



infor

PRIVATE EQUITY PLAYBOOK

Leverage technology to drive investment return value for private equity

Discover how you can drive sustainable value-creation strategies in your portfolio

A message from Infor CEO Kevin Samuelson

The leadership at Infor® and Koch Industries understand the unique challenges facing private equity firms as they engage across their portfolio to drive operational improvement and increase value. Infor prides itself on deep industry knowledge and products that quickly improve efficiency and create value with lower risk and cost than alternatives in the market. Given our unique strengths and applicability to companies owned by private equity funds, we have a dedicated and experienced private equity team that effectively collaborates across our respective organizations to meet these challenges and create offerings built for your unique needs.

Our goal is to offer you and your portfolio companies a clear advantage. That is accomplished through a dedicated team that contributes key insight and data across your portfolio. We aim to align with your needs by offering the combination of faster time to value, the latest technologies, and the ability to work across portfolios. We appreciate the opportunity to serve your organization and continuously evolve and improve our solutions to become key sources of business and investment value for your fund.

Regards,



KEVIN SAMUELSON
Chief Executive Officer, Infor

Transforming private equity portfolios

As competitive business landscapes evolve, private equity operating partners face the daunting task of carving every last ounce of growth, optimization, and value from their portfolio. Pressure to perform is dissected from every angle, driving leaders to look at new, innovative solutions for a rapid value-creation strategy. Savvy leaders leverage digital transformation strategies to identify opportunities that optimize business processes, reduce costs, and drive operational efficiency. They also look to develop a playbook of repeatable technology transformations that yield measurable, sustainable results.

This private equity playbook is designed as a resource for private equity firms and summarizes how the Infor Private Equity Practice is structured to serve those firms in their efforts to drive technology-enabled value within their portfolio. For example, we realize your portfolio utilizes applications from disparate technology vendors, as well as that you work with other organizations as technology partners, not competitors. Our solutions are created to embrace and support your current infrastructure where it makes sense. Our team's charter is to align with your technology transformation vision established by your firm's investment thesis. Beyond the bottom line and balance sheets, the Infor Private Equity Practice is here to ensure our partnership is congruent to your core values. We are here to help you develop responsible, profitable assets that support environmental, social, and governance initiatives, driving long-term value for your firm and your investors. This playbook is a single source of information that effectively summarizes the enterprise software solutions, services, and capabilities organized to address specific challenges and opportunities in the private equity space. This culminates with suggestions designed to support your needs and an invitation to engage with our team.

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Competitive pressures to succeed are increasing

It's increasingly challenging to win in the private equity space. Investors have long turned to private equity firms to capitalize on unique opportunities to drive higher returns than they might be able to realize elsewhere. Companies seeking funding also turn to private equity as a source of capital and expertise to accelerate their vision for growth and success. Gone are the days of working within a personal network to surface new investment opportunities. **The number of private equity firms has grown more than two-fold** as the related volume and rates of deals continue to trend upward at a record pace each year, eclipsing previous annual records by more than double. The number of sponsor-backed companies has **grown by 60% in the US**, while the number of publicly traded companies has stayed nearly flat.

Four key challenges in the private equity space should be considered as your firm continuously works to evolve and strengthen your value proposition to both the investment community and acquisition targets.



Competitive pressures continue to grow

More and more, sources of investment capital and related options are available to growing companies with an attractive investment profile. Private equity firms have historically deep funds available, **currently stockpiling nearly \$2.3 trillion** in dry powder—half of that capital **residing with US-based firms**. As a greater portion of capital sits on the sidelines, return on assets and other financial metrics will start to decline. It's no surprise that a growing number of private equity firms are deciding to hold capital when faced with these challenges.



Effective due diligence continues to present risks and challenges

There are obvious and significant consequences associated with a bad investment decision—specifically terrible returns and reputational damage. It's impossible to eliminate investment uncertainty in private equity; however, you can take steps to reduce some of the most common challenges and related mistakes that are made during the due diligence process. The pressure on firms to conduct and complete the due diligence process more quickly has never been greater, exposing your firm to even more risk of making mistakes.



The old adage, “buying low and selling high,” continues to get more challenging

A firm that fails to deliver strong returns will disappoint its investors, resulting in very difficult conversations and related consequences. Feeling the pressure, you may have to take on higher risk deals to meet investment returns goals. Worse yet, you may have to pause plans to raise additional capital while you regroup, allowing competing firms to capitalize. The unintended consequence comes in the form of negative signals sent to the marketplace that your firm’s fund is struggling. Taking on more risk and pressuring portfolio companies for better deal terms are not the only ways to improve returns.



Effectively building value during the investment hold period is becoming increasingly complex

It’s one thing to effectively compete and land what you believe is an attractive company with promising growth potential. It’s quite another to initiate change, which is where the real work needs to begin. Making thoughtful decisions and surgical strikes that drive operating performance improvement and related investment return value present their own set of challenges. These challenges are met based on how you are organized internally to help surface and execute on value-creation opportunities in your portfolio. A strong operating model supports your collaboration with portfolio companies to drive performance improvements, often working alongside solution provider partners you have vetted to deliver solutions to the portfolio.



Infor Private Equity Practice

The Infor Private Equity Practice comprises a dedicated team focused on supporting the unique needs of the private equity space. This includes recognizing the dynamics of operating under accelerated timelines and focusing on investment return value acceleration.

Our practice is structured around a collaborative approach to supporting your operating team. Our sole purpose is to help you achieve value and outcome-based performance across your investment portfolios. We collaborate with your firm as an extension of your operating team, focused on providing executive oversight at all stages of the Infor experience. That collaboration happens from initial discovery and demonstrations to implementation and go-live, and ongoing service and support.



Driving value and serving you

To best serve the needs of private equity firms, our team is empowered to help you increase speed-to-value outcomes and create material operating performance improvements—both at the portfolio company level. The goal is to drive your firm-level investment return value. Our team is here to partner with you and deliver:

- **High value, enterprise-scale business solutions:** Cloud-based ERP solutions and point application offerings
- **Agility for private equity:** Fourth-generation implementation accelerators and rapid implementation methodology to deliver efficiency and value at speed
- **Value outcome performance focus:** Industry expertise and functional subject matter resource support for operating teams
- **White-glove service and support:** Exclusive issue escalation and resolution management



Infor overview

Infor is a global leader in business cloud software specialized by industry. We develop complete solutions for our focus industries, including industrial manufacturing, distribution, healthcare, food and beverage, automotive, aerospace and defense, and high tech. Infor's mission-critical enterprise applications and services are designed to deliver sustainable operational advantages with security and faster time-to-value. We are obsessed with delivering successful business outcomes for customers, and we are continually innovating to quickly solve emerging business and industry challenges.

Over 65,000 organizations in more than 175 countries—from Fortune 500 enterprises to SMBs—rely on Infor's 17,000 employees and their deep industry expertise to help overcome market disruptions and achieve their business goals. As a Koch company, our financial strength, ownership structure, and long-term view empower us to foster enduring, mutually beneficial relationships with our customers, employees and partners.



Infor's portfolio of enterprise application solutions

The modern private equity firm operates with a vendor-agnostic technology strategy—fit and function override familiarity, and long-standing industry stalwarts must coexist alongside the rapidly expanding landscape of point solutions.

“Draconian” technology overhauls, highlighted by a single vendor driving wholesale ERP rip-and-replace projects, have become synonymous with disruptive, painfully long endeavors. While modern implementation accelerators have driven down the time and cost of these projects, agile private equity firms seek to drive value from highly focused point solutions, closely aligning value-creation to bottom-line EBITDA impact.

We recognize the necessary tension in aligning multiple business transformation projects—some guided by technology and some through traditional business acumen. We are in a unique position to leverage a wide portfolio of modern, industry-specific enterprise business application solutions. Each has a substantial track record of success delivering value outcomes quickly to organizations like yours.

Infor's point application solutions are ERP agnostic, high value, and go in fast.



Product lifecycle management



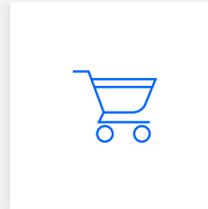
Customer relationship management



Order to cash



Manufacturing planning and execution management



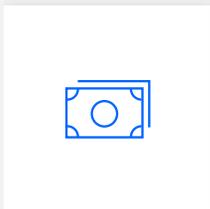
E-commerce



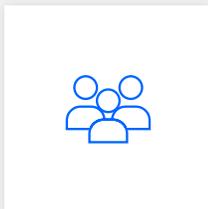
Physical supply chain management



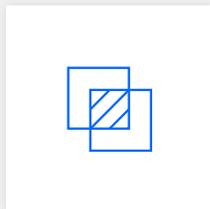
Warehouse management



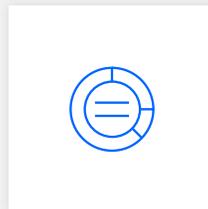
Financial supply chain management



Human capital management and talent science



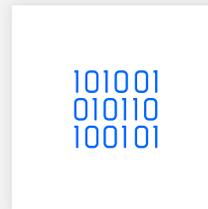
Enterprise performance management



Enterprise business intelligence and analytics



Governance, risk, and compliance



Clinical data management

Rapid ERP deployment for private equity

We recognize the negative impact of a lengthy and complex ERP implementation. These traditional deployments introduce high amounts of risk, disruption, and cost. To address this, we've heavily invested in tools and processes that offer modern, agile-based implementation to achieve rapid value for your portfolio companies:

- Our ERP platforms are built to be deployed swiftly, with workflow functionality and industry-specific features that can be leveraged out-of-the-box to avoid heavy installations and endless customizations.
- Infor Agility for private equity is a service delivery model combining aspects of Agile methodology with advanced Implementation Accelerators (IA 4.0), process intelligence, data migration factory, testing as a service (TaaS), and consumerized learning (read more about Infor Agility on Page 13).
- Unique, scalable platforms for both enterprise and SMB companies.

We enable a phased ERP implementation. We first establish core functionality and then build out more advanced features, business-specific workflows, and extended integrations over time. This helps portfolio companies, and their firm owners, achieve business value more quickly and economically.



Our team realizes that mid-market firms, and their holdings, have vastly different needs than that of large-cap companies and their portfolios. This offering is sized and priced for the small-to-mid-market space for companies in the \$50M to \$250M+ range in annual revenue that need to move to an enterprise-class ERP platform that can be implemented quickly, but is scalable. We understand that complexity isn't driven by revenue size, but rather by how the company has grown and is currently structured.

Many organizations have grown through multiple acquisitions, creating complexities in extracting and merging data from a variety of legacy systems, coordinating disjointed processes, and managing a varied group of stakeholders.

We act as an extension of your firm, conducting tailored engagements at no cost, which includes a detailed assessment of your current-state environment that delivers back a solution design, business impact analysis, and growth-path scenarios.

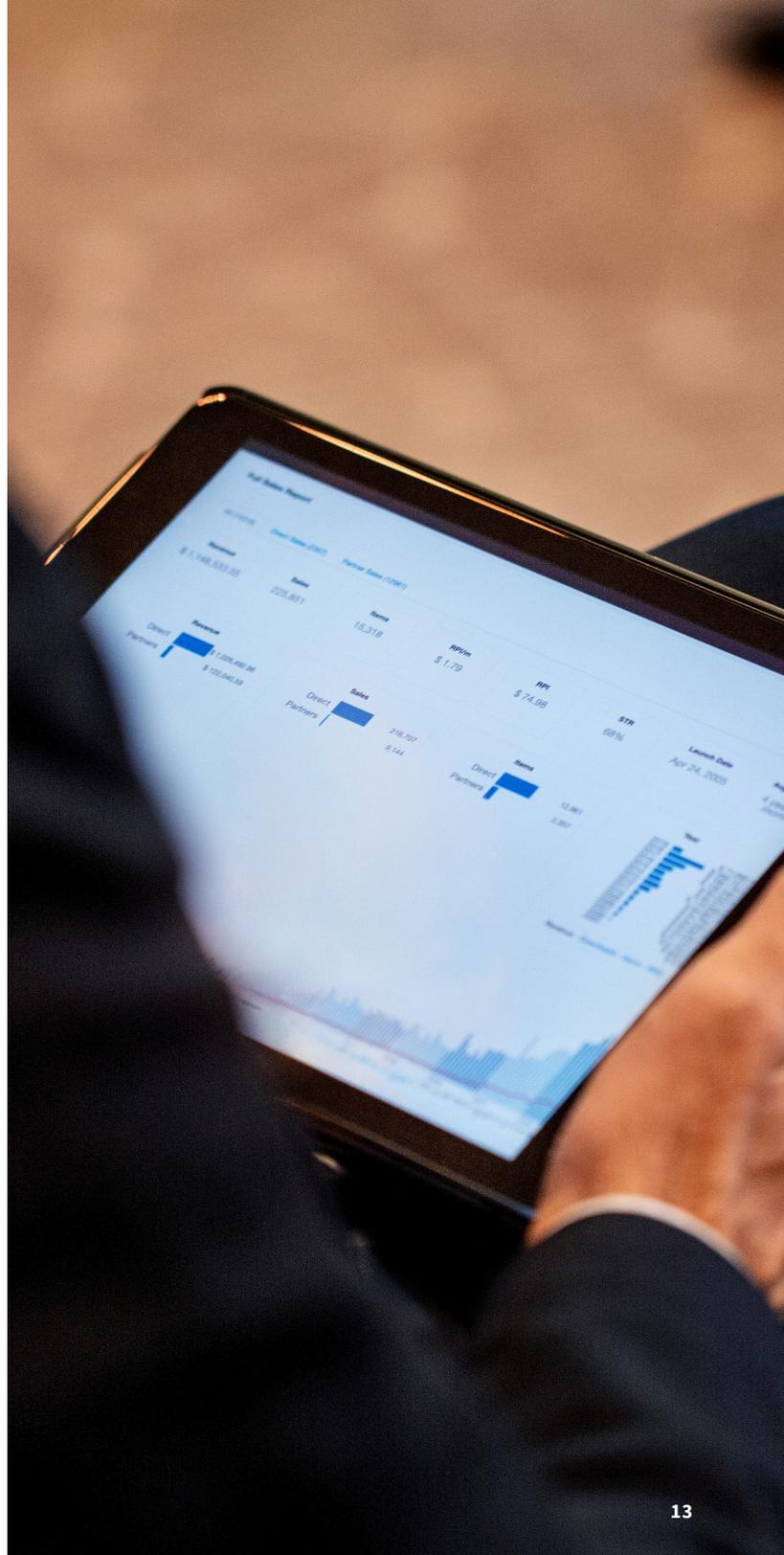


Serving small and mid-market assets

Infor's has built a partner network tailored to the small and mid-sized assets in our private equity partners' portfolios. This consortium of implementation groups has deep vertical expertise, tailored to the needs and considerations of this market, to help our clients achieve rapid time to value.

Many of our channel partners have been working in specific industry sectors for decades, and have experience serving private equity. This experience allows portfolio companies to leverage their experience and subject matter expertise.

The combination of industry-specific software and vertical expertise spans a key set of categories, many of which are heavily invested by firms. This includes industrial and discrete manufacturing microverticals such as aerospace, capital equipment, furniture, automotive, metal fabrication, and many others. The same applies for healthcare, retail, technology, hospitality, and business and professional services.



Operating team collaboration

Bringing expertise and resources to your firm

Every organization's most critical business drivers should be aligned with a sound technology strategy. Working alongside operating teams, the Infor Value Engineering (VE) group will help you identify, quantify, and realize the operating performance improvement potential and related value outcome associated with a technology initiative.

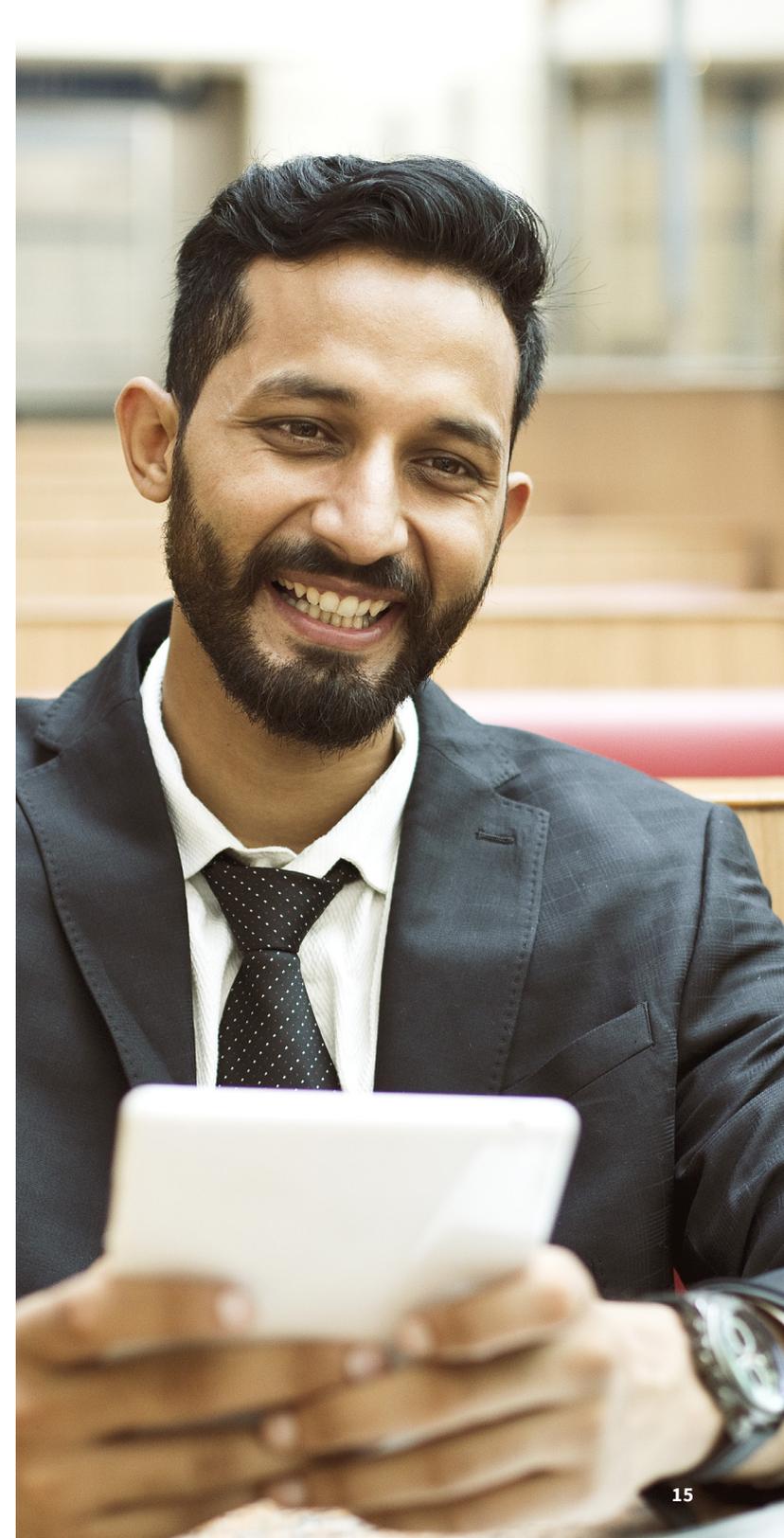
Infor VE and our digital organization are comprised of a large global team of outstanding professionals, including:

- Former C-level executives (CFOs, CIOs, and CTOs)
- Principals from premier management consulting firms (AT Kearney®, Bain®, and McKinsey)
- Big-5 consulting companies (Accenture, PwC/IBM®, EY, Deloitte®, and KPMG)
- Talent from world-class institutions (Harvard, Oxford, MIT, Ivey, Rotman, Cornell, INSEAD, Stanford, IIT, and LBS)



Value outcome engagements at the portfolio company level

Infor VE has a structured approach to assessing and quantifying value outcome potential associated with a technology initiative in an organization, whether it's an ERP solution or standalone application initiative. This process begins prior to the decision to move forward with Infor and continues in review of the impact of a go-live, assessing what has been successful and areas where both Infor and your portfolio company can continue to refine and execute. This, too, adds further bottom-line impact to your investment.



STEP 1

Value discovery

First, the team works to understand executive strategies, uncovering the pains that constrain business processes. This process enables us to pinpoint opportunities that may leverage your existing investments, significantly impact competitive standing in the marketplace, or drive accretive business value.



Current state

Analyze executive strategies and uncover the pains that constrain business processes and inhibit initiatives.



Functional scope

Define the scope by functional and geographic area, and benchmark current implementations versus best-in-class deployments.



Improvement opportunities

Pinpoint opportunities that may leverage existing investments, significantly impact competitive standing in the marketplace, or drive accretive business value.



Go-forward roadmap

Quantify value opportunities, define a blueprint, and use a three-pillar approach to align the roadmap and commercial objectives.

STEP 2

Value realization

Next, the Infor VE team will craft an executable plan to drive value.



Go-live

Solution architects put the plan into action, providing guidance and tactical reviews to realize the defined objectives.



Program governance

Conduct high-level readiness and risk assessment, as well as facilitate development of a beneficial governance structure.



KPIs

Determine how the business will measure the attainment of value and success of the implementation.



Best practices

Enhance performance metrics and validate best practices through Infor VE participation in center-of-excellence meetings.

Infor Agility drives implementation speed to value

Agility for private equity

The true realization of business value from a software investment is related to the speed at which your end-users embrace new systems and processes. By combining change strategy, communications, organizational readiness, alignment, stakeholder management, and end-user training, Infor ensures that you are fully empowered to gain maximum value from your solutions. No matter how complex your organization is, a variety of agile implementation practices can speed transformations and deliver game-changing returns.

Infor Agility is Infor's innovative service delivery model that impacts all aspects of Infor's customer lifecycle. It's guided by decades of successful ERP implementations and has been continuously refined with the goal of delivering implementations on time and on budget, ultimately delivering faster value for our customers. Infor Agility combines aspects of Agile methodology with advanced implementation accelerators, process intelligence tooling, a data migration factory approach, testing as a service, consumerized learning, and managed services options. This takes a prescriptive approach, instead of an "implement as you please" approach.

The focus of Infor Agility is delivering on the following core promises with every implementation, whether it's an ERP solution or standalone application:

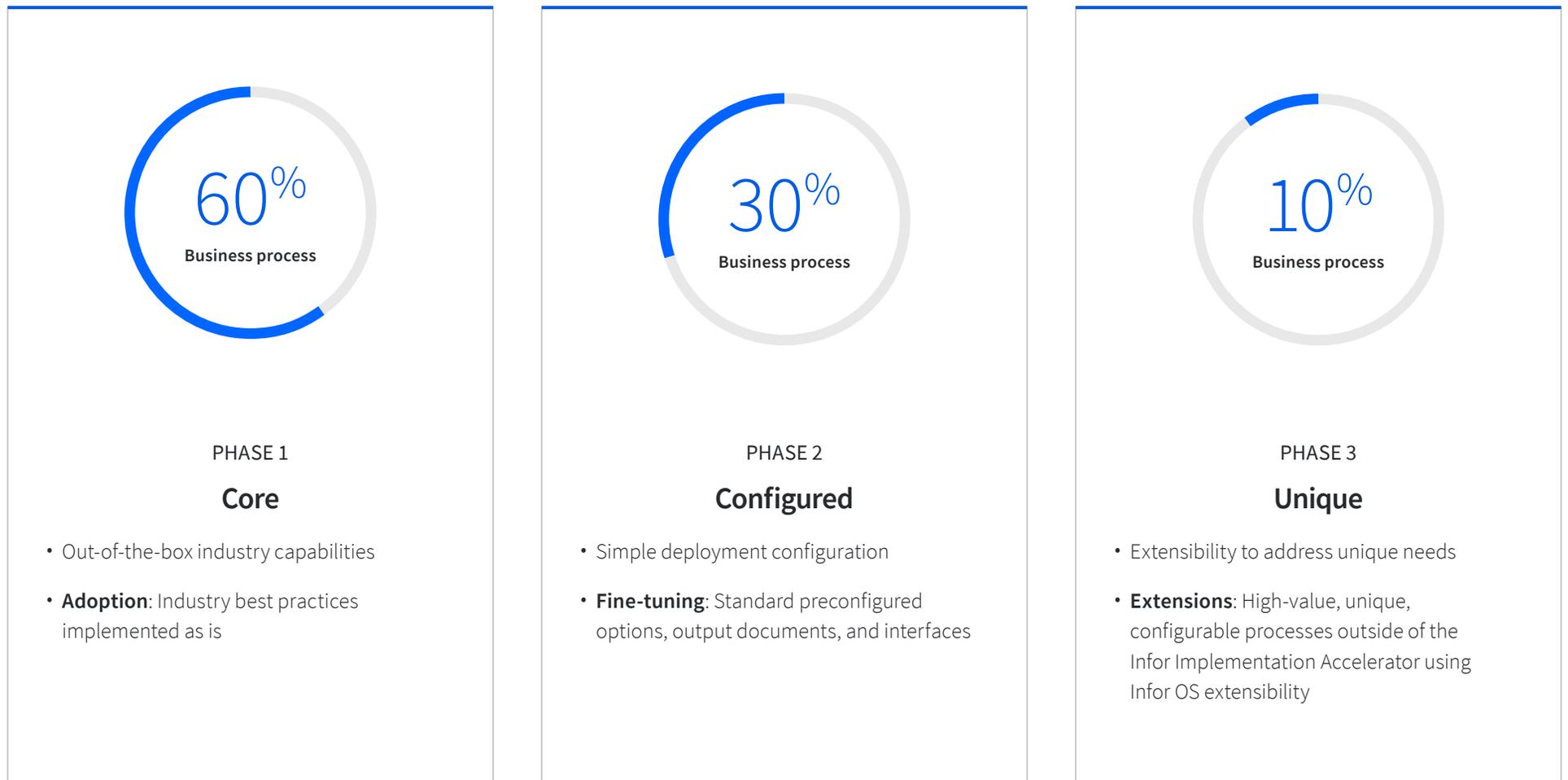
- Deploy quickly and reliably, anywhere in the world
- Accelerate time to value and minimize risk
- Achieve a cost-effective, easily supported deployment
- Maximize the long-term value of your investment



Business process assessment (60:30:10) approach

Infor believes that “not all business processes are created equal.” By leveraging a detailed Business Process Assessment workshop as part of our strategic 60-30-10® approach, we’re able to clearly identify the processes that are most important in helping you differentiate yourself and deliver maximum value. This model allows us to deliver our Infor CloudSuite™ industry solutions with most of the necessary processes already built in and ready to adopt; about a third of the remaining processes are refined/configured to suit the needs of our customers; and the final layer receives the most focus, to truly make our solutions a competitive differentiator for your business.

We implement our 60:30:10 approach because we understand that not all business processes are created equal.





“ Infor has the shortest implementations. Infor encourages organizations to minimize software customization and use more out-of-the-box pre-configurations. When organizations spend less time on customization and configuration, this can shorten their implementation timeline.”

CLASH OF THE TITANS

Panorama Consulting Group

P A N O R A M A
CONSULTING GROUP

Koch Industries extends value to your firm

Engrained in the DNA of Infor's owner, Koch Industries, is the need to drive continuous improvement through innovation by embracing the concept of creative destruction, deliberately dismantling the established processes, products, service models, and technology to continuously drive improvements.

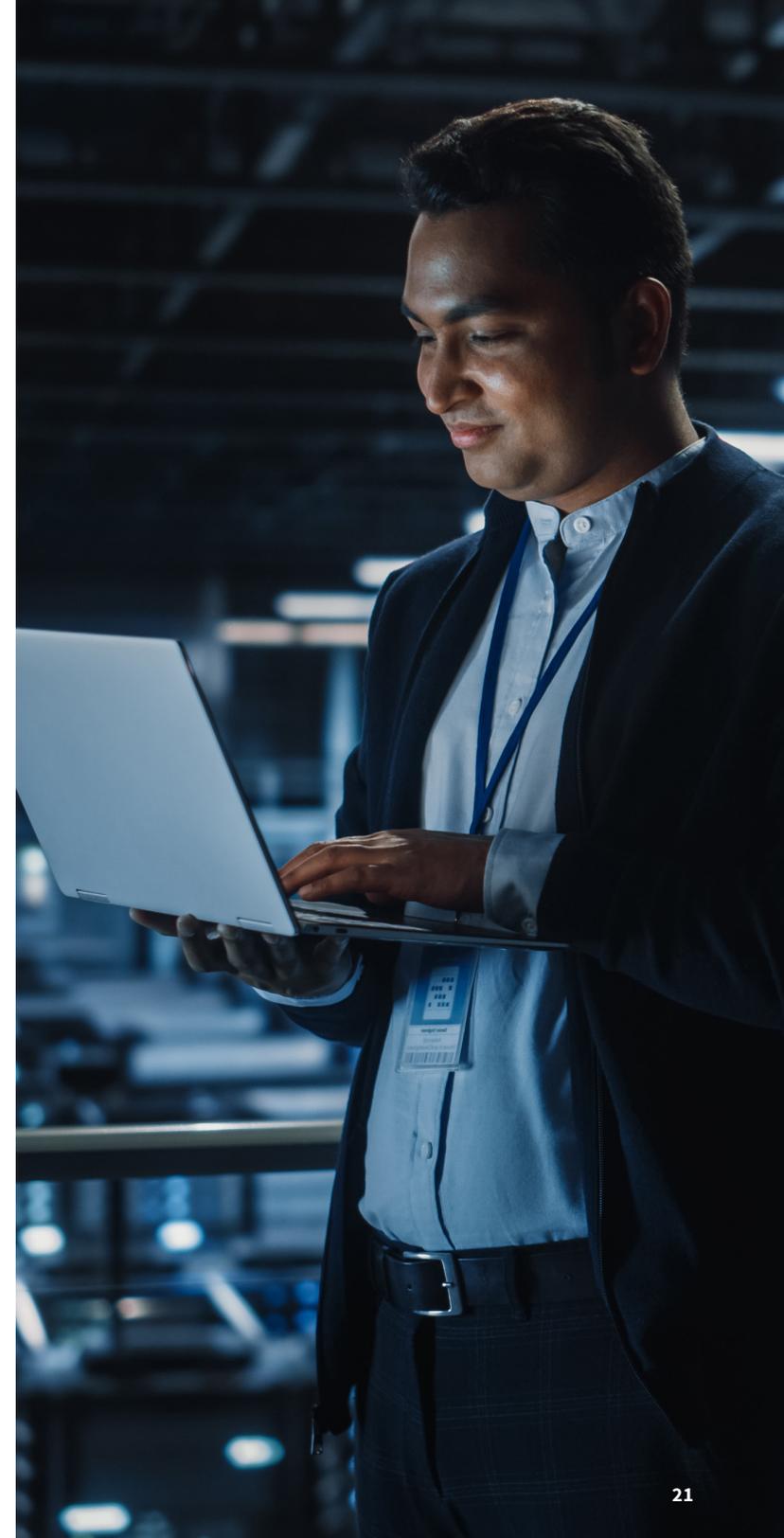
These strongly held beliefs are at the core of why Infor and Koch leadership assembled a dedicated team to serve the unique needs of private equity owned companies, and the firms that own them. When considering how to leverage technology as a value creator, those desired outcomes don't stop at driving positive operating performance outcomes. These performance improvement results need to also translate into investment return value for the firm that is continuously striving to drive greater investment return multiples at exit.



Smart Factory for modern manufacturing

Today, private equity firms are tasked to address the here-and-now while they're preparing their assets for sustainable, long-term growth. To help address these modern challenges, Infor and Koch will be opening **The Smart Factory** in Wichita, Kansas in late 2022. This new 60,000 square-foot facility will be an experience that includes a full-scale production line, dedicated space for select ecosystem sponsors, and experiential labs exploring smart factory capabilities.

Through hosted on-site tours that are tailored, firms and their portfolio leaders will be able to engage with industry solutions in a practical, outcome-oriented environment. The Smart Factory will be a fully immersible, hands-on experience—a highly digitized and connected production facility that uses technologies such as artificial intelligence, the Internet of Things, and robotics to manufacture products.



Join investment collaboration with Koch and Infor

The Infor Private Equity Practice has a strong working relationship with Koch Equity Development and Koch's Deal Origination team. These teams have a strong investment focus, with a targeted profile of companies that Koch desires to invest in. Our team is keen to reveal potential opportunities to broker introductory calls with deal teams on the private equity side with our Koch colleagues.

Koch has a long history of co-investing with private equity firms, as well as operating as a buyer of existing firm portfolio companies. In today's incredibly competitive marketplace, revealing attractive investment opportunities is increasingly more challenging. Our ability to function as an extension of Koch's Deal Origination team to help identify potential investment opportunities and broker connections between a private equity firm can accelerate paths to new prospective deals.

New acquisitions, where partnering scenarios might make sense to discuss an acquisition of an existing portfolio company, present opportunities to network and explore potential mutually beneficial investment outcomes.



Discover how Infor Private Equity Practice can help you



Technology value-creation assessment

Provide industry experts to operate as an extension of your firm, crafting vendor-agnostic technology strategies.



Rapid deployment for carve-outs

Core ERP go-live to help meet TSA obligations.



Portfolio analysis

Review of current partnerships and active selection cycles.



Smart Factory

Hosted visits tailored for private equity portfolio companies and their operating teams.



IT deal due-diligence support

In-depth solution architecture reviews to determine tech debt and go-forward level of effort for modernization during diligence.



Infor technology review

Executive briefings crafted to bring your firm up to speed on current and future-state offerings from Infor.



Cloud migration analysis

Help mitigate cybersecurity and cost concerns, delivering a plan of on-prem with a cloud migration strategy.

Let's connect today

The Infor Private Equity Practice team focuses on opportunities to generate operating performance improvements across your firm's portfolio with our cloud-based, industry-specific, enterprise applications. Our solutions deliver high-value business outcomes that are implemented quickly and can be repeated across your portfolio.

Our hope is that you found this playbook a useful source of information to help broaden your understanding of our value proposition for firms like yours. We welcome the opportunity for further discussions on how we're engaging and supporting firms today.

We would be happy to share examples of how collaborative work with operating teams have delivered value throughout the investment lifecycle.

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About Infor

Infor is a global leader in business cloud software specialized by industry. Over 65,000 organizations in more than 175 countries rely on Infor's 17,000 employees to help achieve their business goals. Visit www.infor.com.

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