

Strategic Product Direction

Infor10 Distribution Express (FACTS)



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INTRODUCTION TO INFOR DISTRIBUTION

Supporting the Expanding Role of Distributors

Infor is now the third largest business software company in the world and the leading provider of business solutions for mid-market. With over 5,500 customers, the Infor Distribution business unit, combined with certified local partners and deep distribution expertise, is uniquely positioned to deliver the most comprehensive solutions and services to the wholesale distribution industry.

Our heritage includes some of the most robust and easy-to-use products created specifically for wholesale distributors. These solutions have been made greater through optional extended applications, like Storefront, that Infor offers directly. In addition, we also work with strategic partners to bring our customers the best possible products to complete our offering, including best-in-class CRM, mobile solutions, and document management. More importantly, we work closely with our active, extensive user community to deliver enhancements that put our products ahead of the curve. We deliver technology that makes sense to our customers, at a pace they can accept.

Additionally, Infor Distribution employees and partners have been serving this market, in many cases, for over 20 years, continuing our tradition of innovation in delivering the technology and tools you need to increase productivity, improve profitability, and support growth—today as well as tomorrow.

We are committed to delivering value, addressing necessary changes, and continually providing software that helps distributors solve their toughest business challenges, such as:

- ▶ Optimizing a large inventory investment for maximum profitability and expense reduction
- ▶ Delivering the best experience for the customer
- ▶ Being available 24x7 through an easy-to-use online storefront
- ▶ Being closer to their suppliers
- ▶ Supporting a mobile workforce
- ▶ Selling to the next generation of buyers

Infor is best positioned to predict, react, enact, and offer distributors what they need to thrive.

At Infor, we deliver the solutions that drive your success.

What Distributors are Seeking

We spend a lot of time listening to distributors and this is what we frequently hear:

- ▶ You want a solution that provides a scalable technology footprint resulting in an overall lower cost of ownership.
- ▶ You want software designed to meet your current business needs that will simultaneously grow with your business to meet future needs.
- ▶ You want software that is easy to customize and modify. You would also like those changes to be automatically carried forward from one release to the next.
- ▶ You want more value for maintenance, especially as it relates to making upgrades easier and more cost-effective, so you can continue to take advantage of new capabilities.
- ▶ You want add-on modules available to enhance functionality when and if you need them, allowing you to minimize your initial investment and streamline your implementation.
- ▶ You want integration to be easy and flexible so your application doesn't break when another application is changed or upgraded.
- ▶ You want software implementations to be faster, easier, more cost-effective, and less risky. Cost and time overruns are rampant in the software market and are simply not acceptable.
- ▶ You want a consistent, intuitive user interface (UI) across all modules and functions to ensure an easy, end-user experience and reduced training time, allowing users to focus on getting their jobs done versus learning a new application.
- ▶ You want experienced local support and proven expertise available directly to your distribution business.

We understand the many challenges companies like yours are trying to solve and the common disconnect between what you need and what other software providers are delivering.

Our vision is to be the best solution provider for wholesale distributors and for Infor Distribution to be established as the undisputed software leader for the wholesale distribution market.

MARKET LANDSCAPE

For distribution companies, the game-winning strategy has always been finding ways to achieve new levels of efficiency, accuracy, and convenience that maximize resources and improve customer service. In the post-recession economy, financial and competitive pressures on distributors have increased, making your enterprise resource planning (ERP) solution more critical than ever to meet your daily business-specific challenges.

Today's small to mid-sized distribution companies need a solution that is easy to implement, easy to learn, and easy to use, yet simultaneously delivers the robust functionality needed to meet complex business demands. The solution must also be easy to configure and designed to adapt and evolve with future requirements and emerging technologies.

Emerging Trends

These trends are increasingly impacting the traditional distributor models:

Additional Revenue from Value Adds

Increasingly, distributors are being asked to take on additional responsibilities with the product they are delivering. These requests traditionally include value added operations such as kitting, labeling, and assembly.

Managing the User Experience

Having visibility into all customer and vendor interactions is key to providing a world-class user experience. When a customer calls your organization they expect you to instantly know the last promotion sent out by the sales department, see the most recent quotes and orders processed, be aware of credit and collections issues, and see scheduled activities and recently received complaints. Extending native CRM and role-based work flows throughout the organization empowers employees to meet customer expectations quickly and efficiently.

Fluid Movement of Goods

The streamlining of the supply chain has created an environment where the processing of goods has less to do with where it goes in your warehouse and more to do with enabling a seamless flow from the supplier directly to the customer with minimal intervention. Improved forecasting tools and greater visibility throughout the process are critical for this model.

Selling to the Next Generation

It's no longer enough to have an end-to-end ERP connecting your departments. Your business needs to be connected to your suppliers, customers, and employees. Business contacts are expecting to interact and order from a distributor (B2B) the same way they shop as a consumer on their favorite retail site (B2C).

Employing the Next Generation

Advanced mobile applications are more prevalent than ever in personal and business interactions. In order to bring in and retain the best employees to ensure your continued growth, you have to be available online, mobile-to-mobile, and eventually in the cloud.

Ongoing Initiatives

In addition to being open to emerging trends, distributors must stay true to their core competencies and make investments to continually raise the standard of service they deliver, and subsequently, each of the following should be taken into consideration:

Advanced Ordering

Because today's distributor is faced with a dynamic network of supply and demand, order generation and management is at the core of delivering customer value. The ordering process needs easy access to information to process the order or request, including detailed customer sales history, product specifications, pictures of the various product offerings, an understanding of what is available to sell, and what replacement products can be ordered.

Balancing Demand and Supply

Managing the inventory lifecycle has never been more difficult, especially as distributors expand their supplier network and seek to serve increasingly diverse groups of customers. This requires not only a comprehensive view of what inventory is where, but also the advanced intelligence to drive decisions on what best to do with that inventory.

Warehouse Management

Warehouse management has expanded from the ability to process orders within the four-wall environment, to a critical piece in directing the flow of goods from the original source to the eventual destination. From shipment visibility through receiving, putaways, picking, packing, and shipping, the flow of goods from supplier to customer is a major area of value where the software's capabilities can be a significant competitive advantage to the distributor. Warehouse management inventory flow, fulfillment times, inventory aging, and labor required for the management of that inventory can contribute up to 27% of the cost of goods sold.

Financial Management

Visibility across increasingly extended and complex financial operations is the key to sound financial management. Whether reducing operating costs or keeping an eye on profitability, managing the company budgets, customer account activities, credit extensions, or tracking asset value, strong financial control is critical to the organization's existence.

After-Sales Services

Post-sales service has emerged as a common area of operations expected by many distributors. As distributors seek to expand the role they play within the commercial sales area and seek additional revenue for that expanded role, the ability to manage service, repairs, and warranty procedures for both the customer and supplier can contribute significant revenue and create additional selling opportunities for distributors. Having complete visibility into managing these activities is the difference between this value-add success or failure.

Emerging Technology

New technology is one of the most influential drivers affecting the changing market landscape. For every initiative outlined above, there is a technology that can help make that process more effective. We don't suggest investing in technology for technology's sake, but for the real success that can be achieved when the right technology is implemented effectively and adopted throughout the enterprise.

Business Intelligence

The solution that has the greatest potential to positively impact the bottom line across all departments is business intelligence (BI). For those companies that have been “getting by” without a comprehensive BI strategy in place, the day of reckoning is approaching, if not already here. Everything is moving faster, and if you don’t have the tools in place to get immediate answers to your business drivers, your competition will outmaneuver you. You need dashboards and alerts to point the way, intelligent reporting to provide clarity, scorecards to help set priorities, and analytics to more easily see the big picture.

Technology needs to be viewed as a competitive weapon that is integrated into your business to streamline operations and improve margins. Your challenge is to prioritize those initiatives that will provide you the greatest profit potential and continue to differentiate your offering. This reality serves as the fundamental driver to the future direction of Infor10 Distribution Express (FACTS).

STRATEGIC DIRECTION

Our vision is for Infor Distribution to be established as the undisputed software leader for the wholesale distribution market. Infor is committed to meeting the changing demands of wholesale distributors. In determining future product direction, we evaluate strategic requirements for durable and non-durable distribution markets.

We look at key solutions areas that will improve market competitiveness, encourage trends that push distributors to expand their business model, and provide innovative technology that supports the changing market landscape as well as requirements requested by our extensive base of installed customers. Some key investments we believe will offer the most value to wholesale distributors include:

Best-in-Class Functionality

As the supply chain evolves and functionality is redefined, distributors are compelled to advance or scrape by. Our customers depend on us to keep ahead of the feature commoditization curve and provide them with the solutions they need today and the innovation they’ll depend on tomorrow.

Expand Strategic Partnerships

Infor will invest and expand key strategic relationships when it means offering additional value to enhance the core functionality we already deliver to wholesale distributors. You’ll see this in areas like CRM, business intelligence, document management, and service and repair.

Commitment to Investment

Our commitment is clear. We are investing in our products, our people, and most importantly, our customers. Our Infor-developed solutions, customer or partner co-developed offerings, and the strategic providers with which we partner all contribute to Infor, offering the most comprehensive solution for wholesale distributors, backed by exceptional services and support.

We’re investing heavily in our future and by extension, the future of our customers. We challenge ourselves to remain true to our heritage companies and be the best partner we can be by honoring the commitment and investment Infor has made and looking to the future to deliver on the promise of our full potential.

Recent and planned release schedule/functionality for Infor10 Distribution Express (FACTS)

| CATEGORY | CURRENT OFFERING | STRATEGIC DIRECTION |
|----------------------------------|---|--|
| Customer Service/Mgt | Storefront Customer Relationship Mgt. Customer Snapshot | Enhanced Customer Returns Advanced Item Search Store Expanded Part Information |
| Inventory Management | Vendor Score Card Vendor Special Price Agreements Vendor Relationship Mgt. | Buyers Control Center Exception Control Center |
| Logistics | Warehouse Management | Importing/Exporting |
| Services | Value Add Service & Repair Rental | Enhanced Service & Repair Warranty Tracking |
| Financial Management | Accounts Receivable Accounts Payable General Ledger Payroll Financial Dashboards Collections Management Electronic Funds Management | Rebate Tracking |
| Business Intelligence | Executive Inquiry Data Warehouse Role Based Dashboards Operational Reporting Analytic Tools Sales Analysis | Expanded Sales Analysis |
| Data Management | EDI Archiving | Expanded Archiving capabilities |
| Database | ProvideX SQL Server | Expanded SQL Server offering |
| User Interface | Thin Client Windows Based Graphical | Additional modules available in Graphical |
| Integration and Interoperability | API Toolkit | Additional API's |

INFOR10 DISTRIBUTION EXPRESS (FACTS)

Infor10 Distribution Express (FACTS) version 7.7 is a major release focused on improved usability, increased core functionality, and enhanced integration to strategic solutions. Below are some highlights of this release.

GL Drill Down/Drill Back

Information flowing into your general ledger is completely cross-referenced with the transactions that it originated from, allowing users to effortlessly go from the journal entry to its source document and from the historical source documents to the journal entries created.

Electronic Payments

Extensive electronic payments functionality supports both receivables and payables, improving accuracy and reducing the time involved in recording these payments. Standard ACH file formats are supported in addition to flexible flat files definitions.

AP Check History

Similar to the functionality found in the receivables module, users can now look up prior payables checks and electronic payments, thus quickly identifying which payables documents it paid.

Report Formatter

A powerful and flexible report formatter enables users to maintain their own changes to existing reports without needing a modification. It also allows the report to be sent to multiple destinations and in varying formats, including HTML, XML, comma-delimited, and Microsoft Excel. The 7.7 release also greatly expands the number of reports that are available in the report formatter.

Security Code Maintenance

Managing the rights and roles of users can be a challenge. To help with this process, we introduced a new security code maintenance tool that allows an administrator to track who has specific security codes and what functions are enabled by that code.

Resizable/Scalable Screens

Whether you want to see more lines at a time on an order (resizing) or your eyes need the print to be larger for readability (scaling), version 7.7 has your solution. Each user can select the font they want to use as well as the scale (%) size of the print. When you resize a screen, Infor10 Distribution Express (FACTS) 7.7 remembers what size you want it to be and where it belongs on your desktop.

User Profiles

With multiple companies and branches, users often find themselves “working for” different parts of the organization and therefore needing different defaults for things like printers, warehouses, etc. User profiles allow users to maintain their own defaults for these items and group them into separate profiles that they can switch between quickly and easily.

1099 Reporting

With new regulations coming out that place new demands on companies to file 1099s for more suppliers, distributors needed an easier way to gather the EINs and review and print 1099s. FACTS 7.7 provides great new flexibility for 1099 reporting.

Storefront 1.5.300

Infor10 Distribution Express (FACTS) 7.7 introduces support for the 1.5.300 release of Storefront, including some exciting new capabilities of the Storefront product, such as Freight Rate Shopping. We also included the ability to use Warehouse Groups in Storefront. With these changes, distributors running Storefront are better able to serve their customers via their web presence.

API Toolkit Enhancement

API Toolkit is an advanced set of metadata-driven tools that allow Infor10 Distribution Express (FACTS) 7.7 to exchange XML-based transactions with itself and with other applications like Storefront. The APIs utilize the full business logic, including existing modifications. With version 7.7, we have expanded the capabilities of the toolkit to be able to process more complex XML structures to support features such as Storefront Freight Rate Shopping.

Accellos Warehouse 6.3

Radio Beacon has long been the warehousing solution for Infor10 Distribution Express (FACTS), and with their introduction of Accellos Warehouse, they are continuing to produce a great application to handle your warehousing needs. We continue to make the new versions of their software available to our customers who need this capability.

Additional Feature/Function Enhancements

Infor added a variety of system-wide enhancements to maximize speed and optimize usability across the entire system. The result is improved processes and streamlined functionality, allowing users to do more with their system—more quickly and more efficiently.

- **Calendar function:** Select a date through the new pop-up calendar available in all date fields.
- **Auto complete:** Enter the first characters of frequently used data and the data automatically pops-up.
- **Right click for field-level security:** Secure any field using a password or security code with a mouse click.
- **Register locks removed:** Update registers without requiring users to log off the system if they are not in a program that changes data related to the register.
- **New field audit:** Track changes to any field in any file maintenance.
- **More definable printers:** Define up to 9,999 printers using alphanumeric code.

Coming Soon in Infor10 Distribution Express (FACTS)

The upcoming releases of Infor10 Distribution Express (FACTS) are focused on enhancing and enriching the core distribution features and functionality.

Advanced Inventory Replenishment

Infor10 Distribution Express (FACTS) inventory replenishment features are ready for a new approach. Inventory guru Grant Howard's principles make more proactive use of the rich data available to find and correct problems before they result in stockouts. With new tools like the Buyer's Dashboard, Gap Analysis, Exception Control Center, and Safety Analysis, you will find the process of improving your replenishment processes easy and effective.

Customer Returns/Vendor Returns

The Customer Returns System is getting a facelift and a thorough set of enhancements, including Vendor Returns functionality. These improvements will vastly simplify the returns process and integrate it into the existing SO Entry Suite of programs.

Service and Repair Module Improvements

Distributors are increasingly faced with the need to find new revenue sources, and one often overlooked opportunity is in the area of servicing and repairing the goods that they sell. The Service and Repair Module serves this need, and it will grow in its capabilities and usability.

Delete Item Wizard

With the number of people in your organization who are allowed to set up new part numbers, it is common for items to be entered multiple times with slightly different numbers or for item numbers to be created incorrectly. It will be easier for you to correct this problem with the Delete Item Wizard.

Past Purchase Order Report

In the same vein as the Past Invoice Report, this report provides many options for selection and sorting, but allows the user to decide what they want to print by using the Report Formatter.

Importing/Exporting

Infor10 Distribution Express (FACTS) will bring the world to your doorstep—literally. Handling goods coming from distant shores with very long lead times and complex freight costs is critical, and we will grow key functionality to meet your needs in this area.

Expanded Vendor/Manufacturer Reporting

Sales Analysis will be expanded to include new roll-ups of sales information by vendor, giving you the tools to more effectively monitor quotas and sales history for specific manufacturers or vendors.

Warranty Tracking

Along with the need to track returns to the vendor and possibly handle repairs, distributors soon will be able to use Infor10 Distribution Express (FACTS) to effectively track warranty information.

Rebate Tracking

Rebates are an often-overlooked source of revenue. It is critical for distributors to take advantage of all rebates that are available to them.

Sales Analysis Reports in Report Formatter

While the reports in Sales Analysis are powerful, having them available in Report Formatter will give them new flexibility. You will be able to send these reports directly to Excel and make personal format adjustments.

Store Expanded Part Information

To help meet the need for information that your customers demand, you may need to store and quickly retrieve things like schematics or product brochures on the items you sell. With this new feature, all of your customer service representatives will know what information is on file and have immediate access to it.

Gross Margin % Filter for Contract Prices

Managing thousands of price contracts you have established with your customers is a daunting task, and it can be very difficult to control and analyze your margins. Having the ability to filter for contracts that fall below a specified GM% will be a powerful tool to make sure your salespeople are providing value to the customer while protecting your bottom line.

Customer Ship-To Notes

Notes are available across most of the information in Infor10 Distribution Express (FACTS). Now we're adding them to the customer ship-to and including the same capabilities to make those notes flow through to orders just like customer notes do.

Unlimited Substitute Items

Across Infor10 Distribution Express (FACTS) we're breaking down limitations on the amount of information you can store, and substitute items are falling next. Instead of being able to store only three substitute items for a given part number, you can store as many as you need.

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About Infor.

Infor is a leading provider of business software and services, helping more than 70,000 customers in 164 countries improve operations and drive growth. To learn more about Infor, please visit www.infor.com.

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