

## LAMP – a cost-monitoring case study

The Central Procurement Directorate  
of the Department of Finance and Personnel (Northern Ireland)



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“Few companies in the private sector can have a greater need to predict and monitor their budgets than we do,” says Barry Kennedy, Information Systems Manager at the Central Procurement Directorate of the DFP in Northern Ireland. The DFPNI provides professional services to various Government-funded bodies, and faces some particularly tricky challenges...

“Recent changes mean that we need to compete for work, tendering a quote just as you would in the commercial sector. Yet, as part of a Government department, we are not allowed to make a profit – and nor are we allowed to make a loss! As you can imagine, this means we need to have a very accurate handle on what it’s going to cost us to do the work.”

However, the Directorate’s requirements go well beyond a simple costing model. As well as monitoring internal costs, it needs a system to automatically raise detailed invoices to its 300 or so active clients – and provide useable management information at all levels of the organisation. The Directorate opted to use LAMP; Barry Kennedy explains why:

“What impressed us about LAMP was that it was clearly written by people who understood the business issues we faced. There are two sides to our services – the construction side and the general procurement side. On the construction side we might follow through an entire build project for, say, a new government-funded laboratory: everything from the initial concept to feasibility studies, design, procurement and tendering, on-site project management, right to completion and post-project evaluation. Even, perhaps, managing the on-going maintenance. There are around 350 people working for the organisation, and our income is approximately £14m per year – so it’s a fairly sizeable and complex set-up.

“We invoice our clients on a monthly basis, and these invoices are now automatically raised through LAMP. Our staff use LAMP to fill in timesheets and to automatically calculate our fees. LAMP also interfaces with our financial systems. We were delighted by the business logic of the system.”

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But there’s more to it than that. The Directorate’s clients don’t just want a bill, they want to know exactly what the money is being charged for. So LAMP gives them a breakdown of time against each activity plus other costs – say, the purchase of technical surveys or fire-fighting equipment for a building.

Yet however detailed the invoices, there will always be some queries from clients. Barry Kennedy continues: “A client might ring and ask, ‘what’s this item?’ We don’t want to go away and look into

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it – we want to give an immediate answer. With LAMP, the person taking the call can scroll down to the precise invoice, and drill down into it to find out what contributed to that specific cost: who was involved and what they did. It's all very fast and there's no need to call the client back later."

When it came to providing useable, accessible management information at all levels of the organisation, LAMP again proved a powerful asset. It can provide anything from a detailed look at the activity of one individual on one particular day, right up to a high-level report on the total year-on-year change in the Directorate's turnover, and everything in between.

"This includes what the private sector calls 'marketing information'," says Barry Kennedy. "What are we doing? How much for? What type of work? Who's doing it? All this can be readily answered by LAMP. It also enables us to work out our overheads, by taking information on each individual and identifying the costs of, say, accommodation, specialist equipment, IT and so on. Then we can make decisions about assigning these costs – and we can answer the question: what is the true cost of this specific part of the organisation? Where should we allocate more resources?"

What about training? Did it require a lot of upheaval to get staff up to speed? "Most users only use certain bits of LAMP, such as timesheets, or reports on specific projects," answers Barry Kennedy. "When we installed the latest version of LAMP we asked ourselves how we were going to bring these users up-to-date. We thought about training and decided that, since we found the system so easy and intuitive ourselves, we'd give them just one presentation and then let them try it out themselves – on their web browsers, through which all this information is available. It worked; they didn't need anything else. It's very easy to use.

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"Some users, of course, need more detailed information and hence more training. This is provided by Bensasson & Chalmers and it's excellent, again because they understand the real business issues that people are actually facing. Hence it's easy for them to communicate with, and train, our senior people."

And what about the future? "Because I have used LAMP for some time now, I know that it can cope with virtually any business situation. Whatever the charging mechanism, whatever the changes made, it's flexible enough to cope. The limits are less to do with the product, and more to do with people: knowing what is wanted. We, for example, don't use the resource management facilities as much as we could. It's possible to use LAMP to go through a job planning the entire resources required, in as much detail as you want. But it all comes down to getting people to plan, doesn't it? The facility is there."

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