

Take Your Business in Motion

Technology and the Evolving Distribution Business Model



An Industry Viewpoint based on an Infor Distribution Webcast on November 5, 2012

TABLE OF CONTENTS

Introduction	3
Empowering Employees in Real Time	3
Making the Transition	4
Security and Functionality	5
The Real-Time Customer Snapshot	. 5
On the Horizon	. 6
Questions and Discussion	. 6
Closing Thought.	. 7

INTRODUCTION

The mobile revolution is sweeping the distribution and manufacturing industries, with sales forces demanding and customers expecting more immediate, real-time access to ERP systems and the data they contain. On November 5, 2012, Infor hosted a webcast called *Take Your Business in Motion*. The guest speaker was Jim Roma, Chief Information Officer at State Electric Supply Co. of Huntington, West Virginia. Joining him was Nick Borth, Product Manager for Infor Motion. Roma and Borth engaged in a spirited discussion of what motivated State Electric to be the first to install Infor Road Warrior and use mobile technology to transform its day-to-day operations.

State Electric has always distinguished itself by providing exceptional service, said Borth, and "Infor as a software provider has a duty to customers to help differentiate you to your customers with the services you can provide them, or the increased efficiency the software gives you." After 12 years as an Infor customer, Roma said it was exciting to see "how quickly things are taking place around the ability to deliver information and applications.

EMPOWERING EMPLOYEES IN REAL-TIME

With 80 outside salespeople and another 40 employees who spend a lot of time on the road, Roma said it was important for State Electric to extend access to a wider range of critical data in real time. "We were excited to be able to not only share contact, mail, and calendar information, the type of thing you would typically share on your mobile, but actually get down to our applications and data," he told Borth. "The biggest thing is not just having applications that run in a mobile environment, but actually having information available on your business transactions and your contacts" while a meeting or interaction is in progress.

When Infor invested in building the Motion suite, developers looked at core ERPs like Infor Distribution SX.e that contained huge volumes of robust, meaningful information. The intention was to create an overlay that would "surface that information in the context of mobility," Borth said. "That was the charter. How are we matching up to the charter?"

Roma said Motion had come along at just the right moment for State Electric, a company with more

than 14,000 active customers that processes 300,000 invoices per year. In 2011, the company had fewer than a dozen tablet devices in the hands of salespeople, but the total had increased to more than 60 by 2012, reflecting the growing need for real-time information in the field.

Infor Motion: The Mobile Advantage

- Make the best practice your fast reality
- Boost productivity in a few simple steps
- Take advantage of industry-specialized, prepackaged Infor applications on any device
- Enjoy out-of-the-box integration with ION
- Use cloud-based technology and security to reduce your IT footprint
- Deploy quickly, manage easily
- See the results before your eyes

MAKING THE TRANSITION

Borth said he had heard clients identify security, cost, and the inconvenience of shifting to a new device as the main barriers to embracing mobility. Roma said laptop users' first question is whether they'll get the functionality they need on a tablet. State Electric addressed that issue by turning it over to a committee of product users, management, and IT group representatives. "Once we got it out into the field, we found out the majority of what our outside folks were using a laptop for could easily be performed by a tablet device," he said.

In both the distribution and manufacturing sectors, Borth said several Infor customers had found it useful to set up mobile steering committees. "If you're looking to introduce mobile to your business and you're faced with these challenges, you have to bring together fewer IT people and more line-of-business people," he said. "Because mobile is about the apps, and apps touch the end users." Steering committees should include key stakeholders from finance, sales, and the executive assistants who "manage the lives of the C-suite," he said, "to better convince those decision-makers that the lines of business are really where the need is, not just centrally in IT."

At State Electric, Roma said the push for mobile came from an outside sales force that began to see what the technology could do. The device mix combines a bring-your-own-device strategy with equipment issued by the company, but Apple products are standard issue. New products are always entering the market, he explained, but "you have to take a leap at some point in time...we could always keep waiting for the next device that comes out, but when we put together what our requirements were, the iPad© fit."

Infor expects rapid technology changes to dictate an 18- to 24-month life cycle for the devices, and while 80 to 90% of Infor customers are currently using Apple devices, Borth foresaw a move to "a completely integrated stack" of Microsoft products once the next replenishment cycle begins. He added that the rapid turnaround makes it important to forecast future acquisitions: "When you want to convince someone to buy something, you need to have a solid case around what it will cost." The Motion team works closely with customers to make sure its app development strategy aligns with their emerging needs.

Once an ION server is running, Infor prides itself on offering very fast turnaround on Road Warrior installations. Very large databases typical in distribution or manufacturing can take time to load, but Roma said his team had access to data on their iPads about 90 minutes after the installation began.

Infor Road Warrior: Don't Wait to Act

- Access up-to-the-minute data on the road
- Make key business decisions in real time
- Get the job done while you're on the move
- Work smart: Location awareness, voice recognition, and constant connectivity
- Put critical customer data in the right context
- Collaborate via Skype and Facetime without launching a new application
- Mobile data that rivals desktop access

SECURITY AND FUNCTIONALITY

Now that essential company information "is really outside the four walls," Roma said securing data is an even more pressing concern than delivering it to users. Borth agreed that "security is certainly top of mind when we go into discussions with clients".

State Electric's first line of defense is Airwatch. "It gives us a good feeling about our security that if a device is lost or stolen, we have the ability to wipe that device clean," Roma said. "It also gives us a good platform to keep up with updates and push applications out from a central point." Motion Manager gives IT departments the ability to keep dozens, hundreds, or thousands of devices up to date and manage their access to different applications—an essential function for any organization that is moving past the days of custom-configuring each incoming device by hand.

Borth said device management tools give IT managers a general sense of security, while Motion Manager "interacts with Infor apps on any platform, corporate or personal. "Each of those applications is a little sandbox with your very valuable information, and the app manager provides the ability to get that information back if the device is ever compromised, or if the user were to leave the company."

THE REAL-TIME CUSTOMER SNAPSHOT

At State Electric, Road Warrior gives field staff a direct connection to the company ERP from their mobile devices. Roma said the outside sales force already had access to historical data, but there is huge added value in getting a real-time view of a customer's current account balance, recent purchasing activity, and other key metrics.

"Even before we'd seen Road Warrior, we promised our salespeople that we would provide them with the real-time customer snapshot from our system," he said. "They've been very pleased with the first rollout of Road Warrior," and the team is looking forward to the next round of enhancements that will soon be available.

Borth said the direct feedback he'd received from the State Electric sales force reinforced the value of the original release and the first set of enhancements. The next step is to add functionality to help users manage the information on their devices. The sales team was "very vocal and helpful" about the importance of being able to add contacts, edit customer information, and add orders and quotes to the ERP from the field, in real time.

Roma said users never know how a new release will match their expectations, but with Road Warrior, "our data has made the difference," he said. "I'm just happy to be involved with Nick and his group at the level to be able to give some feedback on what we're seeing and how we would like this product to grow."

Borth said State Electric came back with enhancement requests in May, 2012, some of them having to do with the core architecture of the application. Most of them were implemented in the August, 2012 round of enhancements, a turnaround that "speaks to the speed with which we're moving."

He added that the access to the development process that has been so important to State Electric won't be restricted to the first few customers to buy the product. "We're going to be leveraging Infor's new social capabilities and starting social user groups and advisory boards, to bring more and more customers into the fold," he told participants. A customer feedback mechanism is also built into the Road Warrior application.

ON THE HORIZON

The next items on State Electric's mobile wish list are price and availability, quotations, proof of delivery and, for the executive team, dashboards. Borth traced a narrative that brings the next round of enhancements together:

- The enhancements begin with order and quote entry, the top-of-mind priority for salespeople across all customer organizations. Any distribution customer knows what a complex enhancement this will be, but Borth said Infor has future plans to introduce it for Road Warrior.
- Infor is working on a proof of delivery application for future release.
- The activity deck app will handle approvals, alerts, and task management, enabling ION users to extend those processes to the mobile realm. "Think about the efficiency gained by executing an approval on a mobile device, rather than letting it sit for hours or days in a desktop queue because you're out on the road. You immediately push along your business process and overall productivity," Borth said.
- For business intelligence and dashboards, a query and analysis product is already in place, and Borth said Motion Dashboards would be released in the future.

Roma pointed to the sheer number and range of applications that outside salespeople use on their iPads, counting on a single device to help them deliver presentations, hold online meetings, manage documents, download resources, and organize their notes. "What we felt was missing was that interaction back and forth between the company's system of record, getting information out to our salespeople to make the decisions and answer questions on the spot, on the road, sitting in a parking lot," he said. The added productivity helps the company compete with the other top distributors in its field.

Borth said Road Warrior and Motion applications put critical, up-to-the-minute information in sales representatives' hands, while showing customers that they're buying from a company that invests in the latest business tools. He also recalled one manufacturer that saved \$100,000 to \$200,000 per year by capturing exceptions and sales promises immediately, rather than waiting a few days and having to redo work after in-house engineers had begun processing or assembling an order.

QUESTIONS AND DISCUSSIONS

A participant asked what information the product delivery application will capture. Borth said Infor is delivering a simple tablet interface, beginning with iPad, to provide a manager's view of delivery resources and support deployment and tracking of specific shipments. On the receiving end, a smart phone app for delivery personnel will provide shipment information, as well as proof of delivery at the line item level, including date, time, location, contact, and signature, all recorded back to the ERP. The Motion platform will likely add scanning capability for a variety of applications.

A participant asked Roma and Borth how they would calculate return on the investment in mobile for an organization with just a half-dozen sales representatives and no delivery fleet of its own. Roma said State Electric was already planning the infrastructure investment in ION, so the benefits of Infor Motion more than justified the incremental cost. Borth said customers generally measure a new installation against a specific pain point and add up the revenue they gain or the costs they avoid by converting.

CLOSING THOUGHTS

Mobile has really moved from trend to standard practice in everyday life. For distributors and manufacturers trying to manage expectations in their sales organizations and among their customers, the missing piece from mobile environments has been the wealth of information stored in ERPs or systems of record.

Infor is investing in its Social and Motion platforms to address these needs. With Road Warrior, critical information not previously available is now literally at employees' fingertips on a tablet or mobile device. For forward-thinking companies like State Electric that have taken a participatory role in guiding the development of these solutions, the value and ROI will only be amplified. Ultimately, Infor is committed to delivering software solutions like Road Warrior that make our customers more competitive and profitable.

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