

# From the Last Mile to the First: Infor's Cloud Strategy Paying Dividends

## *CIMdata Commentary*

### *Key takeaways:*

- *To Infor, the “last mile” signifies their deep, industry-specific functionality intended to delight their customers.*
- *Their GT Nexus offerings help them power global value chains, linking customer needs through to fulfillment and lifecycle support.*
- *Infor's CloudSuites leverage the best of their industry knowledge, and customers are responding, yielding amazing cloud revenue growth.*

Infor held its annual customer event, Inforum 2017, at the Javits Center in New York City July 10-12, 2017. For the benefit of press and analysts, Monday included the Innovation Forum, a special session rescheduled from the spring that provided more focus on Infor's efforts in business intelligence, artificial intelligence, their Xi platform, and supply chain management.

The company has made great strides since Charles Phillips, Infor's CEO, and his team took over in 2010. The company's investment in staff, technology, and acquisitions have revitalized the company and energized their customer base, as evidenced by their strong financial results. The Innovation Forum served as a preview of much of the main tent session on Tuesday, and focused on Infor's evolving strategy.

In the logistics world, the “last mile” often refers to the challenge of getting people and goods to their final destination. Infor uses this phrase to describe how their industry-specific offerings deliver much needed capabilities for their customers' businesses. That last mile is shown as the foundation of Infor's strategy in the figure below. Over the last several years, Infor has built their CloudSuite strategy around their strong enterprise resource planning (ERP) offerings, focusing on the industries each best serves. According to Infor, they rebuilt these ERP applications as part of their ION services-oriented application (SOA) strategy, making these ERP applications tailor made for the cloud. In 2015, Infor acquired GT Nexus, a global cloud-based commerce platform, which helps customers tap into global value chain partners. Infor also founded the Infor Dynamic Science Lab at MIT, which brings together scientists, mathematicians, economists, and engineers to help drive Infor's next generation enterprise software offerings to be smart and self-learning. Early in 2017, they announced their acquisition of Birst, which brings a cloud-native platform for business intelligence (BI), analytics, and data visualization. And at Inforum 2017, they announced the topper, Coleman, their cloud-based artificial intelligence (AI) platform. Named to honor Katherine Coleman Johnson, a physicist and mathematician, whose contributions to the United States Space Program were highlighted in the recent film “Hidden Figures,” Coleman will provide industry-specific services that will be tightly integrated with Infor's industry-based offerings. Some capabilities are available today, such as predictive inventory management for healthcare; price optimization management for hospitality; and forecasting, assortment planning, and promotion management for retail. Infor will introduce Coleman in other Infor CloudSuites over the next year. To ensure ready adoption and use of all this new technology, Infor created Hook & Loop Design, an internal design studio that helps both with developing new offerings as well as providing strategic consulting at leading clients.

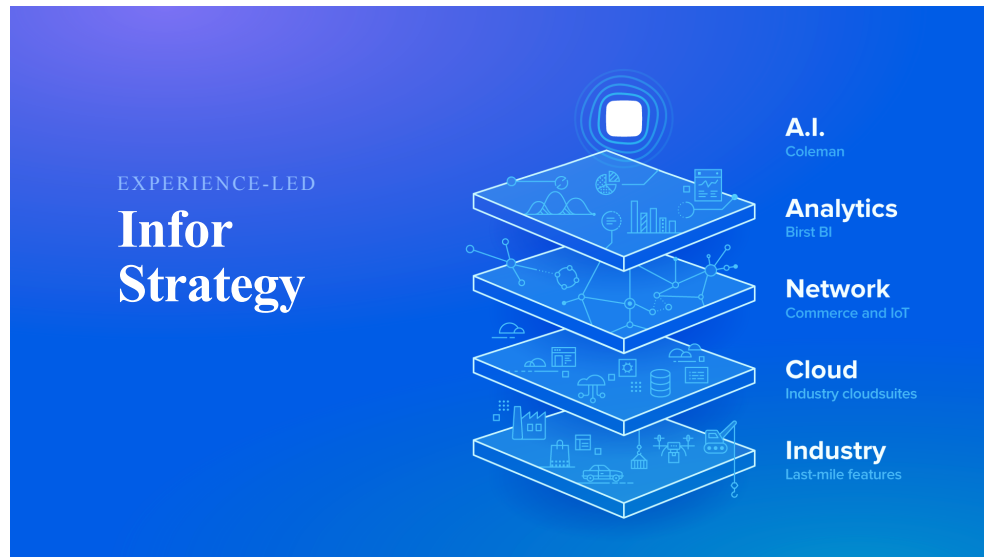


Figure 1 - Infor's "Experience-Led" Strategy

The results of these investments are indeed stunning. Other leading on-premise enterprise software companies moving to the cloud are getting 10-15% of their total revenue from their cloud offerings. At Inforum 2017 Infor announced that 55% of their revenues in their last fiscal year came from their cloud-based offerings. This includes 2,600+ go-lives in the last 12 months, with nearly 8,500 cloud customers totaling over 71 million users. To extend their reach, Infor has added 20 cloud delivery sites in the last year, with their cloud software now accessible in 108 countries. They have greatly expanded their training investments and served over 14,000 users last year. Upgrades are more predictable with data conversion scripts, migration accelerators, and tailored implementation packages part of their overall delivery approach. They have also extended their systems integrator partner network which includes big names like Accenture, Deloitte, Capgemini, IBM, HCL, Infosys, Cognizant, KPIT, and Wipro. No wonder Koch Industries decided to invest \$2.5+ billion for 2/3 of the company (and 49% of the voting shares). CIMdata is impressed with their results to date, which are truly industry-leading for those enterprise software companies making the transition to the cloud.

The company is not stopping there. One great example showed how they plan to extend their industry-leading enterprise asset management (EAM) offerings using the Internet of Things, analytics, AI, and augmented reality (AR). While the example showed how these technologies could help the Brooklyn Nets better satisfy their customers at the Barclays Center, it was easy to see how this approach could benefit other Infor users and applications. Focusing Coleman on industry problems is somewhat different from the approach taken by IBM with Watson and Wipro with Holmes. But those two firms are not enterprise software companies, and in CIMdata's opinion, this approach should lead to a more rapid time to value for Infor's customers.

Their work to date, and their high customer adoption rates, are impressive. But as they readily acknowledge, there is much more work to do. CIMdata agrees. In particular, CIMdata looks forward to seeing how these investments can benefit their manufacturing customers using their PLM Accelerate and Optiva offerings. Other PLM solution providers have been slow to bring this type of innovation to PLM use cases and perhaps Infor's industry-driven approach could make this happen much sooner for Infor customers. Sounds like a good session for Inforum 2018!

## About CIMdata

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