

Fortune 50 Company Implements LenelS2 OnGuard Solution as an Enterprise Resource Management System, Resulting in Major Cost Savings

Summary

Organization

Global Commodity Producer & Distributor

Location

Worldwide Operations

Industry

Energy

Challenges

- Increasing cost pressures and performance expectations supporting dozens of business-critical enterprise systems
- Limited integration between business systems
- Redundant data collection and storage across siloed business systems

Tasks

- Increase System-Wide Operability
- Reduce Overall System Costs

Solution

- Leveraging OnGuard security management platform to integrate and enhance interoperability between multiple disparate systems

Results

- Measurable annual cost savings in excess of \$1B annually from reduced direct support labor and third-party costs, avoided per-diem overpayments, streamlined and accelerated verification, credentialing and licensing processes, as well as integration of several separate functions into the OnGuard solution



Situation: Seeking Cost-Savings and Performance Improvements

A global energy company specializing in production and wholesale distribution has been a longtime user of the LenelS2 OnGuard access control system. When OnGuard was first implemented within this company, the system was primarily used to provide and manage credentialing, field device integration, access permission management, alarm monitoring, video analytics & management, and reporting.

Under this view, the OnGuard system operated strictly as a traditional physical access control solution, managing and controlling who or what is allowed entrance to a system, operating environment, or facility.

As time went on, the company's Director of Global Security was charged with delivering cost-savings and meeting additional system-wide performance benchmarks. Working towards delivering those mandates, the OnGuard system increasingly became the linchpin of the company's many interconnected systems, taking up a role as an innovative Enterprise Resource Management System (ERMS).

Typically, an ERMS is a business management solution that allows an organization to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services, and HR, driving business efficiency, cost reductions, and more.

Task: Increase System-Wide Interoperability

Within this organization, multiple corporate functions (and their supporting back-end systems) interact directly with the OnGuard physical access control system continuously. Those connected functions include:

- Security (primary)
- Health, Safety & Environmental (primary)
- Accounting & Finance
- Project Management & Engineering
- Human Resources
- Risk Management
- Field Operations
- Insurance
- Legal
- Aviation & Travel Services
- Training & Development
- Information Services
- Corporate Investigations
- Maintenance (BMS Integration)
- Marine Assurance
- Supply Chain Execution
- Events & Venues
- Warehouse & Inventory

“We started with OnGuard using the traditional view— as a security system—but by employing OnGuard as an innovative ERMS Solution, we reimagined security as an operational profit center.”

– Director of Security

Action: Building Tighter Interoperability Between Disparate Systems

The following chart illustrates an example of enterprise solutions used by each functional area, showing how interconnected they all need to be to optimally serve the organization. The OnGuard system serves as the cornerstone for all interconnected systems.



Acronym Legend

- DISA: Defense Information Systems Agency
- DHS: Department of Homeland Security
- USCG: United States Coast Guard
- FAA: Federal Aviation Administration
- ROCIP: Rolling Owner Controlled Insurance Program
- OSHA: Occupational Safety and Health Administration

Delivering Measurable Results: The Power & Value of Integration

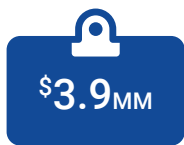
The OnGuard solution was leveraged to serve as the primary database for the company's many enterprise systems. As these systems were increasingly integrated with OnGuard, not only did routine activities improve operationally, but it became possible to identify and quantify the positive financial impacts of the integrations.

The following are a few examples that illustrate this financial impact and the added value that integrating disparate systems with the OnGuard system provided.

ANNUAL SAVINGS



Cardholder Validation System: The company faced a recurring issue around per-diem overpayment. The initial solution proposed was to implement a system that would perform two-phase optical character recognition (OCR) and barcode verification on state/federal credentials. The costs for deploying a proprietary software solution were estimated to be approximately \$220,000 per site, with an additional \$35,000 in annual licensing. In contrast, an OnGuard-based integration solution was implemented for \$17,000 per site and reduced per-diem overpayment by 2.5%. This approach resulted in \$4.45MM in savings in the first year alone, with the following years seeing savings of \$4MM+ annually.



Electronic Permitting System: Expediting the issuance of work permits in classified areas, while ensuring accurate closure tracking of permits, is an essential ongoing activity. By integrating to the OnGuard database, it was possible to save six minutes per permit, and with an average of 840 permits issued daily, the efficiency represented \$3.91MM in annual savings.



Contractor Safety Enrollment: Consolidating safety training and badge enrollment was a key goal, coupled with cross-database checks to ensure only qualified workers would have access to controlled sites and areas. The previous process was manual and required contractors to travel between regional safety facilities and work sites for training and badge issuance. By integrating the contractor safety qualification database with the OnGuard system, the company eliminated 40 minutes of billable travel for 86,000 contractors annually, resulting in \$2.9MM annually in savings.



Verification of Drug Testing & Background Screening: Determining if workers are current on drug testing and whether background screenings are complete are critical ongoing tasks. While the company's previous tracking software required one full-time equivalent (FTE) in labor per site in addition to \$20,000 in licensing (costing the company \$840,000 annually), the solution integrated with the OnGuard system reduced staffing requirements by 21 FTEs, leading to \$1.8MM in savings annually.



Consolidation and Minimization of PII Data Storage: Eliminating countless redundant databases storing personally identifiable information (PII) was one of the company's key goals. Information was being pushed between systems and reconciled daily; the objectives included reducing badge issuance times, automating approval processes, and ensuring the accuracy and security of data collected. By integrating disparate databases into the OnGuard solution, over a dozen PII systems and databases were consolidated and/or eliminated. As a result, the integration of these functions into OnGuard provides a positive financial impact of over \$220,000 annually.



Contractor Time Management: For contractors at locations around the world, the company previously relied entirely on the use, tracking, and accounting of paper timecards (with some sites running an enterprise accounting system for time keeping). Overwhelmed by this time-consuming and largely manual process, the organization had an operational and financial objective of eliminating both paper timecards and the use of an enterprise accounting system for timekeeping.

This transition was achieved using access control readers connected to the company's OnGuard system to capture real-time time, attendance, and location information. Next, that data (now stored in the OnGuard system) was integrated with a contractor data and spend management solution for expedited approval/processing, along with verifying actual time on-site by all contractors. As a result, savings of approximately \$1B annually were realized from the eliminated third-party costs, reduced labor, and real-time reporting and decision-making processes.

“LenelS2 and OnGuard are now well-engrained into every aspect of our business, as OnGuard is one of the few software platforms in the PACS space that can talk to any business system.”

- Director of Security



Conclusion: The OnGuard Advantage

As the company and the Global Director of Security worked to ensure tight integration between the OnGuard system and the other enterprise software solutions, resource savings were joined by the increasing realization that OnGuard provided an access control solution that delivered power and integration opportunities unlike any other solution in the market.

The OnGuard system was uniquely able to deliver on each of the essential, mission-critical attributes expected of the integrated security solution for this global company. Delivering on these essential attributes made OnGuard the true open-architecture access control system of choice, consistently delivering a dynamic, adaptive software suite capable of seamlessly integrating into all aspects of the enterprise.



For more information, please visit lenel2.com.