INFOR CLOUDSUITES FOR MANUFACTURING

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THE BOTTOM LINE

Manufacturers facing increasing competition need modern systems that support value chain visibility, rapid change, and customer centricity. In analyzing Infor CloudSuites for Manufacturing, Nucleus found they took advantage of the cloud benefits of flexibility, rapid time to value, and support for innovation to drive greater competitiveness and efficiency.

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Today, manufacturing competitiveness depends much more on how quickly and flexibly manufacturers can meet the demands of customers rather than what or where they deliver their products. Although manufacturers have made great strides in modernizing systems within their facilities, often their aging planning, supply chain, and financial applications are a hindrance to visibility for decision making and overall efficiency and productivity. Some manufacturers have been slow to adopt cloud applications, but there are compelling reasons to move manufacturing to the cloud including:

- Financial. Nucleus's analysis of case study data found that cloud applications deliver 1.7 times the ROI of on-premise ones, both because of lower initial and ongoing costs and the ability to deliver greater benefit over time (Nucleus Research *m108 – Cloud delivers 1.7 times more ROI*, September 2012). They also deliver an average payback of 5 months, versus 1.1 years for on-premise applications.

- Security. Although cloud applications have sometimes been perceived as less secure than on-premise ones, the data clearly shows otherwise: in a recent study

of security decision makers, Nucleus found that only 38 percent of on-premise data centers scored an "A" grade for security, and that cloud data centers such as those provided by Amazon Web Services (AWS) scored significant better in key operational security factors including access control, physical separation of duties, and infrastructure protection (Nucleus Research *p206 – Cloud data center security benefits*, November 2015).

- Flexibility. The ability to upgrade, change, expand, relocate, or contract cloud applications with relatively limited cost and disruption compared to traditional on-premise applications gives manufacturers greater flexibility to manage expansions or acquisitions, support engineer-to-order (ETO) and made-to-order (MTO) demands of customers. Cloud also enables rapid changes in distributed manufacturing schemes to optimize the coordination of multi-party manufacturing processes.

- Accessibility. Manufacturing managers no longer have to make decisions on instinct while on location or return to their desks to view data. The ability to access data at any location, at any time, from almost any device with a cloud application drives more rapid decision making and problem correction.

INFOR CLOUDSUITES FOR MANUFACTURING

Infor CloudSuites for Manufacturing include capabilities for production management; customer relationship management; quality management; supply chain visibility; product development; planning, scheduling, and inventory controls; and reporting and analytics. Industry-specific solutions include:

- CloudSuite Aerospace and Defense for manufacturers, contractors, and MRO service providers in the aerospace and defense industry that manage complex projects with strict quality control, cost accounting, and regulation compliance.

- CloudSuite Automotive for manufacturers, OEMs, and tier suppliers in the automotive industry who manage an extended supply chain with traceability of components.

- CloudSuite Fashion for small- to large-sized fashion, apparel, footwear, accessories, luxury goods, and textile companies.

- CloudSuite Food and Beverage for manufacturers of bakery, beverage, dairy, meat and poultry, prepared and chilled foods, and food ingredients.

- CloudSuite Industrial for small to mid-size manufacturers across all modes of manufacturing and across industries.

- CloudSuite Industrial Machinery for enterprise-size manufacturers of complex machinery and equipment with engineered-to-order (ETO) and manufactured-to-order (MTO) manufacturing requirements and after-market service.

Infor CloudSuite solutions leverage Infor's investment in 10x for a modern user interface (UI) that is intuitive and requires relatively little training, even for ad-hoc or new users. Delivered on AWS, Infor CloudSuite solutions for manufacturers enable them to focus on managing their operations while ensuring they have the reliability, security, and disaster recovery controls in place to mitigate technology risk.

KEY BENEFITS

In examining the potential value of CloudSuites for Manufacturing, Nucleus found three key characteristics that drove benefit: the economies of cloud, prebuilt industry capabilities, and usability.

THE ECONOMIES OF CLOUD

The ROI cloud multiplier that Nucleus has identified is often presumed to be based on lower initial and ongoing cost. However, for manufacturers, the overall value proposition is broader.

The configurable nature of cloud applications enables more flexibility on an ongoing basis because changes in the application can be made at the configuration layer rather than in the application code – thus enabling organizations to adapt their applications and related processes as needed without the lead time, requirements of document development, and review and testing traditionally needed with an on-premise application containing custom code.

In contrast, in the on-premise world, few organizations actually maximize the returns from their investment in the application because the challenges associated with upgrading or changing the application are greater – and more unpredictable – than steady state. As a result, few organizations take every upgrade, instead taking a stair-step upgrade path where they often upgrade only when they have to, or when the cost of not upgrading becomes too great. This means they're not taking advantage of the latest innovation and capability investments made by their vendor.

CLOUD VERSUS ON-PREMISE ERP VALUE
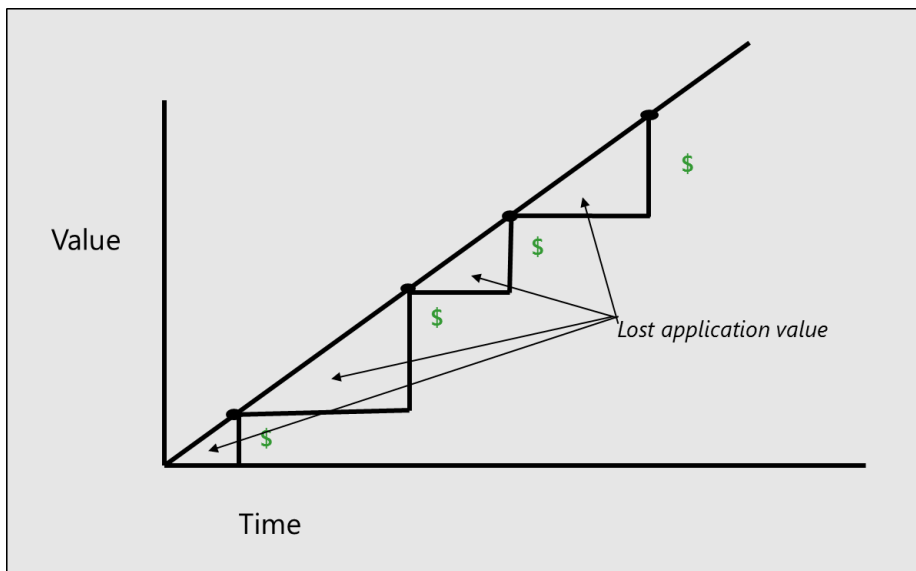
This is particularly important for manufacturers who need not just rapid initial time to value but the ability to make more frequent upgrades, support acquisitions or expansions, and make changes in distributed manufacturing programs that may require them to rapidly spin up secure manufacturing facilities at new sites for particular production runs or projects.

INDUSTRY CAPABILITIES

Prebuilt industry capabilities deliver even greater opportunities for faster time to value, more predictable budgeting, and greater efficiencies for manufacturers. At the beginning of the application lifecycle, prebuilt modules reduce the time, cost, and risk associated with developing, testing, and deploying applications. From a technology perspective, on an ongoing basis they reduce both steady-state costs by reducing the amount of custom code that needs to be managed and supported and change management costs by reducing the amount of code that may be impacted by upgrades or other changes. From a business perspective, manufacturers can take advantage of the knowledge and embedded best practices gained by vendor and partner experience over thousands of implementations, and drive more rapid modernization

USABILITY

All Infor Industry Cloud solutions benefit from Infor's extensive investments in the 10x UI, which is designed to be more intuitive to learn and easier to adopt. These investments, coupled with the mobile capabilities, dashboards and alerts within the solution, put data in context for various groups of users based on their roles and responsibilities. This not only reduces training time but expands data-driven

decision making to a broad set of users beyond the traditional finance or enterprise resource planning (ERP) application user with a lower learning curve, driving faster time to productivity.

With Industry cloud suite, usability benefits extend to customers as well, as online portals, configurators, and knowledge bases enable greater self-service access to information about their orders and a manufacturer's products.

CONCLUSION

Manufacturers looking to modernize their operations need to invest in technologies that both support their operations today and have the flexibility to accommodate either strategy-driven or market-driven changes in the future. They also need solutions that are tailored for their specific industry with embedded processes and best practices. Infor's cloud solutions for manufacturing provide the flexibility, economic benefits, and security of a cloud ERP solution while providing the industry-specific capabilities that accelerate time to value and reduce risk.