

Executive Summary

For more than 30 years, manufacturers around the world have benefitted from the industry-specific solutions offered by IBM and Infor. The partnership between these two companies has helped 19,000 companies in 164 countries better manage business processes and adapt to changes within their industries.

To better understand the ERP concerns and priorities of North American distributors, IBM and Infor commissioned a study. Conducted by The Frantz Group, the study surveyed a select group of customers who used both Infor A+ ERP and IBM i operating system. The majority of surveyed customers (64%) are using IBM i v. 7X or later, while 36%, are using an older version of the IBM i operating system.

Conclusion

Distributors relied on Infor A+ and IBM i to help them successfully navigate the difficult economic downturn. Now, as the recovery gains momentum, they will continue to build on the flexibility and high stability of their solution to improve global competitiveness.

However, as technology and the needs of distributors have changed, the Infor A+ and IBM i combination has also advanced, keeping pace with technological improvements. Given the rapid pace of technology, manufacturers who are relying on 10-year -- or even 5-year -- old ERP technology are missing opportunities to enhance business processes and streamline operations. As 52% of customers noted, now is the time to upgrade to the latest version and take advantage of new advances without sacrificing the stability that has been the hallmark of this solution.

Key findings include:

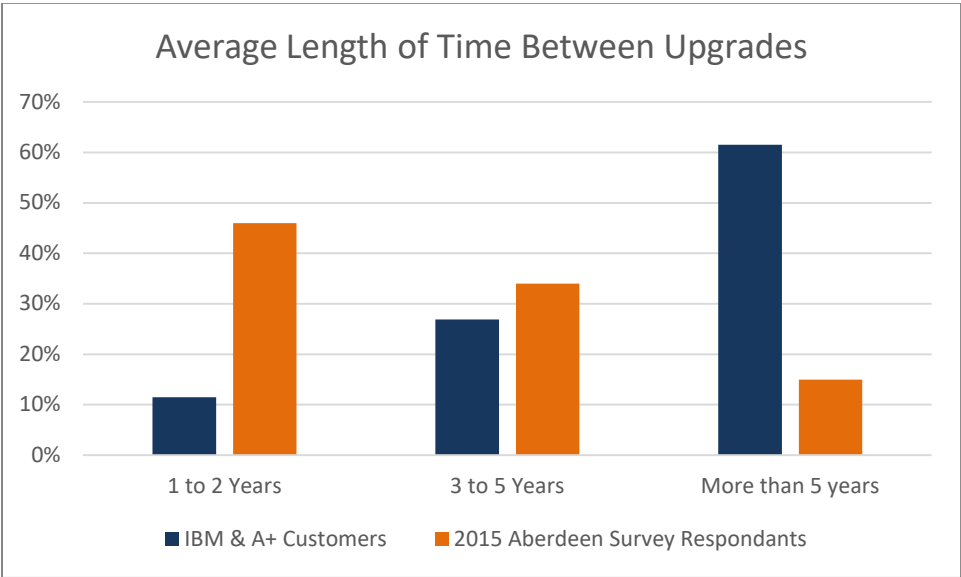
- 42.3% of Infor A+/IBM i users surveyed are using a software version older than 10 years. This contrast sharply with industry averages, in which ERP users upgrade every 1-2 years.
- 52% of A+ customers surveyed plan to invest in ERP in the next year.

- IBM i is widely used for more than just ERP. Critical operations that run on IBM i include backup and recovery and data analytics. Survey participants are eager to expand those applications that run on IBM i.
- Security is the biggest investment priority in 2016.

Survey Results

Frequency of Upgrades and Purchases

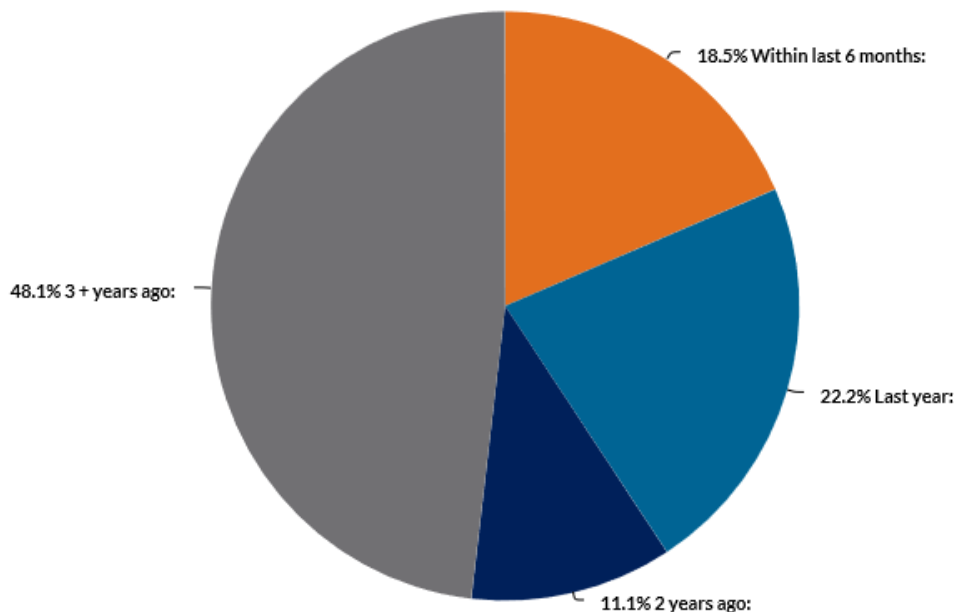
The capabilities of the combined Infor A+ and IBM i software meet customer needs for an unusually long time. In fact, 61.5% of A+ users are using a version of the solution that is more than 5 years old. This contrasts strongly with a 2015 Aberdeen Group study, which found that most ERP users are upgrading every 1-2 years. (Paquin).



Length of Time on Current Version- A+ Users



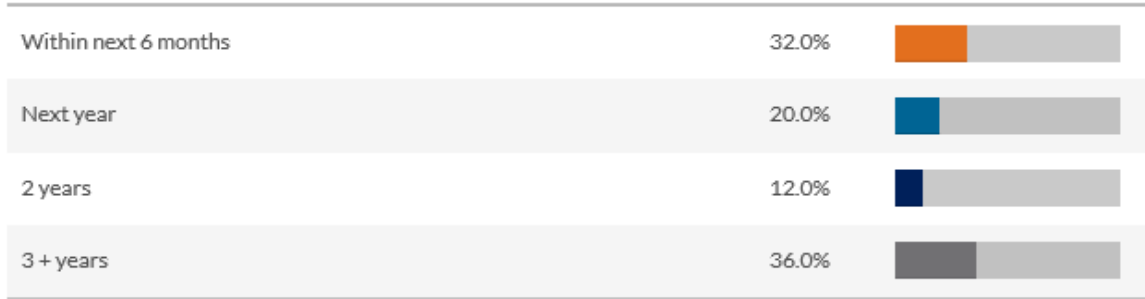
While the majority of A+ users do not upgrade their full ERP solution frequently, 18.5% had purchased from Infor, including add-on solutions, in the past six months and 22.2% had purchased in the past year. The majority (48.1%) are still running the same Infor software suite that they purchase 3+ years ago.



Plans for the Future

More than half of those surveyed plan to upgrade within the next year (52%), while 48% plan to stay on their current version for two years or more

When A+ Users Plan to Upgrade:



Of those that have had their solutions for six or more years, 46.6% plan to upgrade within the next year, including 33.3% who plan to upgrade in the next 6 months. 53.4% plan to continue using their current version for two years or more.

When A+ Users who have been on the same version for 6+ years are upgrading:



Solutions of interest

Participants saw value in additional products to enhance their ERP solutions, including additional Infor products to enhance the current ERP solution, Big Data analytics, cloud ERP, social collaboration and mobile capability.

65.4% of A+ customers expressed interest in additional products to enhance the current ERP solutions, and 74% expressed interest in mobile capability. This could be the result of companies looking to increase the efficiency of a mobile workforce. A recent Aberdeen Group study found that companies who have already implemented some kind of mobile software into their operations realized a 44% increase in business efficiency (Garrehy).

Products of interest to A+ Users

	No Interest	Some interest	Moderate interest	High interest
Mobile capability and accessibility for smart phones & tablets	6 22.2%	5 18.5%	5 18.5%	10 37.0%
Social collaboration, like Infor Ming.le made available within Infor ERP software	13 48.1%	6 22.2%	4 14.8%	2 7.4%
Cloud ERP solution, like Infor CloudSuite	8 30.8%	5 19.2%	7 26.9%	4 15.4%
Taking advantage of big data analytics, like Infor BI or Enterprise Performance Management	13 48.1%	5 18.5%	7 25.9%	1 3.7%
Additional Infor products to enhance my current ERP solution	7 26.9%	6 23.1%	6 23.1%	5 19.2%

Customer Research Survey

Infor A+ and IBM iSeries

While customers expressed interest in a variety of additional solutions, security is the immediate investment priority, and was chosen as a medium to high priority 2016 investment by 77.7% of participants. This matches industry trends noted by Gartner, who predicted an almost 39% increase in security spending from 2013 to 2017. (Nelson).

	High	Med	Low
Cloud	6 22.2%	5 18.5%	16 59.3%
Analytics / Big Data	6 22.2%	10 37.0%	11 40.7%
Mobile	8 29.6%	8 29.6%	11 40.7%
Social	1 3.7%	7 25.9%	19 70.4%
Security	9 33.3%	12 44.4%	6 22.2%

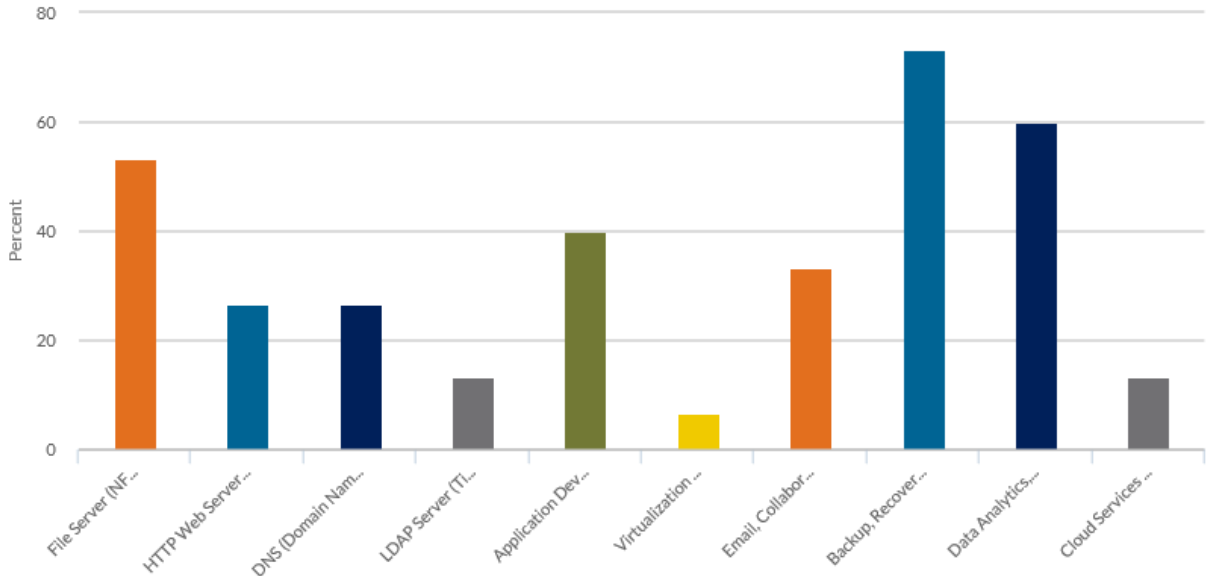
Current Installed Base and Uses of IBM Solutions

"What isn't there to say about an i? It's as close to a perfect machine as you can get! In 25 years of working with IBM i, I think I've had one stop on its own. Other than that, I've never seen an i go down."

- Joint IBM and Infor Customer

Backup and recovery most common additional application

IBM i's integration capabilities are well-utilized by survey participants. In addition to Infor A+, the most common applications supported by IBM i are backup and recovery (73.3%), data analytics (60%), and file server (53.3%).



63% of our audience was aware of the ability to run Linux workloads on IBM i, yet none are actually using this capability.

Applications that our survey respondents would like to move to IBM i include BI, CRM, e-commerce, truck routing systems, and mobile applications .

Complementing the ERP

Many customers use additional products to enhance their ERP solution. Infor A+ users named warehouse management as the most critical of those applications that complements the ERP software (81%), followed closely by CRM (70%) and supply chain management (67%).



*Multiple answers permitted

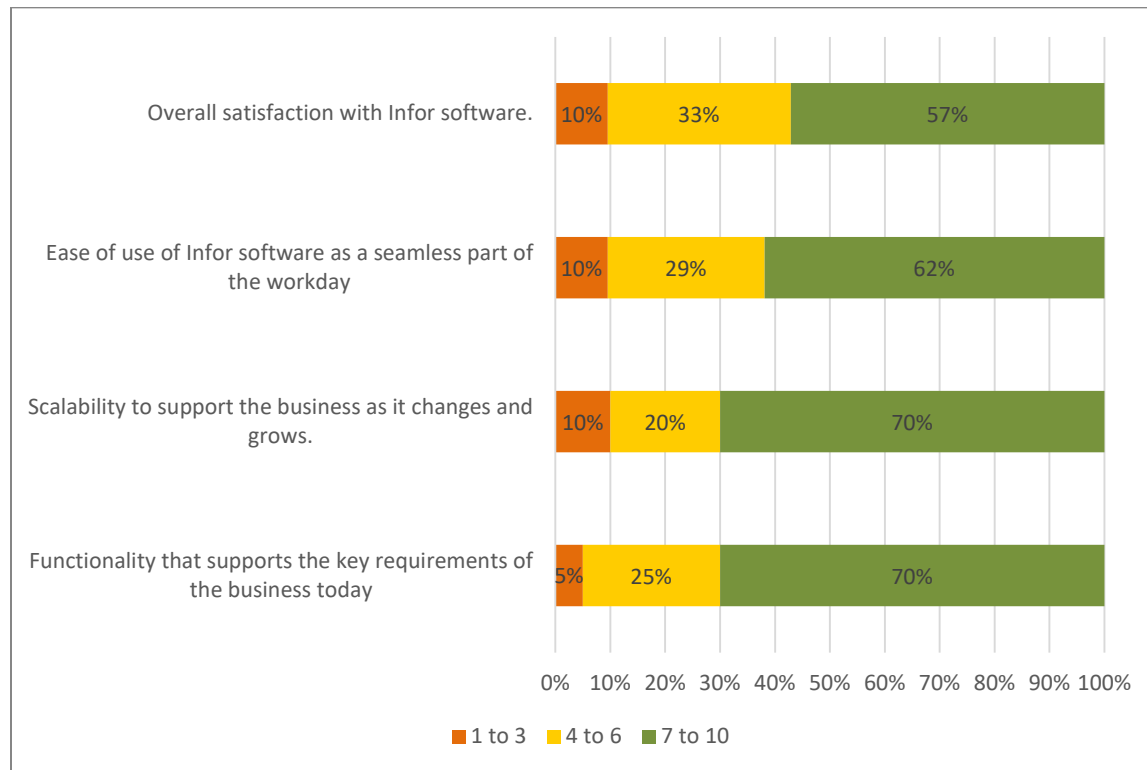
Customer Satisfaction

“We love the stability of I Series. It hasn’t been down in 15 years; it just keeps running! Infor solutions are a great partner for iSeries and they are very stable together.”

- Joint IBM and Infor Customer

To assess customer satisfaction, customers were asked to rate a series of statements on a scale of 1 (not at all satisfied) to 10 (very satisfied).

The majority of A+ customers are highly satisfied with Infor A+ software; 57% chose 7 or higher when judging overall satisfaction. In addition, 70% chose 7 or higher when asked to assess functionality and scalability.



Additional highlights of the satisfaction survey are:

- 59% of A+ customers agree that the solution is tailored for the distribution industry.
- 56% of A+ customers agree that Infor products are intuitive, attractive and easy to use.
- Customers that upgraded their Infor ERP in the last 5 years are 24% more likely to recommend Infor’s products and services as those that have been on their A+ version for 6+ years.

