

# Designed for Progress: 2019 Infor Innovation Summit

## CIMdata Commentary

### Key takeaways:

- Infor continues to make rapid progress on their cloud vision and has the customer success to show for it.
- Their multi-tenant CloudSuite offerings, built on Infor's strongest ERP solutions and delivered by industry, have significant customer uptake and interest.
- A rich platform of shared services, Infor OS, broadly enables Infor CloudSuite offerings with business intelligence, AI, and common user experience capabilities.
- Recent equity investments have turbocharged development, helping the company make rapid gains in product capabilities and reach.

Infor held their annual Infor Innovation Summit event at their Chelsea offices in New York City on June 3 and 4. Approximately 65 analysts with a range of coverage areas got access to Infor's senior leadership and selected customers over the 1.5 days.

While the world has embraced the cloud, the enterprise software market has been slower to adapt to this new reality. Infor's move to the cloud has been swift, with 70% of their new software license revenues coming from their CloudSuite customers. To optimize the benefits of the cloud, Infor rewrote five of their best enterprise resource planning (ERP) solutions for the cloud and then built industry-specific functionality around them. Figure 1 highlights aspects of their CloudSuite strategy. The company has worked with Amazon Web Services (AWS) since 2013, which helped engender a cloud-first development mentality. Their 2017 acquisition of Birst gave them a cloud-based analytics solution to put to work on their data lake continually filled from their far-flung applications.<sup>1</sup> As part of this stem and root transition, Infor allowed Hook & Loop, their in-house design agency, a leading role in rethinking how such applications should work, with a particular emphasis on mobile. In fact, the demonstrations at the event

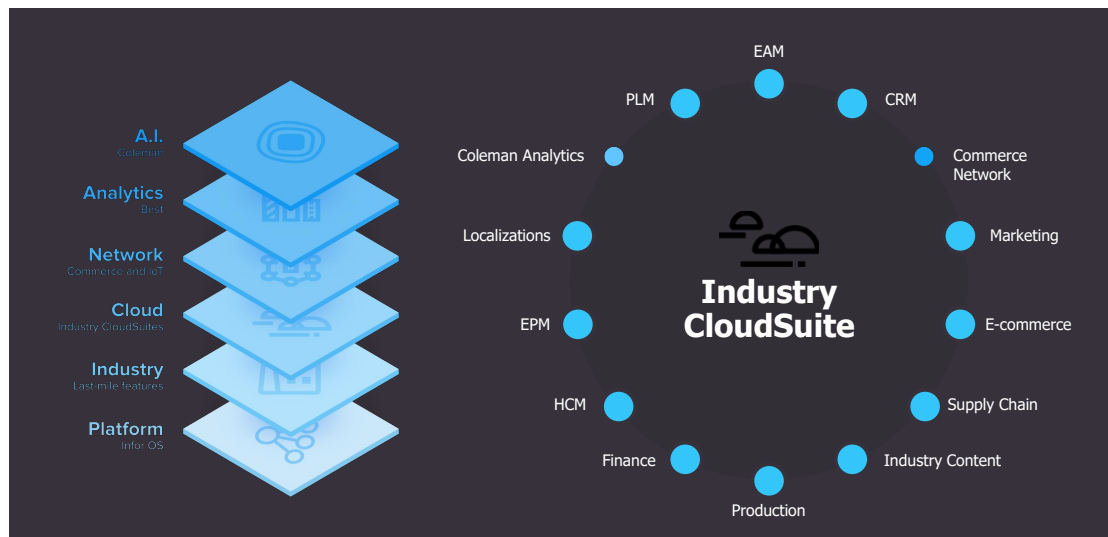


Figure 1—Infor's Industry CloudSuite Strategy  
(Courtesy of Infor)

<sup>1</sup> <https://www.infor.com/news/infor-completes-acquisition-of-birst>

were a graphic illustration of the consumerization of IT writ small, with their efforts to make their mobile apps more user friendly rapidly moving upstream into the enterprise applications.

Mr. Charles Phillips, Infor's CEO, kicked off the event by providing an update on company strategy. Infor has been investing strongly in their products since his arrival in 2010 but that effort has been turbocharged by two large investments from Koch Equity Development, the investment and acquisition subsidiary of Koch Industries, one for more than \$2 billion in 2017, and another round in early 2019 of \$1.5 billion. According to the 2019 press release, Infor is considering an IPO in 2019 or 2020, subject to market conditions.<sup>2</sup> Mr. Kevin Samuelson, Infor CFO, described how the Koch relationship began. Georgia-Pacific tapped Infor to update their ERP installation. The success of the project led to a Koch-internal discussion about the state of IT in their vast conglomerate. When the conversations moved up to Mr. Charles Koch, Chairman and CEO of Koch Industries, Infor was approached about an investment.

Mr. Phillips described a range of strategic investments, not all of which we will describe here. One key initiative was getting all CloudSuites fully integrating Birst, an apparently painful yet essential move. They also expanded their efforts in Coleman Analytics and Coleman Robotic Process Automation (RPA), focused on automating common tasks and providing self-service bots by industry. Infor is a leader in Enterprise Asset Management (EAM) and redoubled their efforts, good news since EAM is a vital link in many IoT and IIoT applications.

Infor has also invested significant time and effort in expanding their partner ecosystem. Their increasing product maturity piqued the interest of Accenture and Deloitte, who signed on as systems integration partners. Their Education Alliance Program will help build the next generation IT decisionmakers weaned on Infor solutions.

Infor will continue to invest in key industry functionality across their twelve industry-focused CloudSuites: Aerospace & Defense; Automotive; Distribution; Equipment Rental; Fashion; Food & Beverage / Chemicals; Healthcare; Hospitality; Industrial; Retail; Public Sector; and Service Industries. Many of these CloudSuites have subsegment-focused capabilities, e.g., "Automotive OEM" and "Aftermarket Service and Parts" in Automotive. Based on the material presented, Infor has also invested heavily in the blocking and tackling of running a global cloud solution provider. They have eight multi-tenant farms around the world running their portfolio, each supported by one instance of Infor Operating Services (Infor OS), their "cloud operating platform." Infor OS provides a set of common shared services that augment the Software-as-a-Service (SaaS) and Infrastructure-as-a-Service (IaaS) capabilities of the cloud service provider. They are built on Krypton, an open source testing tool, to deliver a multi-tenant capable solution that the company thinks can evolve into a testing-as-a-service capability. Infor cloud solutions currently available vary widely by geographic location. Again, another area for investment, planned for 2020-2021. Infor Support is 24x7x52, with regional or local support centers scattered around the globe. Security is paramount and the company discussed their plans to use cloud telemetry to help prevent and manage any security events that may arise. CloudSuite Portal allows their users to administer their implementations, with many tasks automated, making them more efficient and easier to use. The Infor team benchmarked their Service Level Agreements (SLAs) and Service Level Objectives (SLOs) against the industry leaders.

One reason Koch Equity Development decided to invest in Infor was seeing the benefits using Infor applications at Koch-owned business could achieve. Some of those companies presented during the Innovation Summit. Flint Hills Resources, a Koch company, spoke about their move

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<sup>2</sup> <https://www.infor.com/news/infor-announces-koch-investment>

to Infor EAM. The company was a Maximo user, now part of IBM. They won an award for their over 800 Maximo customizations. The result: their last Maximo upgrade took 20 months and cost millions. Georgia-Pacific, acquired by Koch Industries in 2005, was running over 730 applications with 200 data stores. Their IT landscape diagram filled the screen with so many boxes one would be challenged to read them standing right next to it. While they were not pushed toward Infor, Koch was pushing them to digitally transform. Implementing the Infor M3 ERP solutions got rid of sixty boxes on the landscape diagram. Their integrated reference architecture is mostly populated with Infor products, with M3 at the core. Infor also highlighted customers in fashion and retail, including ST Lonia, a Spanish specialty retailer; DXL, an American large and tall man's retailer; and Pharmacy4Less, an Australian discount chemist.

In conclusion, Infor packed a ton of detail into the 1.5-day session, with updates across their business and offerings. They are moving apace in their cloud journey and bringing an increasing number of customers from a range of industries with them. Infor is making analytics and augmented intelligence pervasive across the breadth of the application suite, with applications from the desktop to mobile. In fact, Infor's efforts in this regard were one data point leading to CIMdata emphasizing augmented intelligence in our recent global PLM Market & Industry Forum series. Business apps, engineering apps, social, mobile, IoT—they all fill the data lake to the brim, just ready for Birst and Coleman to provide key insights at the point of work. CIMdata is excited to see Infor's progress across many fronts and looks forward to learning more at Inforum, their premier customer event, in the fall.

## **About CIMdata**

CIMdata, an independent worldwide firm, provides strategic management consulting to maximize an enterprise's ability to design and deliver innovative products and services through the application of Product Lifecycle Management (PLM). CIMdata provides world-class knowledge, expertise, and best-practice methods on PLM. CIMdata also offers research, subscription services, publications, and education through international conferences. To learn more about CIMdata's services, visit our website at <http://www.CIMdata.com> or contact CIMdata at: 3909 Research Park Drive, Ann Arbor, MI 48108, USA. Tel: +1 734.668.9922. Fax: +1 734.668.1957; or at Oogststraat 20, 6004 CV Weert, The Netherlands. Tel: +31 (0) 495.533.666.