



## Food For Thought: Powerful Financials Software Manages Safeway's Scope of Grocery Operations and Helps It Remain Competitive

Safeway Inc.'s beginning goes back to 1915 and the small town of American Falls, Idaho when Marion B. Skaggs purchased a small 576 square foot grocery store from his father. Eleven years later Marion had grown his business to 428 stores spanning 10 western states. In 1926 these units merged with 322 former Sam Seelig stores in southern California. The combined company was called Safeway with Marion B. Skaggs as chief executive.

Safeway has always been an industry leader in product development, product labeling, and helping consumers make wiser buying decisions. The company has included expiration dates on perishable products since 1935 to ensure freshness. Safeway also pioneered the use of price per pound on selected products.

Today Safeway is one of the largest food and drug retailers in North America. The company operates 1,702 stores in the Western, Southwestern, Rocky Mountain and Mid-Atlantic regions of the United States and in western Canada. To support its stores, Safeway has an extensive network of distribution, manufacturing and food processing facilities.

Despite the dramatic changes that have taken place since 1926, Safeway's business philosophy has not changed. That philosophy is to take care of the customer, employees and stockholders, and to share with them the success they help make possible.

### Business Situation

A variety of disparate computerized financial systems supported all of Safeway's businesses. "We were not integrated," said Todd Hailpern, director of Safeway's financial systems and responsible for the Lawson® implementation. "We had four different accounts receivable systems handling different functions, and we had several different accounts payable systems." Extracting the information needed to create better business strategies was difficult. "When we did analysis in the general ledger, we'd have to jump to the interfaced subsystems to do additional analysis there," said Hailpern.

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**Todd Hailpern, Director of Financial Systems, Safeway Inc.**

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After a review of several vendor product offerings, Safeway selected Lawson's Financials Suite. Deciding to partner with Lawson was more than knowing that information was just a mouse click away. "The functionality really met our needs," said Hailpern. "We knew we could implement the software without any custom modifications. It meets our business requirements without expensive and time-consuming customization."

Safeway had recently grown significantly through acquisitions. Management knew that the new financial software from Lawson would be more scalable to suit its growing and ever changing business environment. "Our legacy systems just couldn't keep up with the pace of change at Safeway," Hailpern said. "With Lawson, we can drill seamlessly from one application to another," Hailpern said. "And prior to using Lawson, our reports were on paper. Now we use Broadcasting to distribute our financial reports. Recipients can drill into the details as they need to or want to. We used to send a several-page report to the stores, but now they get a one-page electronic summary with the ability to click the mouse for more detailed information."

With Lawson, store management gets information succinctly and more timely, and has the ability to answer its own questions because it has access to more information. Store managers do not have to call headquarters to get their questions answered. Direct payment to vendors is easier, too. "We now have the functionality to process electronic payments to our vendors directly through the application itself," said Hailpern. "It's a good example of using software to operate more efficiently."

Hailpern asked for technical expertise — and got it. "We appreciated having Lawson consultants assigned to each of the functional areas — including accounts payable, accounts receivable, general ledger and asset management. Throughout the process Lawson was right by our side, providing the necessary resources and expertise to make it all work."

## Business Benefits

Prior to implementing Lawson, Safeway has a variety of disparate, computerized financial systems supporting its businesses. Four different accounts receivable systems handled different functions and there were several different accounts payable systems, too.

Integrates financial functions to reduce the time needed to gather information; Manages the entire financial business function; Extracts the financial information executives and store management need to develop effective business strategies; and Web-based report distribution speeds up the delivery of actionable information throughout the entire organization.

## About the Solution

Lawson Financials Suite helps Safeway manage the entire scope of operations, providing the information needed to succeed in the competitive grocery industry. Integration of the data provides the capability to drill down into and around the data to quickly obtain answers to questions.

## About Safeway Inc.

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