

During the first year using Lawson, finance managers helped cut the time needed to conduct the county's annual financial audit in half. "This year, we're doing it in record time," Burgin exclaims. "We presented the audit to the board Nov. 161. I've worked here 26 years and that's the earliest we've ever been to the board."

She says because department managers have better and more timely access to data, they can give auditors accurate figures to audit. "The old system was so complicated the auditors couldn't look for information, so I had to run reports for them." Now the auditors access the Lawson system directly, looking at data and running their own reports — saving the county time and money.

Overall, implementing an Enterprise Resource Planning (ERP) system has enabled Buncombe County to address each of its primary business and technology challenges:

- **Electronic interaction with citizens and easy information sharing** — The county now converts reports, including budgets, into PDF files and posts them on its Website. The ERP system's self-service features give citizens, vendors and employees in multiple departments greater access to a range of county information. The system also enabled the county to use a fax integrator to send purchase orders to vendors, email direct deposit stubs to employees, and start a project to email electronic funds transfer (EFT) remittance forms to vendors.
- **Maximize efficiency, accountability and cost effectiveness within lean operating budgets** — Through standardization and automation, the ERP system helped the county save time and money across its operations while improving financial transparency for both employees and citizens.
- **DOS-based, disparate databases prevented timely reporting** — The county consolidated multiple financial databases onto one, which now helps enable it to provide department directors with month-end reports 10 days faster.
- **Lack of system integration promoted inefficient, cumbersome processes** — Buncombe County's single ERP system integrates and automates core business processes across its finance, HR and procurement departments. This significantly reduced manual data entry, eliminated late paychecks and shortened the county's payroll and requisition cycles.



"The great thing is everyone can easily access the data and base their planning decisions from the same, accurate information," says Clark. "What's more-we haven't had any down time with this system, but had a lot with the old one.

"The ERP system also delivered several unanticipated benefits to Buncombe County, such as the ability to easily convert reports and screen shots into PDF files for email transmission to vendors, citizens and other department personnel. County employees also found they can upload data from other county systems, such as Ad Valorem tax data, directly into the ERP system instead of manually entering data in multiple systems.

Buncombe County also reinvests a large portion of the time it saved using the ERP system in reviewing its financial processes and identifying ways to improve and automate them. The county also used some of its "found" time to manage a document image project for several departments and implement an automated credit card program that uploads transaction data directly into the ERP system three times per month.

LOOKING AHEAD — THE FIVE-YEAR PLAN

While the county has realized many benefits to date-most notably, helping to manage an operating budget growth of \$30 million in four years without needing to add administrative staff-planned IT upgrades and future implementations promise even more. Buncombe County's partnership with Lawson not only has helped the county maximize its current IT investments, but also is helping the county prepare for the future with strategic upgrade planning.



Partnering for the future with strategic upgrade planning

Five-Year Plan Secures Funding for Upgrades

Advanced planning for computer and software upgrades as part of future acquisitions is critical to securing limited resources and appropriately preparing for implementations. Buncombe County directors recently worked with Lawson to develop a five-year plan, outlining a phased-in purchase and implementation process for several upgrade projects. The projects include Lawson Budgeting and Planning, Project and Activities, Asset Management and the Lawson Reporting Suite. The latter contains an Executive Dashboard that provides meaningful, graphical, easy-to-interpret data in one place along with the Smart Notification™ application, which monitors data and proactively notifies decision makers.

“We work hard with our government clients to help them become more efficient and prepare for the future,” says Dan Clark, director of Lawson’s Government and Education Consulting Services. “This plan demonstrated the savings to date as well as how the county can continue to save time and secure additional savings for its citizens in the future.

“The five-year plan was well received by the county manager who approved funding for it in August 2004. “I’m very pleased with the five-year plan because it moves us in a positive, user-friendly direction for our staff,” says County Manager Wanda Greene. “My objective is for every director to have information at their fingertips. Unfortunately, they have very little time to learn all they need. This plan helps us ‘think for them’ and make them much more interested in having and sharing the data.

“Clark says it’s great to know the budget dollars are in place to allow for future technology upgrades. “We know what’s coming for the next five years and can plan for it appropriately. This is a first for us,” she says. “We’ve set the standard for other county leaders by demonstrating we can plan better and make the best use of our limited funds.”

In the end, Buncombe County directors realize that being able to disseminate information more efficiently to the public with the Lawson system, combined with careful future planning, will give the county two immeasurable benefits: increased credibility and a better relationship with its most critical evaluators — its constituents.

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