

Innovation for the Essentials of Manufacturing and Distribution



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Global Realities

If we were to orbit the globe to monitor the state of the world's business activity at a particular point in time, we would observe an impressive surge in manufacturing and distribution. New plants, new products, new technology and new markets are emerging at extraordinary velocities; and the distribution of components and products has evolved into a network that keeps equipment and transportation systems operating at an unprecedented pace.

However, while the global economy may offer up an optimistic view, an inhibiting economic reality quickly becomes apparent: this growth in manufacturing and distribution is uneven in the extremes, with some geographic and industry sectors struggling to control their massive expansion while others struggle just to remain viable as they lose business to emerging economies, rapidly changing consumer demands and ever more sophisticated competitors.

In the United States, for example, the domestic automotive supply chain is battered by increasingly complex products that require increasingly complex processes to manage. The industry's far-reaching global network of operations demands more visibility to track components and products and gain early alerts to potential disruptions. Suppliers are often reluctantly accepting new levels of responsibility, while consolidation and cost pressures squeezing from above and below create rapid changes in the competitive environment. In Japan, however, and in Japanese-transplant locations in North America, the same industry is thriving under the same challenges, because these manufacturers have better learned to read and respond to market forces.

On the continent, the European Union is toiling to develop a high-technology economy for Europe, consciously attempting to transform manufacturing from a resource-intensive arena to a knowledge-driven sector that promotes innovation. Manufacturers there, however, are troubled by Europe's low productivity growth compared with America's and their difficulties in converting new ideas into new products and processes. In Europe, the proportion of gross domestic product devoted to research-and-development spending lags behind that of the U.S. and Japan and is projected to trail China's by 2010.

China's manufacturing economy, on the other hand, is exploding, with 9.5% growth in the second quarter of 2005 alone. Over the same period, its exports soared 31%. Production in China is so heated that it is straining that nation's energy supplies and transportation, leading to rationing of those resources in some regions.

Clearly, the challenges presented by growth, shifting consumer preferences and new production methods vary immensely both by geography and by industry. Equally evident, therefore, is the fact that, while manufacturers and distributors across the globe must leverage technology to meet their challenges, generic solutions will not work. In each industry, in each nation, both the challenges and the requirements they generate are different. Solutions need to be built upon deep foundations of understanding for each industry vertical and upon the particular needs of each region.

A solution provider, therefore, must be integrated into the economies of

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individual nations and must understand the essential issues, competitive threats, technical opportunities and future planning of businesses industry by industry, segment by segment.

Infor was born from the recognition of these realities. A company with an extraordinary focus and prodigious industry-specific experience, Infor is a technology provider that has assembled the world's best applications for the full range of manufacturing and distribution operations and has integrated them into "superbreed" offerings. Each of these solutions is designed for a specific industry, based on Infor's deep understanding of the essential challenges confronting them. The company works within the manufacturing and distribution arena to provide exceptionally thorough and completely integrated technology solutions that meet specific needs of select verticals.

The Challenge of Keeping Up

A troublesome reality that confronts businesses is the recognition that four to five years of budget tightening for manufacturing and distribution companies—especially in IT expenditures, following outlays for Y2K upgrades—has limited their ability to update their technology. As we enter the second half of the decade, many enterprise applications are eight to ten years old and may be hindering companies as much as helping in their efforts to stay competitive.

Reductions in manufacturing IT spending, in turn, has ravaged many manufacturing software companies, where growth has tumbled from 30% a year in 2000 to single digits each year since. Some 70 to 80 percent of software companies today are losing money. Consolidation among software suppliers has accelerated; and as a result, anxiety levels are rising among manufacturers and distributors that rely heavily on technical support and consistent upgrading of technology. These customers want to be certain their solutions provider will be around to maintain and update their technology in the months and years ahead.

Therefore, they are delaying their technology purchasing decisions until they have a better sense of which providers will survive and be able to grow with them. Meanwhile, their current technology falls farther behind in its ability to meet their needs.

Today, across the globe, Infor's financial stability and sound structure have simplified the choice of solution providers. Infor is a rock-solid organization that has grown fiscally stronger every year and that has become an increasingly integral part of the manufacturing and distribution fabric in nations around the world. Our clients have placed their trust in our capabilities and our future because we promise to protect their investment in our solutions. Our consistent record of analyzing our customers' needs, assembling the right set of solutions and then innovating to integrate them for the next stage of our clients' expansion or evolution has kept us growing when others may have been contracting.

The Hole in the Market

Infor is a technology provider that has **assembled the world's best applications** for the full range of manufacturing and distribution operations and has integrated them into **"super-breed" offerings.**

As a company, Infor itself was assembled after some of the world's most innovative technology executives talked with industry analysts, manufacturers, distributors and other businesses and discovered a common interest. These businesses were looking for a solutions provider that demonstrated a number of elusive characteristics, a list of traits that were crucial but that had not all been available in a single provider. The attributes these businesses sought in a technology partner covered a range of issues surrounding knowledge, technology and presence in the marketplace, including:

- A focus on essentials to resolve business-specific problems, a concern for the most important, separately defined needs of each industry the provider serves.
- A single-source provider of an integrated supply-chain solution who could not only oversee the smooth functioning of the technology through integration but also accurately anticipate future needs as a result of an intimate understanding of all aspects of operations.
- A financially stable vendor that would be available when the customer needed it to help determine how to meet changing market requirements.
- A solutions partner that talks the way its customers talk, with a clear understanding of the industry's language as well as the native language of the country in which the customer is situated.
- A protected investment, an assurance that the vendor will be around for years to come to keep the company's technology current and to provide ongoing support.
- Adoption of technology so that applications that customers purchase today will integrate with each other and with yet-to-be developed technology that will be incorporated in their current suite of services. This attribute requires a partner that anticipates the customer's needs so the company does not have to look elsewhere for a solution that, in the end, may not integrate with its current system.
- Reductions in the cost of infrastructure that themselves pay for future applications, moving away from proprietary applications to become platform independent as a way of reducing the cost of running the technology.
- A partner that, as companies expand or anticipate expanding globally, will be up and running in these new locations with them so they do not have to change providers if their business changes.

This long list of unfulfilled needs plainly indicated a "hole" in the technology market, a combination of needs not being met by niche providers or large vendors that try to stretch generic applications horizontally over multiple industries. Infor was engineered to lead the response to all the requirements that businesses across the globe were seeking.

Infor became a distinct type of technology partner, one built on a vision to change what customers expect from an enterprise software provider by meeting the requirements they've defined. Since its creation in 2001,

Infor has continually enhanced its ability to address the specialized, complex and progressively global requirements of select manufacturing and distribution industries, whether large international corporations or growing mid-sized companies.

Contrasting with the largest generic-software providers who weave their common solutions into multiple industries, Infor understands the essential issues of each business sector in which it operates. It knows the intricacies of plant-floor execution and the challenges that confront each type of manufacturer or distributor. Rather than stumbling over the hole in the market, as competitors seem to have

Contrasting largest generic software provider Infor understands the essential of each business sector in which it operates.

done, we have recognized the void and are building solutions that address a manufacturer's or distributor's need to update its technology to remain competitive. In meeting these needs, we convey to our customers a series of advantages and assurances:

- We focus on the essential issues that help you improve your business.
- We strive at every point to understand how your business is evolving and changing.
- We design solutions that maximize functionality without requiring massive customization.
- We bring a passionate business sense with our commitment to customer service and our focus on the critical needs and issues of your industry, your company and your people.
- We design our solutions using an infrastructure that is platform independent so you can reduce the cost of supporting your systems. Furthermore, our extensive use of .NET, Java and other open architectures helps ensure we can always provide you the right application for your business and integrate it easily into your current technology.
- When you work with Infor, you always have access to the best and brightest professionals who have a deep understanding of your industry.
- You receive the best integrated solutions because of our scale and our stability.
- You can work with one vendor who provides integrated solutions, rather than piecing together applications from numerous niche providers.
- When you are ready, we can support you anywhere in the world with the best technology the world has to offer.

Infor's Vertical Horizons

In meeting our pledge of focused, flexible, global service, Infor has concentrated on a limited number of vertical markets within manufacturing and distribution, including:

- Discrete manufacturing: fabrication and assembly, electronics, plastics and related markets
- Automotive
- Distribution
- Consumer packaged goods
- Food and beverage
- Specialty chemicals, pharmaceuticals and biotechnology

We have intensely evaluated the needs of each of these sectors, vertical horizons that have attracted our energy. Then, we have assembled the world's best-of breed solutions and innovatively integrated them in ways that provide solutions for specific processes in each industry. A global network of Infor experts, with decades of experience, produces solutions that truly are distinctive in the software industry in their economy of structure, scalability, scope and integration.

Infor itself has rapidly gained the scale and scope necessary to meet our clients' needs for global presence and intensive levels of service. Our network of 2,300 employees in North America, Europe and the Asia/Pacific serves 17,500 customers worldwide. We have direct offices in 47 countries and can implement our services in 70 nations.

Our commitment to innovation is reflected in the fact that we invest 18 percent of our total net revenues in R&D.

Among industry analysts, our financial stability has earned Infor a reputation for spectacular growth

established on sound business strategies. AMR Research, for instance, noted in 2005, “Though a combination of growing the installed base, adding first-time customers and acquiring companies, [Infor’s] growth curve has gone from between \$350 million and \$400 million last year to \$575 million to \$600 million currently.”

How Infor Defines The Essentials

Process, proficiency and performance form the core of the way Infor defines the essentials, the critical issues relating to the specific industry verticals on which we focus. Our process is collaborative, our proficiency is extensive and our performance is consistently on target in satisfying and predicting the needs of our clients.

We determine the essentials by talking with key business managers around the world, analyzing the processes that cause them problems or hold them back. Then we define a solution based on the manner in which the specific vertical market under consideration operates. Our very deep expertise in each of the select industries we serve derives from decades of accumulated knowledge and success in focusing on industry issues, assembling resources and innovating technology that provides completely integrated enterprise-wide solutions. This thorough understanding of the vertical industries on which we concentrate extends as well to a global network of affiliates who support thousands of the world’s brightest people with industry-specific expertise.

As we develop solutions to essential issues, we work to make them easy to use and economical for our customers. For example, we ensure that all applications—existing or new—share a common user experience through their interface. This standardized environment helps make technology upgrades seamless to the user, and employee training on the software interface therefore remains applicable across all portions of the integrated solution.

Additionally, we promote both speed and economy of operations by developing individual technology tools that serve a number of different applications within an integrated software suite. For instance, we may collect the pricing features of a variety of applications and capture them all in one shared “pricing engine” with a single pricing strategy that can be employed in any of the applications that require its functionality. Furthermore, we build shared services into our integrated programs, common functions from printing to security, so that users can sign on once for all applications and access these services from any of them.

With our focus, our methods, our experience and our ingenuity, we differ from any other solution provider in the way we define and respond to the essentials of our customers. Our focus solely on manufacturing and distribution has enabled us to discover and develop synergies between these two industrial segments and to recognize how Infor solutions become key enablers for dealing with emerging changes in customer requirements. As more distributors provide light manufacturing, the lines separating manufacturing and distribution are dissolving. We also are finding that some products initially intended for manufacturers—

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such as demand planning to set production requirements for a supply chain based on anticipated consumer demand—are yielding benefits for distributors as well. Within our integrated suites, we often provide a number of different methodologies to carry out a process, such as production scheduling, to offer the right system at the right stage of production to match the specific needs of individual companies.

Forrester Research points out that Infor is following the only model for success in our industry, and Infor is the only company operating on that model, commenting, “Forrester believes that vendors who are investing in integrating their acquisition targets, like Infor, will likely be the most formidable competitors.”

Discrete Manufacturing: Expertise and Advantages from Infor

Infor’s expertise in discrete manufacturing is built around our core philosophy, “Focus, assemble and innovate.” We focus on industry-specific issues, processes and controls that occupy the minds of executives and technicians engaged in the discrete manufacturing process. That focus has driven our ability to assemble solutions for manufacturing operations from resource planning and execution management to supplier management and logistics. With the world’s best applications in hand, we have innovated methods to integrate them into suites of applications to allow manufacturers to gain up-to-the-minute information for real-time decision making; to provide new means of collaborating all along the supply chain; and to offer total global visibility within manufacturing plants, warehouses and distribution systems.

For discrete manufacturing, Infor offers the industry’s most widely acclaimed comprehensive, integrated applications:

- Our renowned supplier management solution enables manufacturers to maintain a robust supply chain management process, reducing inventories, minimizing premium freight costs and enabling lean manufacturing. With access to our thin-client application through a standard Web browser, it provides an Internet supplier portal, Web-based visibility and collaboration throughout the supply chain, advanced monitoring of supplier performance e-procurement, multiple procurement methods, automated supplier performance ratings and collaborative correction action requests.
- Execution management from Infor delivers real-time visibility and manufacturing control over machines, people, tools and materials. This solution integrates such features as finite scheduling, advanced planning and scheduling control, and tool and quality management. It also interfaces with time and attendance systems and ERP to collect and integrate machine data from the shop floor.
- Infor’s logistics solution makes warehouse management and inventory control more efficient, with management of stock level, serial number/batch and residual size; subcontracted manufacturing logistics; stock counts and pick lists; continuous quality-assurance processes; consignment-based warehouses; reservations; labels, barcodes and RFID; and online analytical processing for inventory functions.
- Our customer relationship management solution automates sales order entry and other e-commerce functions to reduce compliance costs and minimize human error. It improves supplier ratings; automatically generates barcode labels, ASNs and shipping paperwork; updates inventory levels on shipping; and integrates with accounting systems to generate invoices, promoting e-procurement.
- Our resource management solutions for planning and inventory control incorporate such elements as master production scheduling, firm planned order processing, material requirements planning, production execution, multiple production reporting methodologies, detailed lot tracking and inventory management. Resource planning functions in our solution offer real-time and historic metrics, from inventory turns and supplier performance and scheduling conflicts to utilization predictions to integrate customer cycles closely with manufacturing cycles.
- Performance management that generates strategic business intelligence combines key performance indicators, financial and operational reporting, along with work flow and alert management, into an integrated tool for analysis that allows managers to set and monitor objectives in real time.
- Infor’s financials automate accounting and budgeting enterprise wide, encompassing asset management, costing and value flow, payroll and human resources, cash and credit management, reporting and analysis.

With these types of solutions, we have enabled manufacturers to do a far better job of resolving such

essentials as supplier/subcontractor management, lengthy lead times, complex project-accounting requirements, contract change orders, product configuration and document management. We continue to seek out issues within the discrete manufacturing environment, bringing companies and capabilities into our organization that provide direct solutions that we can integrate into our customers' enterprise-wide systems.

The advantages of Infor's approach to discrete manufacturing are clear. Customers attain all they are looking for in a stable, single-source provider who understands the intricacies of their business, speaks their language, protects their investment and provides open architecture that allows future applications to be incorporated into their existing enterprise systems.

Case in Point: Automotive Supplier Enjoys Supply Chain Improvement

TRW Automotive, one of the the world's 10 largest automotive suppliers, continually strives to improve all aspects of its business. In 2003, TRW's executives elected to focus on balancing customer demand with the company's available supplies as a key strategic objective. To achieve this goal, upper management enlisted logistics, materials management, purchasing, and information systems to launch an aggressive, corporatewide campaign.

Through a series of acquisitions, TRW found itself with a supply chain comprised of a number of enterprise resource planning (ERP) systems, numerous protocols and a mixture of manual and automated procedures. Its procurement practices encompassed thousands of suppliers and tens of thousands of part numbers, managed de-centrally within the various different ERP systems.

Operations identified the business requirements for integrating a single, streamlined B2B supply chain visualization solution to its plants worldwide. Following a comprehensive evaluation process, TRW selected Infor for its in-depth understanding of the automotive industry and adaptable technology. Infor and TRW teamed to implement SupplyWEB®, providing TRW with a comprehensive toolkit for managing the company's supply chain, and taking another significant step towards lean manufacturing.

TRW's aggressive rollout plan included converting 80 plants within an 18-month period to SupplyWEB. During some phases of the implementation, up to 17 plants were being deployed simultaneously. Throughout the project, SupplyWEB automatically produced performance reports to keep the project on track. These reports enabled project leaders to monitor and drive the plants to deliver true, bottom-line, business payoffs. Everyone with a stake in the project could access the same up-to-date, accurate data from SupplyWEB.

Today, approximately 80 TRW plants across North America and Europe, 3,800 suppliers and 60,000 part numbers are managed through SupplyWEB. With SupplyWEB, TRW reduced days of inventory, cut absolute inventory, and lowered premium freight charges, achieving project payback in less than 9 months. In addition, TRW was able to make significant business process changes, introducing pull principles and lean manufacturing techniques for supply management.

Case in Point: Poli Film Overachieves in Production

To improve the overall manufacturing process in terms of usage and production, Poli-Film, a leading manufacturer of temporary polyethylene surface protection products, sought a technology solutions provider whose products were capable of being used in production from beginning to end. The criteria guiding this selection process was to find one provider to support the entire plant with an all-in-one solution to bring speed and accuracy to processing information and improving the production flow.

Poli-Film implemented Infor's Manufacturing ERP solution, which supported the manufacturing team to enable the organization to reach its growth targets and provide an integrated solution for managing the entire manufacturing process. Traditionally, software vendors have provided single-point solutions for each process. With the Infor solution, the management of all these processes was streamlined with a single, powerful, comprehensive solution. Material handling and shop-floor scheduling began occurring in real-time—a significant improvement as compared to the old system that managed data in batch files.

Infor Manufacturing ERP structures quality functions and capabilities around the business process flow of each specific manufacturing environment by accessing the company's specific requirements that are preprogrammed into the software prior to its installation. It supports multi-site, multi-plant and multi-entity implementations, and can be deployed either as an integrated solution within other applications or as a stand-alone bolt-on solution.

Poli-Film's primary uses for the Infor ERP VISUAL technology are:

- Seamless shop floor scheduling
- Easy to use and runs in real-time
- Plans requirements, creating a leaner-than-lean environment so there is no need for excess inventory
- Flexibility to customize parameters and change with the demands of the environment
- Traceability to track products back to their raw materials

In addition to the product's exceptional performance, Geoff Davis, President of Poli-Film, believes that Infor's support team has consistently been prompt and accommodating to the needs of his production team. He considers Infor a professional solutions provider with an honest and detailed approach. "Unlike any other solutions provider, the Infor sales and support teams understood our business and what we were trying to achieve. That knowledge is vital to our business and industry."

With the Infor solution, Poli-Film's inventory turnover was significantly reduced and sales increased dramatically due to the availability of Infor technology. "Not only did Infor solution help improve the overall manufacturing process and allow Poli-Film to be more market led and customer driven, it supported Poli-Film's objective of doubling its business in only two years," said Davis. "In 2004, the company experienced unprecedented growth of more than 40 percent and has been aided by the support of Infor. The use of this system continues to be an integral part toward our expansion in the U.S."

The Future of Manufacturing and Distribution

Infor monitors trends in manufacturing and distribution, analyzes developments and forecasts emerging needs of select industries. This focus enable us continually to provide valuable functions to our customers in an economical fashion by simply and seamlessly extending our integrated suites with new applications our customers require. And as we focus on industry issues, we not only track the trends impacting our customers but also lead the trend toward simpler, more comprehensive and more economical solutions.

Looking toward the last half of the 21st century's first decade, Infor has identified a number of emerging essentials for which we already are adapting our customers' current technology with cost-effective advancements:

- Globalization, coupled with consolidation of suppliers, impacts every manufacturing operation. Infor is expanding on its trusted ability to think globally while acting locally to assist manufacturers in linking their ever-lengthening supply chains. The solutions we innovate will allow West European companies expanding into the East and American manufacturers broadening their presence throughout Asia and the Pacific to operate as one fine-tuned production line with total visibility and coordination.
- Crucial to automotive manufacturers will be the ability to reduce the cost of warranty operations, generated by problems in the quality of production processes or materials. Infor understands the essentials of this issue and continues to develop methods to standardize and connect procedures from the dealer's shop to the component or system supplier and the OEM, as well as to ensure quality on the plant floor.
- Transportation costs within manufacturing supply chains and distribution systems will continue to soar, so Infor is expanding industry's ability to use Web-based shipment tracking. For the first time, plant managers are gaining real-time data on shipment locations to make decisions on logistics and orders that can avoid needless transport charges and excess inventory.
- The viability of solution vendors will become an even more significant issue for manufacturers and distributors. Infor's global presence and sound fiscal structure ensure its ability to help current and future customers grow indefinitely. Infor will remain ready to be in place wherever its customers need to go and to grow with them in any locality.

As manufacturing and distribution companies prepare to meet these challenges, Infor is preparing the technology that will enable them to do so efficiently, however and wherever they operate.

Vision and Insight from Infor

Infor's success and stability result directly from its distinctive philosophy: We focus on the essential issues that confront each of a select group of industries within the manufacturing and distribution sectors. Then we acquire and assemble the world's most appropriate best-of-breed applications and innovate to create integrated "super-breed" solutions, enterprise-wide suites of interoperable services that address the issues that impact each industry vertical operation.

Over a number of years, Infor has acquired some of the most successful best-of-breed providers with deep domain expertise in such arenas as:

- Supply-chain planning and management
- Relationship management
- Demand management
- ERP
- Warehouse management
- Market-driven distribution
- Business intelligence

The world's largest and most sophisticated companies have partnered with Infor to gain solutions that address the essential business issues that impact their operations. Our customers include:

- Weber
- Steelcase
- Coca-Cola Enterprises
- Cargill
- Xpedx
- 3M
- Bristol Myers Squibb
- Volvo
- Tenneco
- Pez International
- Heinz
- Godiva
- Unitek
- ThermoFab
- TRW
- Grohe
- Heineken
- Valvoline
- GlaxoSmithKline

The companies we have acquired have accumulated as much as 20 years of experience in understanding the individual vertical markets we serve and in developing industry-specific software to meet the essential issues that those markets face. We continue to focus on the future needs of our customers, investing 18 percent of our total revenues in innovation.

Our vision is to change what manufacturing and distribution industries expect from an enterprise solution provider by focusing on essentials to meet the needs that these industries have defined. As those needs change, Infor's focus will enable us to continue to assemble and innovate more solutions that cost-effectively leverage our customers' current technology in the plant, the warehouse and the office, extending its effectiveness and resolving new challenges.

Infor keeps manufacturers and distributors atop the waves of change that sweep through the global economy, elevating our customers above their competitors and propelling them toward the new reasoning and the new realities that are essential to success.

As those needs change, **Infor's focus** will enable us to continue to **assemble and innovate** more solutions that cost effectively leverage our customers' current technology.



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