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Bridging the Digital Divide: Infor at the Forefront of the Industrial AI Revolution

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Summary

In the rapidly evolving landscape of industrial technology, the "digital divide"—the gap between digital leaders and followers—has become a pressing challenge for organizations worldwide. At the heart of this transformation is Infor, a company with a storied history and a proven track record of empowering industries through artificial intelligence (AI).

This ARC View traces Infor's steady progress in the field of Industrial AI, showcasing its commitment to innovation and its ability to adapt to the evolving needs of the industry. Infor enables its customers to close the digital divide and gain a competitive edge.

Infor's Legacy: A Beacon of ERP Innovation

Founded in 2002 as Agilisys, Infor quickly established itself as a technology leader in the enterprise resource planning (ERP) market. With a focus on process manufacturing software, Infor's early days were marked by strategic acquisitions and growth, culminating in the adoption of the Infor name in 2004. Over the years, Infor has expanded its reach, serving over 60,000 customers across various industries.

The Rebirth of ERP: Infor CloudSuite as an Enterprise Renaissance Platform

Infor's renaissance in the ERP domain is epitomized by Infor CloudSuite, a true multi-tenant SaaS ERP platform designed for the modern age. This innovative system represents a fundamental shift from traditional ERP solutions, focusing on key industrial verticals and delivering a seamless, integrated user experience. Infor CloudSuite is not just an ERP system; it's a comprehensive ecosystem that includes Infor OS Platform, an industrial-

grade data fabric and a highly composable and extensible process catalog and process orchestrator for the new era of AI.

Overcoming Legacy ERP Challenges

- **Scalability**: Multi-tenant SaaS ERP systems like Infor CloudSuite are inherently scalable, allowing resources to be dynamically allocated based on demand.

- **Cost Efficiency**: By sharing infrastructure costs across multiple tenants, Infor CloudSuite reduces the total cost of ownership compared to legacy systems.

- **Continuous Updates**: Infor CloudSuite provides continuous enhancements without disruption, ensuring that all customers benefit from the latest features and security updates.

- **Customization vs. Configuration**: Legacy ERPs often required extensive customization, which was costly and time-consuming. Infor CloudSuite emphasizes configuration over customization, making it easier to adapt to business changes.

- **Composable and Extensible Process Catalog**: Infor CloudSuite offers a rich set of pre-built processes that can be composed and extended to fit the unique needs of industrial operations.

- **Process Orchestrator**: Having the flexibility and control to orchestrate complex workflows enables AI solutions to be more dynamic and responsive to real-time changes.

- **Composable for Innovation:** Powered by a composable technology foundation, Infor OS Platform unifies modern technologies like AI, data & insights, integration, and application development in one, connected platform, allowing customers to accelerate innovation when needed.
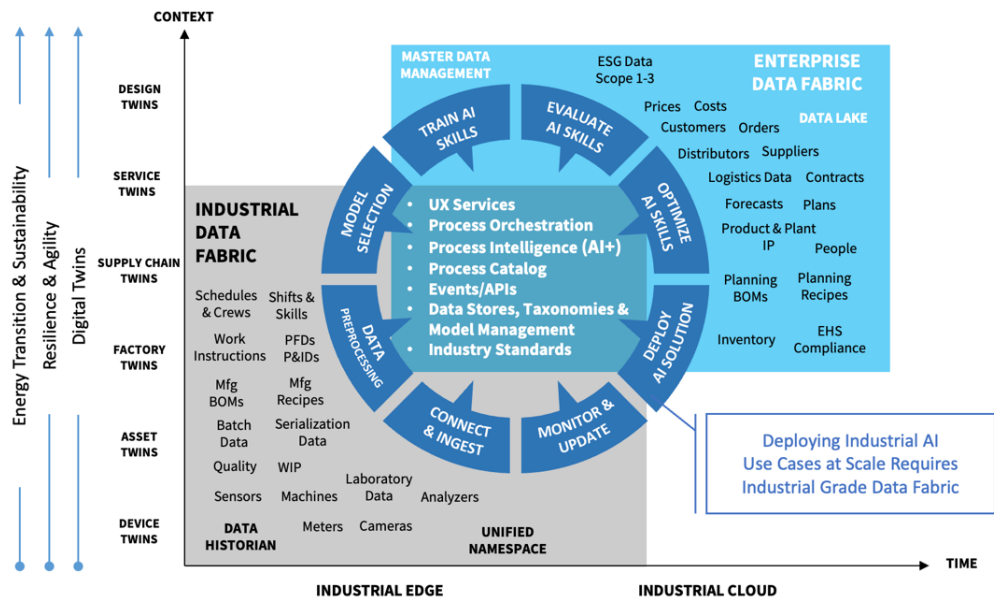
At the core of Infor CloudSuite's architecture is a **microservices-based framework**. This modern approach allows for the seamless integration of various applications and data sources, fostering an environment where AI can thrive. Infor CloudSuite is built on a **cloud innovation platform**, powered by Infor OS Platform, which delivers everything needed to tackle innovation use cases—from integration to automation and extensibility to

data and insights-and is the fabric that connects your entire enterprise eco-system.

Key Components of Infor OS Platform

Industry AI: Unleash the potential of your data using prescriptive, predictive, and generative AI in the flow of work, tailored to your industry micro-vertical.

- **Integration:** Connect systems with agility, ensuring seamless operations, accurate data, and efficient system responses.

- **Application Development:** Simplify app development with the low-code tools you need to design, build, and deploy quickly and easily and with scale.

- **Data & Insights:** Empower your business to leverage data for insights, streamline processes, and drive operational excellence for informed decision-making.

ARC Advisory Group 2023: Orchestration of Intelligent Cloud and Edge Services Requires Industrial Data Fabric

Designed to empower innovation, having these key components all in one, connected platform paired with a robust data fabric ensures data integrity and accessibility, crucial for any AI-driven application.

Embracing the Industrial AI (R)Evolution with Infor CloudSuite

As the industrial sector stands on the cusp of the AI (R)Evolution, Infor CloudSuite is well-positioned to bridge the digital divide. Built on Infor OS Platform, an industrial-grade data fabric and cloud innovation platform, Infor CloudSuite is designed to handle the vast amounts of data generated by industrial operations, providing the foundation for AI-driven insights and decision-making.

Unlike others, Infor's commitment to leveraging AI didn't start with the generative AI hype cycle triggered by ChatGPT 3.5 in late 2022. The company has a rich history of incorporating AI techniques such as machine learning, and neural nets for natural language processing, cognitive vision, and digital assistants, in its solutions. AI technologies have been instrumental in enhancing Infor's offerings, enabling predictive analytics and automation of complex workflows. Here's a bulleted list detailing Infor's history of delivering Industry AI solutions from its inception through June 2024:

- **2002**: Infor, then known as Agilisys, begins with a focus on process manufacturing ERP software.

- **2010s**: Infor starts embedding AI capabilities into its ERP solutions, focusing on predictive analytics and automation.

- **2016**: Infor's cloud user base grows to 68 million users across 170+ countries, indicating a significant adoption of its cloud-based AI solutions.

- **2017**: Koch Equity invests over $2.2 billion in Infor; Infor acquires Birst® and introduces AI capabilities and a Digital Assistant to its cloud technology platform.

- **2018**: Infor introduces industry-specific AI and machine learning (ML) applications, signaling a deeper integration of AI into its solutions.

- **Early 2020s**: Infor continues to enhance its CloudSuite capabilities with Infor Augmented Intelligence Service, a managed service for predictive and prescriptive AI.

- **2023:** Infor launches new cloud-based solutions including Value+ Enterprise Automations that further integrate AI into the core of its offerings, building upon a pre-built library of AI models and process automations

- **2024:** Infor OS Platform introduces generative AI across Infor Cloud-Suites with embedded experiences and conversational assistance to support complex manufacturing project initiatives with assisted text authoring, summarization, translation, and analysis capabilities

This timeline reflects Infor's steady progress in the field of what ARC Advisory Group calls Industrial AI, showcasing its commitment to innovation and its ability to adapt to the evolving needs of the industry.

In the quest to harness the transformative power of AI, Infor OS Platform emerges as a beacon of innovation for industrial organizations. Its architecture, deeply integrated with AI capabilities, positions Infor OS Platform as an ideal platform for delivering and enhancing AI solutions.

Delivering AI Solutions with Infor Industry AI, Powered by Infor OS Platform

Infor OS Platform is an agile and adaptable platform, enabling active participation in the AI revolution. It powers **Infor Industry AI** to deliver solutions that are tailored to the unique challenges of specific industries. These solutions are designed to be prescriptive, predictive, and generative, fitting seamlessly into the flow of work.

Empowering Customers to Enhance AI Solutions

Infor recognizes the importance of customer empowerment. Focused on providing solutions that fit in their flow of work and are tailored to their business need, Infor provides AI solutions that meet customers where they are, regardless of their expertise. Infor's team of industrial grade data scientists are democratizing AI to allow customers to tap into AI solutions with or without in-house AI/ML talent.

Here are some examples of how their customers have leveraged Infor OS Platform to enhance their AI capabilities:

- **Predictive and Prescriptive AI as a managed service**: Built for business users, Infor Augmented Intelligence Service provides predictive and prescriptive insights as a managed service, with Infor experts to guide them through the process in just 90 days.

- **Custom Machine Learning Models and Algorithms**: Customers with data science expertise can create custom ML models and algorithms using Infor OS Platform's intuitive interface and guides. This allows them to address unique business challenges with models that are not available out-of-the-box and inject their own scripting into the data transformation process.

- **Generative AI:** Embedded into Infor CloudSuites, Infor GenAI provides assisted text authoring, summarization, and analysis directly in workflows through smart widgets and embedded experiences. Customers can rapidly generate content, summarize reports, and analyze insights at scale.

- **Enterprise Automations built with AI:** Pre-built automations enhance Infor CloudSuite by automating end-to-end business processes with AI and RPA technologies across Infor Value+ use cases such as invoice processing, vendor performance analysis, service ticket creation, and more.

For example, Infor CloudSuites' AI-driven customer insights has enabled outdoor furniture manufacturers Grosfillex sales team to devise promotional plans, negotiate pricing and contracts, and other effective sales strategies faster and more precisely. Along with Infor AI automated customer profitability grading Grosfillex is already seeing significant ROI:

- **Increased revenue:** 10 percent revenue increase within a week by expanding the product assortment for a specific group of low-graded accounts. 5 percent increase in gross margin percentage within a month by making pricing adjustments.

- **Increased profitability:** 5 percent increase in gross margin percentage within a month by making pricing adjustments.

- **Enhanced sales productivity:** 83 percent improvement in sales productivity through the automation of customer profitability grading.

- **Improved customer experience:** Grosfillex can deliver a more curated product assortment, contributing to better overall customer experience.

- **Enhanced online shopping experience:** Grosfillex can identify products that may not be well represented on its e-commerce site.

These examples highlight the versatility of Infor OS Platform in delivering AI solutions that customers can not only use but also enhance and adapt, ensuring that their AI initiatives are closely aligned with their operational goals and industry-specific requirements.

Training AI on Customer Data

Infor OS Platform's architecture allows Infor to train AI models on aggregated data across its customer base. This is beneficial because:

- **Data Richness**: Training AI models on larger, more diverse, micro-vertical data can lead to more accurate and robust AI solutions.

- **Benchmarking**: Access to a wide range of data enables Infor to benchmark performance across different industries and identify best practices.

Customer Agreement on Data Usage

Infor has implemented clear contractual agreements with customers regarding the use of their data for AI training. These agreements typically include:

- **Data Usage Clauses**: Customers are informed about how their data will be used and must give explicit consent for their data to be included in AI training sets.

- **Data Anonymization**: Before using customer data for AI training, Infor anonymizes the data to ensure that no personally identifiable information or sensitive business information is included.

- **Opt-Out Options**: Customers are often given the option to opt-out of data sharing for AI training purposes.

Protecting Intellectual Property

To prevent IP leakage, Infor takes several measures:

- **Data Segregation**: Infor ensures that customer data is segregated, and access is controlled to prevent unauthorized use.

- **Security Protocols**: Robust security protocols, including encryption and access controls, are in place to protect customer data from unauthorized access.

- **Legal Safeguards**: Contractual agreements are drafted to clearly state the ownership of the AI models and the training data, with provisions to protect the customer's IP rights.

Conclusion

In summary, Infor CloudSuite's multi-tenant SaaS ERP architecture is not just a modern alternative to legacy ERP systems, but also a platform for deploying Infor OS Platform's Industry AI solutions. These solutions are built by Infor's team of industrial grade data scientists, who have deep expertise in specific micro verticals. By combining industry-specific AI models with rich customer data, Infor enables its customers to close the digital divide and gain a competitive edge. Infor also respects and protects the customer's data and intellectual property rights, through clear contractual terms and robust security protocols.

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