



Opportunity Analyzer Questions and Answers

Q 1 What evidence do you have to say that Opportunity Analyzer is the only tool to turn business objectives into targeted business process improvement projects?

A. Early feedback from analysts, customers and consultants indicates that Opportunity Analyzer is unique because it represents the next generation of enterprise performance management (EPM). ARC Advisory Group says, "Lawson's solution does a better job of allowing the company's core drivers to be visualized and manipulated than any other EPM solution ARC has seen." ARC also says that Opportunity Analyzer takes the politics out of capital expenditure (capex) budgeting because managers can quickly compare, contrast and select from hundreds of potential improvement projects.

Q 2 In what ways does Opportunity Analyzer differ for each industry?

A. The business processes, best practices and KPIs (as well as method templates for mapping a company's current situation and business model) in Opportunity Analyzer reflect the requirements of different industries such as food and beverage, fashion, wholesale distribution, discrete and process manufacturing, equipment service management and asset intensive industries.

Q 3 How can a comprehensive business review be completed so quickly?

A. Opportunity Analyzer supports a top-down approach where all relevant factors are modeled using pre-made templates that are easily adjusted for the individual company. Opportunity Analyzer also takes as its starting point the company's existing strategic objectives, thus avoiding time-consuming complex debates and freeing up time to focus on converting these objectives into quantified improvement initiatives.

Q 4 Do companies buy licenses to use Opportunity Analyzer?

A. The first time Opportunity Analyzer is used, it is always in connection with an opportunity analysis where the software is used to speed up the process, but is not part of the regular deliverables. This way a company does not have to buy a software license to use Opportunity Analyzer.

Q 5 When did you develop your OA methodology?

A. The Opportunity Analyzer software and the opportunity analysis methodology was developed during 2003–2005 by a team of Lawson's most experienced business consultants, industry specialists and software developers.



Q 6 How will you measure whether Opportunity Analyzer produces the predicted benefits?

A. Opportunity Analyzer makes a company's management focus on those aspects of their markets, products, business processes and working capital that most drive their process driven profitability (PDP). By using Opportunity Analyzer, key performance indicators are selected and targeted for key target areas. And when the changes are implemented, the same key performance indicators are measured for the same target areas.

Q 7 How can Opportunity Analyzer be used with any enterprise system?

A. Opportunity Analyzer visualizes those parts of the enterprise business system that best enable the best practices needed to improve business process efficiencies. Opportunity Analyzer is mapped against the M3 enterprise software. However, any standard business system or legacy system can easily be added into Opportunity Analyzer, and used in the analysis. This latter point is very important since many larger corporations want to do benchmarking between different business units that use different business systems.

Q 8 You cite key issues Opportunity Analyzer addresses. How do you know these are the most important? Is this based on research?

A. We know these are the key issues because that's what our customers and others tell us. We take in a constant flow of information about the issues and challenges they face. And in parallel with this, we undertake informal market research through our industry centers, which enables us to develop specific solutions that meet the needs of each market.

Q 9 In what ways does Opportunity Analyzer differ from balanced scorecards and other methodologies?

A. Opportunity Analyzer complements methodologies such as balanced scorecards because it starts with the strategic objectives that are the output from balanced scorecards and turns them into easily communicated and prioritized targets for target owners in the organization. Opportunity Analyzer adds a lot of extra tangible value by enabling rapid simulations and comparisons of the economic benefits from different opportunities to improve business process efficiencies and competitive advantage.

Q 10 Where did you get your key performance indicators?

A. The key performance indicators in Opportunity Analyzer have their generic roots in the Supply Chain Council's Supply Chain Operations Reference (SCOR) model for supply chain oriented business processes. For the other processes, we at Lawson have used our extensive industry-based knowledge, as well as that of other industry bodies. However, it needs to be noted that for each individual customer, Opportunity Analyzer enables existing key performance indicators to be easily adjusted, and new key performance indicators to be created, all with definitions, responsibilities, calculations and relationships to process driven profitability and business process activity groups.

Q 11 Where did you get your industry benchmark figures for the KPIs?

A. For certain high-level key performance indicators (such as revenue growth, selling, general and administrative costs as % of revenue, inventory days of supply or day's sales outstanding), benchmark figures for average and best performer in the industry are available from open sources and industry bodies. Over time, we will enable Opportunity Analyzer users to compare key performance indicators with each other and create a database of benchmarked key performance indicators for each industry.



Q 12 Where do the best practices come from?

A. The best practices in Opportunity Analyzer have their generic roots in the Supply Chain Council's SCOR Supply Chain Operations Reference (SCOR) model for supply chain oriented business processes. For the other processes, we have used our extensive industry-based knowledge, as well as that of other industry bodies.

Q 13 What evidence do you have that Opportunity Analyzer will produce business benefits?

A. Many studies show that the adoption of industry best practices leads to improvements in key performance indicators, which in turn leads to improved financial results. This is confirmed in a study by the independent consultancy PRTM, co-founder of the Supply Chain Council. The PRTM study showed that companies with mature planning, as well as external integration to suppliers and customers, produced dramatically better key performance indicators in terms of delivery performance, order fulfillment, lead times, cash-to-cash cycle times and inventory days of supply. This was done by using cross-enterprise planning, collaboration and optimization, rather than by working in a functionally-focused way, in a stove-piped fashion.

Q 14 Before you had Opportunity Analyzer, what did you do to assure customers they'd get business benefits?

A. Before we developed Opportunity Analyzer, we relied mainly on objectives and targets supplied by customers, and many projects have delivered quantified business benefits. However, Opportunity Analyzer is both a structured and dynamic methodology that creates a much sharper, targeted focus on areas of improvement. It identifies process and business improvement opportunities that previously would not have been possible to realize without the implementation of supporting best practices, targeted key performance indicators and a methodology that ensures that the project ties back into the corporate objectives and strategy.

Q 15 How is Opportunity Analyzer an expert system?

A. One feature that stands out in Opportunity Analyzer is the Value Repository. Our foremost industry and software experts have made their knowledge available in the repository. This makes it easy to visualize, for example, which software components support various profitability improvement initiatives or best practices, and vice versa. The Value Repository is a "self-learning tool" and is continually being enhanced, enabling the latest thinking to be available.

Q 16 Explain how Opportunity Analyzer has been synchronized with the SCOR model.

A. For the supply chain oriented business processes, Opportunity Analyzer uses the SCOR model as a template to speed up work in terms of the deliver, make, source, plan and return processes. If desired, a company can use either the full details of the SCOR model or the more generic version of the SCOR model that is included in Opportunity Analyzer. However, if a company has already defined business processes of its own, these can be easily fed into Opportunity Analyzer to facilitate mapping.

Q 17 Explain what PDP is and how it links with the DuPont model?

A. PDP stands for "process driven profitability" and represents the return on working capital. Return is the net operating profit after selling, general and administrative costs have been deducted from the gross profit. Working capital includes inventory plus accounts receivable, plus fixed operating assets, minus accounts payable. PDP is an operating metric that focuses on the efficiency of business processes. The DuPont model is a broader and less specialized concept whereby the return section is identical to the PDP model, but the capital section includes all fixed assets and long-term liabilities.



Q 18 Do you have examples of how Opportunity Analyzer has been used?

A. The first opportunity analysis using Opportunity Analyzer was undertaken in the spring of 2004 at MODUL Service, a division of the IKEA Group. Other examples include Böllhoff, a German automotive components manufacturer; GAP Group, a large U.K. rental company; Tree Top, a U.S. food and beverage manufacturer; and BT Europe, a truck manufacturing division within Toyota Material Handling Group.

Q 19 Does Opportunity Analyzer take Lawson into a new area of business?

A. Opportunity Analyzer is a natural development of the business solutions-led service we currently provide to customers. Opportunity Analyzer means that we are living up to the commitment to our customers by delivering real value, reducing risk and sharing our customers' objectives. This means we have an active and continuous dialog with our customers' management teams to ensure that they get maximum business value out of their investments in Lawson's enterprise software.

We want to ensure that implementation projects not only focus on implementation on time and within budget, but also clearly focus on adding well-defined business value to the customer as part of the project.

Q 20 Does Lawson intend to add business consultancy to its services? And how does Lawson have the expertise in this area; surely it's an ERP software company?

A. Lawson already has experienced business consultants in its services team, and we have now expanded the team. We have trained a number of our own business consultants to become OA champions. They are Lawson's global team of specialists who are executing opportunity analysis using the Opportunity Analyzer software. These specialized business consultants give substantial business value to customers, and ensure that they achieve their business objectives as quickly as possible, and become good references as well.

Q 21 Won't Lawson be competing head on with business consultancies?

A. Opportunity Analyzer is very helpful to management consultants who want to better understand how Lawson enterprise software can add business value to their clients' operations. However, Opportunity Analyzer can also be used as a generic business improvement tool. Our objective is to ensure that our customers achieve their business objectives as quickly as possible, as well as become good references, with or without the help of management consultants.

Q 22 Does Lawson have sufficient credibility to be able to offer this consultancy service?

A. We have successfully offered and executed similar services since 2000. Opportunity Analyzer enables us to offer a next generation approach that is more dynamic and globally synchronized. We can tap into the global knowledge base developed by a team of our most experienced business consultants, industry specialists and software developers.

The first reactions from customers and analysts alike have been overwhelmingly positive. And we have no doubts that, through our OA champions, Opportunity Analyzer will become a much sought-after methodology that sets us apart and give us a significant competitive edge in the market because it addresses both the strategic and operational issues faced by many companies head on.



Q 23 Has Lawson hired business consultants to use Opportunity Analyzer and to work with companies in this area?

A. In some regions we have hired senior management consultancy people. However, we have mostly trained a number of our business consultants and senior solution designers to become process driven profitability champions. They are our global team of specialists who execute opportunity analysis using the Opportunity Analyzer software. These specialized business consultants give substantial business value to customers, as well as ensure that they achieve their business objectives as quickly as possible and become good references.

Q 24 How will Opportunity Analyzer help Lawson's main ERP business?

A. Opportunity Analyzer will help Lawson identify all the financial and non-financial benefits of the value adding components in Lawson enterprise software, such as supply chain management, customer sales and service, enterprise performance management, enterprise asset management, manufacturing operations. Opportunity Analyzer identifies which best practices should be implemented, and it also visualizes which Lawson components enable these best practices.

About Lawson

In 2006, Lawson Software and Intenia merged to form the new Lawson. We deliver software and implementation services to 4,000 customers in the manufacturing, distribution and services industries across 40 countries.

Our Financials, Human Capital Management, Supply Chain Management, Business Intelligence, Asset Management and industry-specific solutions help customers streamline processes and enhance their business performance. And by radically simplifying the process of deploying and using our applications, we help customers reduce costs while increasing their flexibility.

Why Lawson? Because simpler is better.

Headquarters:

Lawson
380 St. Peter Street
St. Paul, MN 55102-1302
USA
Tel +1 651-767-7000

info@lawson.com
www.lawson.com