



The Effective Enterprise

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A QAD Leadership White Paper for the
Global Manufacturing Industry

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CONTINUOUS IMPROVEMENT AND THE EFFECTIVE ENTERPRISE

Continuous improvement is fundamental for ongoing success in manufacturing. The “Effective Enterprise” is QAD’s vision to support customers’ continuous improvement efforts. The Effective Enterprise vision provides a framework for how QAD works with customers, chooses technologies, designs solutions and innovates.

First a definition: An Effective Enterprise is one

“Where every business process is working at peak efficiency and is perfectly aligned with a company’s strategic goals.”

QAD designs all aspects of its offerings - software, services and customer engagement - to support customers on their journey toward the Effective Enterprise. How does this differ from other ERP and supply chain vendors? QAD collaborates with manufacturers on a business focused approach to systems. This business focused approach helps customers achieve desired business outcomes faster, at lower risk and at lower cost. The QAD approach intentionally avoids a singular focus on feature/function and technology-oriented approaches used by other ERP and supply chain software vendors. A feature focused approach can lead to complex, higher cost, big bang projects focused on “advanced” technology features rather than business outcomes.

This paper describes QAD’s reasoning for the Effective Enterprise and delves into how QAD delivers the Effective Enterprise in the three areas of customer engagement, software and services.

THE MANUFACTURER’S CHALLENGE: CHANGE

The only constant in manufacturing is change: Technology advances. Customers’ preferences vary. Supply chains morph. Regulations churn.

Employees and their skills come and go. New competitors threaten to gain market share. Business models and markets transform. Stakeholder expectations are inconsistent. Continuous improvement is not merely a lofty idea but often a means of survival.

Manufacturers need partners who can help them adapt over the long term. Manufacturers need ERP and supply chain solutions that, after implementation, flexibly support changes in process that result from a commitment to continuous improvement in an everchanging market environment.

QAD stands with our customers every day, from day one of solution design to years and even decades after go-live. As customers work toward operational excellence QAD wants to ensure that they do not stand alone.

QAD follows a phased project approach that focuses on achieving enterprise wide business outcomes through process review and business transformation supported, where and when needed, by a rational and flexible set of solution capabilities. QAD owns a shared responsibility to help manufacturers successfully meet the demands of constant change.

CUSTOMER ENGAGEMENT

Through award winning customer engagement, QAD delivers a continuous improvement process to ensure ongoing alignment between our customers’ business strategy, the people, process, and best practices they utilize to achieve their goals and the related technology that supports the people and processes. QAD refers to the process as “Vision” engagements.

QAD endeavors to conduct a Vision engagement with each customer every year to understand their business challenges and to work together

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to develop alternatives for overcoming their challenges. The customer and QAD review the manufacturer's performance against desired outcomes. Using the QAD Key Performance Indicator (KPI) framework, QAD and the manufacturer discuss the processes, skills and best practices that impact business outcomes.

Though QAD is a software company, usually in these engagements customers and QAD discovers that the source of performance challenges fall outside or in addition to technology. The KPI Framework acts as a diagnostic tool and a roadmap for identifying and addressing business challenges, including strategic and tactical alignment.

Vision engagements are not sales pitches. They are unpaid consulting engagements based on QAD's simple idea that successful customers will become loyal long-term customers. QAD succeeds if and only when its customers succeed.

SOFTWARE

Manufacturing Industry Focus

For nearly four decades QAD has maintained a laser focus on 6 manufacturing vertical industries – automotive, consumer products, food and beverage, high tech, industrial and life sciences. Within these verticals QAD concentrates on 24 vertical segments, providing prescriptive solutions that provide greater fit out of the box.

This focus means QAD can provide customers with the capabilities they need without the distraction and complexity of functionality they don't need and don't want. This reduces effort, cost and time to realize business benefit from ERP and supply chain solutions. Reduced complexity makes the solution more flexible, making it easier to support changes in business process post-implementation.

QAD KPI Framework: Top Level Manufacturing KPIs

 Customer Service	 Supplier Performance
 Manufacturing Efficiency	 Manufacturing Schedule
 Supply Chain Effectiveness	 Inventory Effectiveness
 Asset Utilization	 Financial Compliance
 Industry Compliance	 IT Effectiveness

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Smaller and Faster Upgrades

QAD's architecture, based on modern APIs and microservices, allows customers to select only the solution areas they want to upgrade versus upgrading ERP in its entirety. This makes upgrading smaller, faster, easier and less error prone. It helps customers to stay current and reduces the gap between their changing business needs and what their ERP and supply chain solution provides.

QAD Enterprise Platform

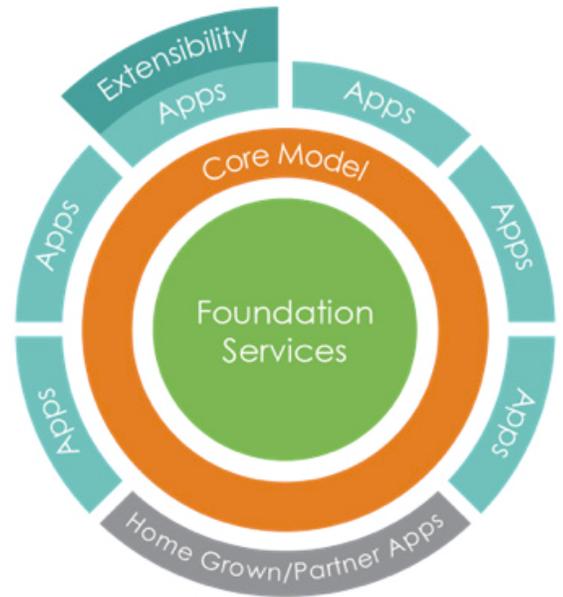
QAD recognizes that each customer has a unique business model and a unique set of related business processes. Often these differences are the source of competitive advantage. Best practice processes, while critical, can conflict with the unique processes that support a manufacturer's competitive advantage. Supporting the unique processes of each customer requires a different approach.

To help meet these customer-specific requirements, QAD offers the QAD Enterprise Platform. The QAD Enterprise Platform helps developers and business analysts rapidly create and deploy cloud applications that are dependable, secure, and scalable without having to write code or worry about provisioning hardware or application platform stacks.

To make things easier and faster, the QAD Enterprise Platform delivers out-of-the-box tools and services to support customers' app creation including security, menus, screen templates, collaboration, attachments, globalization and embedded analytics. The platform supports app users on desktops/tablets and mobile devices. Apps benefit from the core enterprise data and processes already available in Core Model of the platform, eliminating the time, effort, cost and risk of data and process synchronization. With the QAD Enterprise Platform, customers create apps

in days instead of months and eliminate the need for costly customizations that create lock in and make supporting future change more difficult.

The QAD Enterprise Platform



QAD Cloud ERP

QAD Cloud ERP allows manufacturers to focus on the strategic aspects of ERP and supply chain management, namely process improvement and roadmap, while leaving the tactical work of infrastructure and application management to QAD. This reflects a business versus feature focused approach to deployment.

QAD Cloud ERP, and QAD's other cloud-based solutions, run on the QAD Cloud which is supported worldwide 24x7x365 in all major languages. Though the availability service level for QAD Cloud is 99.5%, due to QAD Cloud's unique cloud management capabilities QAD has delivered over 99.9% availability for the last 18 months. With QAD Cloud, there is no cloud service provider lock in and QAD Cloud includes world-class, fully certified security. In addition, customers only upgrade when it makes sense – QAD Cloud ERP does not force customers to upgrade. This

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mean that QAD Cloud provides a flexible, safe, highly dependable environment that makes it easier for manufacturers to change – when the manufacturer is ready to change.

QAD was named the 2016 Enterprise Cloud Company of the Year in the Stratus Awards for cloud computing conducted by the Business Intelligence Group. The Stratus Awards identify and acknowledge distinguished companies, products and people offering unique solutions that take advantage of cloud technologies. What does this mean to customers? It means they have an innovative partner focused on delivering the solutions customers need, not just the software.

SERVICES

At QAD we celebrate positive customer business outcomes, not implementations. Baseline and outcome measurement are part of all engagements delivered by QAD Services. It starts with understanding customers' needs and then is refined during QAD Easy On Boarding (EOB) – QAD's implementation engagement process. It is measured with built-in embedded analytics that include flexible KPI metrics and is constantly reviewed with post-implementation engagements and Visions. For customers that want to go deeper into specific areas of their business, QAD Services offers Q-Scans, a variety of process and solution specific engagements designed to provide insight into the potential value and effort required to improve.

EOB and Q-Scans utilize QAD's manufacturing industry knowledge and experience to deliver a solution with greater fit at a reduced time to implement. QAD consultants have pre-defined default and optional best practice processes for

target industries. Based on these processes, QAD develops team training, pilot scenarios/test scripts, user work instructions and configuration manuals. This knowledge is then used to provide the initial solution definition, allowing the consultant to focus time on areas that really make a difference and add value to the customer. Leveraging the flexibility built into the software, we invest time saved through EOB and Q-Scans into working with customers to adjust the best practice processes to their unique needs today – and tomorrow.

CONCLUSION

Every manufacturer is unique. Every manufacturer faces an unpredictable series of changes. Manufacturers who fail to keep up with or even better get in front of change struggle. Highly successful and effective manufacturers excel at continuous improvement, driven by external market forces and driven by their own innovative minds and commitment to change.

The Effective Enterprise is QAD commitment to helping every single customer achieve operational excellence today and tomorrow, to optimize business process that align with their business strategy and to provide systems to support these business processes. Beyond software, the Effective Enterprise stands for how QAD does things – how we truly engage with customers and how we design our solutions and services that help continuously improve customers' business outcomes.

For more information on how QAD can help your company become a more Effective Enterprise, email info@qad.com or call +1-805-566-6100.



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