



## Microsoft Dynamics Customer Solution Case Study



## Leading Nonprofit Transplant Provider Realizes Optimal Value from Donations

### Overview

**Country or Region:** United States

**Industry:** Nonprofit—Charities and  
Philanthropic Services

### Customer Profile

LifeNet is one of the nation's largest nonprofit organ and tissue donation agencies as well as an innovative leader in its field. LifeNet is dedicated to saving lives and restoring health.

### Business Situation

LifeNet wanted to further its mission by improving inventory management, accomplishing demonstrable regulatory compliance, and running its business operations as efficiently as possible.

### Solution

Replacing several, disparate systems, LifeNet implemented Microsoft Dynamics™ GP as the single business management solution for the entire organization.

### Benefits

- Inventory control and accelerated distribution
- Business insight and demand planning
- Regulatory compliance and quality assurance
- Productivity gains and cost control

“Inventory management with Microsoft Dynamics GP allows us to make the best use of what we receive from donors.... We match requests with available inventory and quickly help doctors and their patients.”

Steve Lenz, Vice President of Information Services, LifeNet

LifeNet, one of the largest nonprofit providers of organ and tissue donations in the United States, pursues one goal: saving lives and restoring health. Pursuing that mission, LifeNet strives to maintain complete inventory control, perform sound planning, run an efficient business, and practice full compliance with regulatory and quality standards. To better serve transplant patients and hospitals, LifeNet migrated from a technology environment of many disparate systems to Microsoft Dynamics™ GP software as its sole business management solution. Microsoft® Gold Certified Partner BroadPoint Technologies managed the implementation. Now, full inventory control, strong productivity gains, increased business efficiencies, and faultless compliance allow LifeNet to make the best of every donor's gift.



“Only a small number of eligible people are donors. If we increase that percentage by just a few points, we can save more people, and Microsoft Dynamics GP helps us accomplish that goal.”

Steve Lenz, Vice President of Information Services, LifeNet

## Situation

LifeNet is one of the largest nonprofit, full-service organ donation agencies and tissue banking systems in the United States. The organization’s mission is to save lives and restore health by providing organs and tissues for transplantation. LifeNet also offers educational services and extensive support for donors, transplant recipients, and their families. LifeNet’s headquarters, and most of its 500 employees, are located in Virginia Beach, Virginia. The organization maintains four clinical storage facilities at strategic locations throughout the country.

The donors and recipients of tissues and organs are the most important communities LifeNet serves. The organization’s activities focus exclusively on its mission. Says Steve Lenz, Vice President of Information Services at LifeNet, “In everything we do, we look to maximize the value of the gift we receive from donors.”

## Urgent Inventory Management Requirements

Critical for LifeNet’s success is maintaining control over its valuable inventory of donated tissues and organs. This entails having complete visibility of each item throughout the process, from donation and storage, to delivery and transplantation into a recipient. Given LifeNet’s specialization, inventory management has its own challenges, for example:

- Donations of bone from a single donor may be separated into several possible grafts, all of which must be tracked.
- The organization’s two call centers, which respond to requests from doctors and hospitals, must have insight into the inventory to ensure effective usage of donations.

- Often, when LifeNet ships grafts to a doctor, it provides several possible solutions for a successful transplantation because the exact size needed is not always known until the operation takes place. Hospitals return the items they don’t use, and LifeNet receives such returns and keeps them available for other situations of need.

LifeNet experienced a lack of efficiency in its inventory management. Several disparate software systems, including Siebel, Oracle, and FileMaker databases, held inventory information, complicating the process of finding the best match for a request. Seamlessly tracking the path of a tissue or organ from donation to transplantation was difficult.

## Need for Improved Business Intelligence

LifeNet looked for better business insight in order to optimize the value of donations. Analyzing demographic and geographic data, LifeNet managers hoped to improve their understanding of how different kinds of donors and their donations could best benefit patients in need. Using historical order information, LifeNet also wanted to increase the efficiency of its demand planning. The organization owned all the data, but accessing and using it was a cumbersome effort.

Even though it is a nonprofit organization, LifeNet needs to operate as a sound business and use its resources as effectively as possible. Cost management, based on reliable analysis of cost factors, was challenging because the information to drive such analysis was difficult to obtain. LifeNet finance managers wanted to understand fully the actual costs of managing, storing, and providing donations. That information, they hoped, would support sound controls and accurate transactional relationships with hospitals.



**Figure 1.** LifeNet headquarters includes corporate offices as well as advanced medical storage and research facilities.

### **Regulatory Mandates and Quality Commitments**

In pursuing its vital mission, LifeNet aims to maintain the highest possible standards in its operations. LifeNet was the first organization of its kind to accomplish registration to the International Organization for Standardization (ISO) quality standard, and it holds the longest-running current accreditation by the American Association of Tissue Banks. In recent years, LifeNet has adjusted its financial and business management practices to reflect requirements of the U.S. Sarbanes-Oxley Act of 2002 for financial disclosure and reporting. Gordon Berkstresser, Chief Financial Officer at LifeNet, says, "Since we are a not-for-profit organization, Sarbanes-Oxley does not actually apply, but we know that auditors, business partners, regulators, and the educated public will soon expect us to follow that standard."

In addition to Sarbanes-Oxley, LifeNet complies with the rules of the Health Insurance Portability and Accountability Act (HIPAA), the U.S. Food and Drug Administration (FDA), and other regulatory requirements. Compliance-driven reporting and other efforts consumed significant staff resources and did not yield the clear demonstration of accountability LifeNet wanted to show.

LifeNet began to look for ways to streamline its inventory, business, and compliance management in order to provide its services even more effectively. Business technology offered an avenue to realize this goal.

### **Solution**

One business management solution LifeNet used was an older version of Microsoft Dynamics™ GP software, then known as Microsoft® Business Solutions–Great Plains®. The organization also used several other Microsoft products, including a Microsoft SQL Server™ database and Microsoft Office Excel® spreadsheet software. Says Lenz, "We liked the potential we saw in the Microsoft technology, even though we were not using it fully. At a point when the high costs and inefficiencies of supporting several disparate systems were too large a burden on the IT group and the entire organization, we decided to explore the possibility of standardizing on Microsoft technology."

LifeNet contacted BroadPoint Technologies, a Microsoft Gold Certified Partner with an office in Chesapeake, Virginia, not far from LifeNet. BroadPoint offers a wide spectrum of consulting, support, and educational services, and provides successful implementations of Microsoft business management solutions and other technologies. With a well-established practice in the area of not-for-profit organizations, BroadPoint was an excellent resource for LifeNet.

### Replacing Disparate Systems

Over a period of 18 months, BroadPoint planned and performed a complete transition of all software systems in use at LifeNet. BroadPoint also ensured that LifeNet employees were comfortable using the new software tools. In the process, LifeNet replaced older software from Siebel, Oracle, and others with the latest version of Microsoft Dynamics GP. Today, Microsoft Dynamics GP helps LifeNet manage such critical business areas as inventory, warehouses, finances, order processing, human resources, and payroll. LifeNet workers throughout the organization use Microsoft Office System applications, including Microsoft Office Excel 2003, Microsoft Office Word 2003, and Microsoft Office Outlook® 2003 messaging and collaboration client, to perform their jobs. Microsoft Dynamics GP and the Microsoft Office System applications have several integration points. Most visibly, LifeNet employees export data from Microsoft Dynamics GP into Office Excel 2003 for analysis and reporting.

The Windows® Server 2003 operating system serves as the ground layer of LifeNet's business infrastructure, and Microsoft SQL Server 2005 is the main data repository. Microsoft Exchange Server 2003 facilitates efficient communications and messaging. In the organization's storage facilities, Microsoft Dynamics GP integrates with Falcon, a shipping management solution, and FastPic Systems, which controls a picking device. LifeNet uses the Microsoft Dynamics GP Integration Manager, XML, and Web services to exchange information between Microsoft Dynamics GP and the various systems at LifeNet.

### Moving into a New Technology Environment

In rebuilding its business technology infrastructure, LifeNet also replaced employees' Macintosh computers and their Mac operating system. Today, almost everybody in the organization uses desktop computers running Windows XP Service Pack 2. "BroadPoint managed our technology transition smoothly and elegantly," says Lenz. "Even considering the large cultural changes we made, people took to Microsoft Dynamics GP and the other technologies with great enthusiasm because they quickly realized the tools were much easier to work with than what they were used to—and the productive impact on our success could be so powerful."

BroadPoint continues to be involved with LifeNet as the organization strives for continuous improvement. LifeNet is currently evaluating Microsoft Dynamics CRM relationship management software. Under discussion is an implementation of Microsoft Office SharePoint® Server 2007 to make collaboration within the organization and with hospitals easier. Using an intranet portal based on SharePoint technology, doctors could, from any location and at any time, review items in LifeNet's inventory and enter

Figure 2. Donor families honor their loved ones with squares that are made into quilts commemorating the gifts the donors provided.



Figure 3. Heart recipient John McCaughan lights a candle in memory of all organ donors at LifeNet's annual "In Celebration and Remembrance" ceremony.



a request. Microsoft's Business Portal will play a major role in providing business intelligence by streamlining access to enterprise data on the LifeNet corporate intranet.

### Benefits

LifeNet successfully uses Microsoft Dynamics GP to realize its goals of better inventory control, uncompromised regulatory compliance, and superbly productive business practices. "We accomplish many outstanding results with Microsoft Dynamics GP, and all of them directly benefit the lives of the patients who receive donations we provide," says Lenz.

### Inventory Control and Accelerated Distribution

LifeNet has accomplished the end-to-end inventory control it sought. Says Lenz, "Inventory management with Microsoft Dynamics GP allows us to make the best use of what we receive from donors. At any moment, we know the status and location of an inventory item with complete certainty, so

we match requests with available inventory and quickly help doctors and their patients."

LifeNet employees in call centers, storage facilities, and other departments use Microsoft Dynamics GP to enter and view all information related to inventory storage and distribution. Even when a single donation is separated into several potential grafts, Microsoft Dynamics GP allows complete tracking of all items. Returns from clinics are immediately re-entered into available inventory. Multiple items shipped to hospitals are always accounted for and invoiced correctly.

Comprehensive and accurate inventory control also enables LifeNet to tell donors' families and recipients from whom a donation came and who received it. While protecting confidential information, LifeNet service workers can help families gain a degree of closure and express their gratitude to donors.

“Today, LifeNet can play a role in controlling healthcare costs while providing better service levels than ever. We are part of the healthcare solution, not the problem.”

Gordon Berkstresser, Chief Financial Officer,  
LifeNet

#### **Business Insight and Demand Planning**

LifeNet managers use Microsoft Dynamics GP reporting tools and historical order information to project expected demand and plan to meet it. In weekly meetings, managers review demand trends and determine appropriate strategies for recruiting donors. SQL Server 2005 Reporting Services now provides the organization with the means to analyze and understand the demographic and geographical data related to donors, so it can target donor recruitment programs more effectively.

“Only a small number of eligible people are donors,” says Lenz. “If we increase that percentage by just a few points, we can save more people, and Microsoft Dynamics GP helps us accomplish that goal.”

#### **Regulatory Compliance and Quality Assurance**

Microsoft Dynamics GP helps LifeNet practice and demonstrate regulatory compliance and reporting, with less effort and much improved visibility. Microsoft Dynamics GP allows the full tracking of audit trails and the movement of grafts from donor to final recipient as required by FDA Good Tissue Practice and the Joint Commission on Accreditation of Healthcare Organizations.

All business transactions are fully auditable within Microsoft Dynamics GP, including such complicated steps as delayed billing—the practice of shipping several inventory items and later invoicing for the one that was used—or accounting for consignment inventory shipped to hospitals that have close relationships with LifeNet. Auditors enjoy a greater comfort level with LifeNet’s business practices, and audits can conclude in less time.

Regulation prescribes stringent quality assurance in managing donated tissues and organs. Before accepting donations into its

system, LifeNet must screen donors and their donations for any viruses or risks to its sterile environment or to receiving hospitals’ patients, staff, and operating rooms. A series of approvals and releases ensures that donations do not incur any liability. LifeNet manages this quality assurance with Microsoft Dynamics GP and in integration with inventory control. Says Lenz, “With Microsoft Dynamics GP, we demonstrate the full chain of custody of donations, from recovery to transplantation, and we can also show that we took all the steps necessary for uncompromising, flawless quality control.”

#### **Productivity Gains and Cost Control**

Implementation of Microsoft Dynamics GP and other Microsoft technologies has made a significant difference in the productivity of LifeNet’s business and financial management. As Berkstresser says, “The accounting group is thirty percent smaller than it used to be, but we are administering three times the revenue we did in earlier times.”

LifeNet is still establishing benchmarks for its new processes, but the trends are clear. With Microsoft Dynamics GP as the business management solution for everybody in the organization, reconciliation of financials and inventory and closing the books are more efficient than in the past. And such tasks as matching transactions, inventory, and customer accounts, now largely automated, take approximately one-half to two-thirds of the time they required before.

With those productivity gains, together with accurate costing available through Microsoft Dynamics GP, LifeNet can be a superior partner to the transplant recipients and hospital systems it serves. Says Berkstresser, “Today, LifeNet can play a role in controlling healthcare costs while providing better service levels than ever. We are part of the healthcare solution, not the problem.”

## For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: [www.microsoft.com](http://www.microsoft.com)

For more information about LifeNet, call (757) 464-4761 or visit the Web site at: [www.lifenet.org](http://www.lifenet.org)

For more information about BroadPoint Technologies products and services, call (301) 634-2400 or visit the Web site at: [www.broadpoint.net](http://www.broadpoint.net)

## Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

### Software and Services

- Microsoft Dynamics
  - Microsoft Dynamics GP
- Microsoft Office System
  - Microsoft Office Excel 2003
  - Microsoft Office Outlook 2003
  - Microsoft Office Word 2003
- Microsoft Servers
  - Microsoft Exchange Server 2003
  - Microsoft Office SharePoint Server 2007
  - Microsoft SQL Server 2005
  - Windows Server 2003

- Windows XP SP2
- Technologies
  - Business Portal
  - Microsoft SQL Server 2005 Reporting Services

### Partners

- BroadPoint Technologies