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TUG 2010 U2U

Interface

Infor Declares Distribution a Priority Business Unit

Infor Global Solutions' new independent business unit (IBU) for distribution industries will receive high priority over the next year, and will be expected to generate some of the company's strongest gains, according to Mark Wright, Senior Vice President and General Manager of Infor's Enterprise Solutions Group.

"It's not a soft business unit," Wright told Wednesday's opening general session. When Infor sets up an IBU, the team is led by a

dedicated general manager, and "it's not a dotted-line GM. They own all the resources underneath them, and all the resources are under one roof."

For existing customers in the distribution industries, the result is greater alignment between customer needs and Infor products. "You can respond so much more quickly when you're a part of the mothership, but don't have the mothership imposing its will on you," Wright said. Within the IBU, "they live and breathe it.

They have a separate profit and loss statement, and their ears are open to your requirements."

Wright said he expects distribution to be the fastest-growing of the 15 units under his authority. With a doubled sales force, and a new general manager coming on in the next week, "I expect big things," he said. "We're focusing on bringing in new accounts," with the added benefit that a new generation of customers will bring new ideas to the product development process.

SESSION ADDITIONS FOR FRIDAY

These Friday sessions were omitted from the Conference Brochure.

Please take note! (They are found in the mini reference guide).

02:45 PM SX.e Colorado Hall E
218 Leveraging CAM and EM for CRM (Only chance)

Jim Brown, Infor

This session will show you how to use Contacts, Activities and Events to track customer contacts and events.

02:45 PM SX.e Colorado Hall A
239 Infor Storeroom Management (Only chance)

Eric Ryerson, Infor

Infor is developing a new module to help distributors add value and create loyalty by managing their customers stock room inventory directly. This basically allows your customer to outsource the management of their MRO type items to you as a distributor. During this session I will be describing key elements of the functionality to assess interest in the module as well as solicit feedback on design considerations.

02:45 PM A+ Broadmoor Hall 2nd Floor, Astor Room

319 Projects Planned & Current Roundtable (Only chance)

Carla Pickard, PaperlinX

What are you up to? This is an opportunity to share ideas and learn what other companies are doing with A+ modifications, system integration, etc.

02:45 PM A+ Broadmoor Hall 2nd Floor, Larkspur Room

320 RF Roundtable (Only chance)

Jeremiah Stone, Infor

This session will start with a presentation from Infor on current Radio Frequency functionality within A+ and a discussion on how companies get started using RF. Bring your real life experiences to this roundtable, and learn how other companies have implemented it.

02:45 PM SHIMS Broadmoor Hall 2nd Floor, Primrose Room

409 Simple TCL reports (Only chance)

Gary Brown, System Design Solutions

This session will show you how to identify and extract data from SHIMS files, then format it into a readable format for viewing or printing. This will be a beginners level session, but some knowledge of TCL will be helpful.

Small change yields big ROI

THURSDAY | 02:45 PM Broadmoor Hall D

204 Regional Distribution Centers – A Panel Discussion (Only chance)

Scott Sellers, Dan Barlow, Grant Howard

Beyond a 350% return on investment (ROI), introduction of regional distribution centers can deliver powerful customer service improvements, Dan Barlow, pricing analyst with The Reynolds Company, will tell a session at 2:45 today.

“Many people who have gone this route report higher fill rates to customers and greater profitability, thanks to simple changes in system logistics and operations,” he said.

With the shift to a regional system, some customers might need reassurance that they’ll still get the same service at the same frequency. They will—and many will see better service.

In a traditional hub and spoke distribution system, “a lot of geography goes unserved when you’ve got a truck full of inventory going right past it,” Barlow said. “The truck is already there. Why don’t I just stop?”

Lost and found items are at the registration desk in Broadmoor Hall. If you find a lost item, please bring it to the desk.



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Today's Featured Sessions: Gross Profit Optimization

A unified pricing strategy that optimizes prices and revenue across a large, diverse customer base is the prize that drives customer interest in gross profit optimization. Opportunities to introduce gross profit optimization using epaCUBE software products will be the subject of a power keynote at 1:30 today by Scott Sellers of McNaughton-McKay Electric Co.

Although the language behind gross profit optimization is new to some managers and decision-makers, Sellers said the concept—and the implementation challenges behind it—should be familiar to most businesses.

“With most distributors, the first hurdle is that the salesperson owns the account,” he said in a pre-conference interview. “They own the relationships within the account, and they own the pricing strategies,” a situation in which the company’s interests and the account manager’s may not align.

“The salesperson is concerned about the relationship,” Sellers said. But “he’s being paid based on the profits associated with that customer. So the willingness to implement price optimization measures will be relatively low.”

To make matters worse, the typical distributor isn’t set up to optimize pricing across an entire sales force or customer base. “The strategies set by individual salespeople are all over the map,” he said. “Turning that into a unified strategy is a big challenge.”

To optimize gross profits, a company segments its customers by purchasing behavior and products by turnover rate, with the expectation that a slower-moving item will draw a higher margin. Overall strategy should address the visibility of big-ticket items that typically draw a lot of price scrutiny, in contrast to smaller accessories that sell more easily. A company might leave profits behind if it doesn’t optimize margins on over-the-counter sales—or fails to cut price on the more visible item to win the initial sale.

Once sales are broken into proper categories, “you have the ability to introduce the best strategy for each type of sale,” Sellers said.

SESSION TIMES:

8:30 AM: 244 epaCUBE A-Z Gross Profit Optimization Workshop
Presented by: Randy Hughes, epaCUBE

1:30 PM: 105 Gross Profit Optimization Requires Unified Pricing Strategy
Presented by: Scott Sellers



iPad & Kindle Competition Heats Up!

Keep finding those great ideas and filling out the TUG cards for your chance to win. But take note: we DO read your cards, and only those completely filled out with valid ideas will be eligible for the drawing.

A Delicate Balance

By Tim Watson
President, Tridex Systems

Virtualization and business continuity planning are key strategies for keeping IT infrastructures lean, smart, and resilient, in good economic times and bad.

Tridex is proud of its status as a partner to Infor, and to the user community that relies on Infor products. We're serious about helping customers maximize the return they receive on their investment in IT infrastructure by complementing and supplementing their in-house technology services. Tridex also supplies the user community with thin-client enabling tools (TSE, VPN and VDI) in partnership with Propalms, Inc., as well as a hosted email management solution from VClouds.

This function is important enough when the economy is strong. Tough times call for a delicate balance: Clients must control costs, while still making the strategic IT investments that will position them for success when the economy bounces back.

A managed services provider can help. When key staff are on vacation or sick leave, or when a small IT department lacks the specialized skills or experience to get a particular job done, an MSP offers targeted support without trying to replace in-house expertise.

Virtualization is an area where this investment translates into dramatic cost reductions—and improved environmental performance. With the spread and sprawl of IT systems, many organizations are running dozens of servers, all at a fraction of full capacity. As costs and power demand climb, the ROI on IT investments plummets. Virtualization allows customers to combine all that activity in one or two larger systems operating at higher capacity.

Virtualization is also central to the business continuity and disaster recovery planning that keeps companies alive in the event of catastrophic data loss. In this context, a disaster is any human error, hardware failure, or natural calamity that destroys a hard drive or server beyond recoverability.

For most organizations, disaster recovery is not a day-to-day concern. All the more reason that business continuity planning is one of the most important outside investments in IT infrastructure, delivering infinite ROI on the day when it suddenly becomes essential.



Virtualization
reduces server
footprints, costs



RM
Enhancements
Deliver on
User Requests





Operational Excellence Depends on Process, Education, and Technology

Virtualization opens the door to massive reductions in server footprints and costs by drastically reducing hardware requirements and optimizing the use of disk space, RAM, and CPU capacity, said Steve Owsley, Senior Technology Specialist at Tridex Systems, Inc.

In a Wednesday afternoon session, Owsley recalled one customer for whom Tridex virtualized 32 servers, reducing 25 physical boxes to two. Mainframes have been partitioned and subdivided for decades, but virtualization became an option for servers with the introduction of CPU chips so powerful that it was hard to justify buying new units that would largely go unused.

“You’re taking advantage of what’s idle on that server and making it available for one or more additional servers,” he said. “With fewer servers, you have lower operating costs.”

Virtualization simplifies remote access and control, and makes server rollouts and upgrades far more efficient. With a system like VMware virtualization software in place, “the server isn’t tied to the hardware anymore, so you can roll out new hardware really simply,” in a process that “takes minutes now, instead of hours or days,” Owsley said.

System administration time is reduced with only one piece of hardware to deal with, and VMware reports that virtualization reduces capital costs by up to 60%. Fewer servers mean less cost, less real estate, fewer racks, and drastic reductions in the cooling requirements that are standard for data centers. One Tridex customer who ran air conditioning all year round was able to shut it down last winter after virtualizing her servers.

The latest version of Relationship Manager for FACTS incorporates a cluster of new features that respond to users’ feedback and requests.

“We’ve received a lot of features and recommendations from all of you, and we’ve tried to incorporate as many of them as we could,” Martin Rubin, CEO of Minneapolis-based Pivotal Systems, told an audience composed mainly of 7.5 and 7.6 RM users.

One of the most important new features is a note viewer that can be launched from any other session via a selected function key, or synced with any session in progress. The viewer enables a user to move back and forth from individual contacts within a client organization, to individual contact notes, to a screen that shows all notes on file for the entire company. Records can be sorted by pre-defined user code, note type, date, or preference, and synced at the customer, contact, and vendor levels. The viewer also incorporates keyword search, case matching, and matching for whole words only.

Once a series of notes is displayed, it can be filtered by date range, note type, or owner, or tailored to a particular job.

The system’s File Maintenance function establishes different groups of users for security purposes, then enables an administrator to limit the fields that each group can change or delete.

The most successful companies maintain operational excellence in good times and bad, insisted Grant Howard of the Grant W. Howard Company. In a Wednesday morning presentation, Howard presented best practices, their importance, and why they’re becoming more critical for distributors.

Howard said one key to operational excellence is a balanced commitment to a company’s processes, education, and technology. Companies must have good process documentation, so their methods can be easily and quickly duplicated. And every process, job, and transaction should be examined and challenged, to make sure each one makes sense.

He stressed that education is far more than simple training. Teaching someone a repetitive task without giving them a deeper understanding of the underlying process poorly prepares them to solve problems or help improve the company.

Howard also pointed out the irony of buying new technology without fully implementing it. Technology, he said, doesn’t magically fix anything. It only speeds whatever an organization applies it to, which means it can ruin processes as quickly as it can help them.

From their position in the middle of the supply chain, distributors are in the best position to manage inventory, but also the data so critical to process improvement. However, if they concentrate on reducing costs in one area, like the amount of inventory they carry, they may miss saving elsewhere, like the cost per transaction of replacing that inventory. A few medium-sized customers who place an order a week cost the distributor less than a single, large customer who places a lot of one-line orders, and Howard said working with that big customer to streamline the ordering process will save money for both the distributor and the customer.

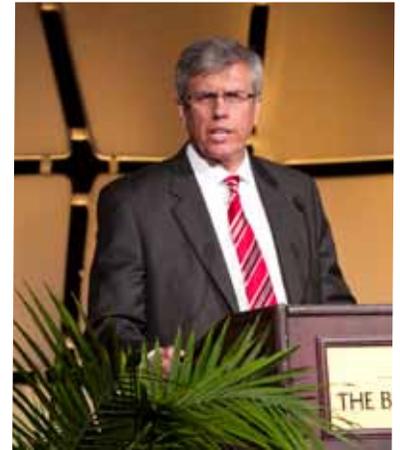
Infor Declares Distribution a Priority Business Unit

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With the economy beginning to turn around, Wright said a top priority for any business leader is to spot the two or three most promising development opportunities on the horizon—and to try to anticipate the possibilities they'll regret not pursuing when they look back in 18 to 24 months.

He added that U2U is “a great conference, for a lot of reasons. It's distribution-specific, and I'm a big believer in affinity groups and

well-defined, market-focused communities.” He encouraged participants to “seek out those alternative views and tactical plans,” noting that he'd spoken with some CIOs who had “already picked up some tidbits that you just don't read in magazines, and you certainly don't pick up talking in your own hallways.”



St. Germain: Delivering the Goods 'Is What Distribution Does'



The forces of change continue to open up new opportunities that business operators are increasingly ready to embrace, Paul St. Germain, Wholesale Distribution Industry Executive with IBM, told the opening session Wednesday morning.

IBM is in the midst of research for the latest in the triennial series of *Facing the Forces of Change*® reports, and “one of the things that is very invigorating is the optimism,” he said. “People are optimists, and to be a business leader you have to be, because sometimes you get hit pretty hard and you have to keep coming back.”

As the economy begins to rebound, he said there will be continuing demand for the services, knowledge, and added value that distribution businesses offer. That expertise goes beyond the simple “buy, hold, sell” that defines the most superficial part of the process.

“It sounds simple, but the intricacy of the business is what differentiates you from everyone else,” he said. A successful distributor is tremendously efficient at storing and moving goods, managing finances and record-keeping for thousands of customers, consolidating orders for smaller companies that wouldn't have much buying power on their own, and controlling inventory.

Contrary to the hype about the Internet eliminating all intermediaries, “one thing that will never go away is the function of distribution,” St. Germain said. “The last time I looked, the Internet cannot deliver product. It's a very powerful tool that can be used, optimized, and leveraged,” but the goods still have to reach their final destination.

“What can change is that there are no guarantees on the name of the company that handles distribution.” But as Internet companies learned in the early days of amazon.com, someone has to get that job done. Amazon “got their act together, but there was a lot of pain. Knowing how to do it, and do it well, is what the distribution industry does.”



Brian Stainbrook
Prince Corporation

“I’m here primarily for Storefront, and what used to be Webstore. I’m finding out about the features in the new version of Storefront, like enhanced search and some of the additional actions. It eliminates some of the customer complaints we’ve had, and that will make it a lot easier for us and save time on the admin side.”



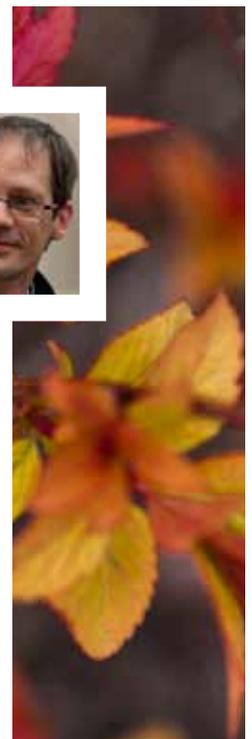
Jim Harrill
Bradco Supply Corporation

“People who had been at the CIO Council for many years said this was one of the better ones. We sensed the change, that distribution is going to start getting attention again. We put some of our business issues on the table, and it turned out that we all had the same top priority, so we’re going to go back and spec it out. I did a lot of networking, learned what other people are doing, and I have a list of calls to make to these other CIOs.”

Dan Kibby
Lane Automotive



“The best thing for me has been the conversations I’ve had with my peers, finding out that they’re seeing some of the same challenges, sharing creative solutions, and sharing the pitfalls. A lot of the time, we get so tied up in just trying to make it through the day that we don’t have time to reach out to each other. This was our opportunity to do that.”





Get Involved, Pickard Urges

TUG's new committee structure opens up a menu of opportunities in which members can participate, and Carla Pickard, CPIM, Director of Commercial Business Systems at PaperlinX Canada Ltd., urged attendees to take up the challenge.

"The next three days will be an educational and networking opportunity like no other, but it doesn't have to end there," Pickard said Wednesday morning. "We need people with great ideas to take on a small role by joining one or more committees, to help us continue delivering value to our members."

After thanking the Board volunteers who carried TUG through a difficult year and made the 2010 U2U conference possible, Pickard stressed that members take away from the organization what they put into it. Volunteers get to improve their professional relationships with other colleagues, and work together in areas like strategy development, finance, and budget, "experiences you may not be exposed to in your day-to-day work."

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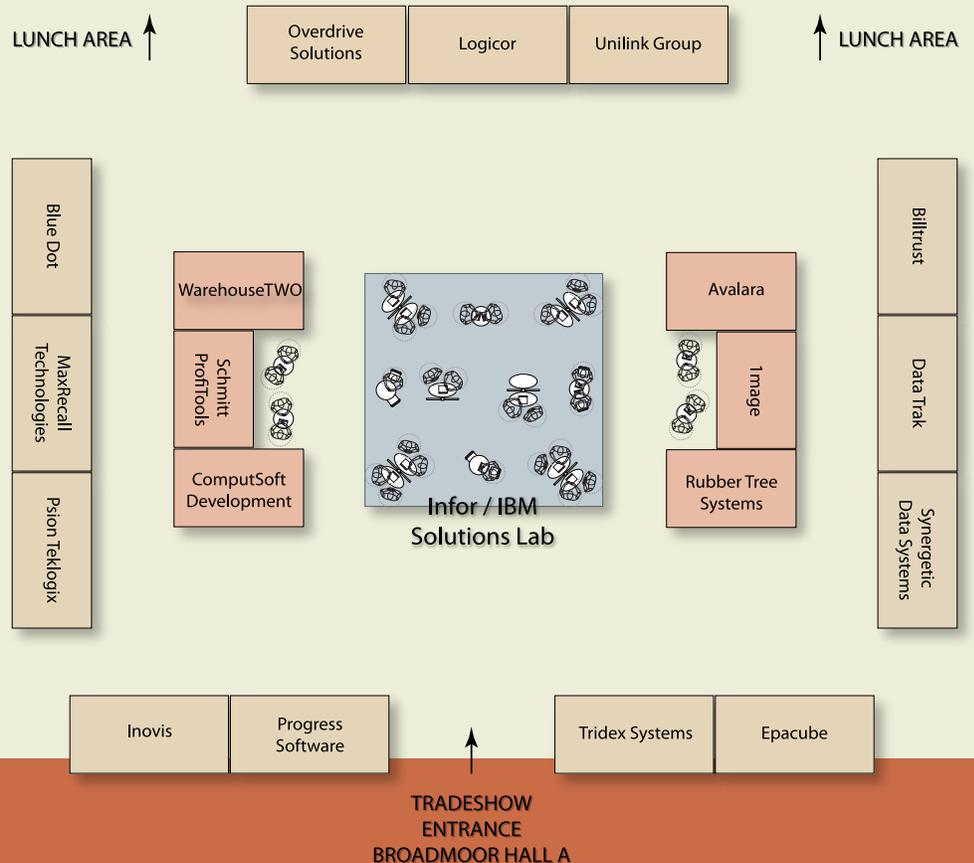
Please Note Updates to Trade Show Schedule



The trade show is open until 3:00 PM today in Broadmoor Hall A. The afternoon break takes place in the trade show hall from 2:30 to 2:45 PM.

While you're in the exhibition area, be sure to visit the Infor / IBM Solutions Lab area and IBM kiosk. With one-on-one demonstrations of various applications and experienced consultants, it's your chance to have your questions answered.

Look for these hot topics: ERP SX.enterprise & TWL, ERP A+, ERP FACTS, CORrelation, Storefront, Performance Management, MyDay, Decisions, Demand Planning, Expense Management, Warehouse Management, KnowledgeZone Training Tools, EPAK, SX.Architect, and Infor365.



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