A QAD White Paper for the Global Manufacturer

QAD Enterprise Edition: Your Partner in the Effective Enterprise

QAD

QAD ENTERPRISE EDITION: YOUR PARTNER IN THE EFFECTIVE ENTERPRISE

INTRODUCTION

In the ongoing journey to becoming an effective enterprise, you need an ERP solution that acts as your flexible partner to help you better satisfy your customers, better manage your supply chains and tune internal controls and operations from financial controls to the shop floor. QAD Enterprise Applications was originally designed as an ERP solution for manufacturers, and QAD has never deviated from that course. Today, QAD Enterprise Edition ("QAD EE"), based on the solid foundation of QAD Standard Edition, offers a complete and flexible ERP for manufacturers, whether you run a single plant or span the Earth.

QAD EE remains committed 100% to manufacturers, which is illustrated by our commitment to specific manufacturing verticals, including Industrial Equipment, Life Sciences, Consumer Products, Food and Beverage, High-Tech and Automotive manufacturers. Our goal is to ensure that QAD EE addresses the specific ERP business process and informational requirements unique to those types of manufactures.

For example, when you move into new markets you need your financial applications to enable you to swiftly address new compliance and reporting requirements without requiring massive changes in operations. QAD EE Financials easily adapts to wherever you want to take your manufacturing business, both in terms of internationalization and subsidiary accounting and reporting.

If you want to take advantage of best practices to optimize manufacturing and supply chain operations, QAD EE's manufacturing and supply chain management processes are based on industry-specific best practices learned through active participation in multiple manufacturing industry groups, along with direct feedback from customers. QAD EE even includes tools for business process flexibility that enable you to optimize your unique operations even further.

If you would benefit from flexible ERP deployment options that enable you to implement QAD EE quickly wherever you need it, QAD EE's cloud deployment option, operating in secure hosted mode, includes the same features as the on premise version. QAD EE will also run in a blended deployment environment, with some sites running on premise and some in the cloud.

When you're ready to upgrade from QAD Standard Edition to QAD EE, you can choose from a variety of upgrade paths that range from rapid data and software transformation, to a full conversion involving business process reengineering. Whichever path you choose, QAD EE enables your team to take advantage of a modern collaborative user experience and significant new feature set.

Detailed information and learning resources about QAD EE are available on www.qad.com, or through your account manager. This paper offers a glimpse into some of the more compelling benefits and features of QAD EE that enable it to be the manufacturer's partner, no matter where you do business.

QAD ENTERPRISE EDITION KEY BENEFITS AND FEATURES

FINANCIALS FOR EFFICIENCY, INTERNATIONALIZATION AND COMPLIANCE

Manufacturing financial managers, regardless of manufacturing specialization, company size or location, want a comprehensive and flexible set of financial controls, processes and information. The bottom line is efficient financial and accounting operations plus actionable intelligence for decision-making are critical to your success.

Manufacturing executives also understand that effective compliance related controls, from segregation of duties and meeting regulatory compliance, to accurate and timely financial reporting, set the foundation for competing. They also look for tax processes and reporting that adapt readily to new business initiatives, whether from merger activities or entry into new markets.

QAD EE Financials provides manufacturing companies of all types and sizes a comprehensive set of controls and features to generate the requisite financial reporting, but also to help run efficient financial and accounting operations, and address all necessary disclosure and compliance requirements.

QAD EE Financials also includes controls needed by complex global enterprises. Thousands of multinational manufacturers depend on QAD EE to deal with segregation of duties, sophisticated budgetary modeling, and multiple reporting layers that simplify Multi-GAAP reporting.

KEY BENEFITS AND FEATURES

Analysis and Reporting

As a manufacturing executive, you need to track the overall state of the business. In Finance and accounting operations, you need to drill down into detail, yet generate timely and audit-ready reports, while line of business leaders require flexible budgeting, accounting, and reporting to manage your part of the business.

QAD EE offers a truly integrated, business process driven and wide-ranging set of financial analysis and reporting. For example, QAD EE helps you to transition to International Financial Reporting Standards (IFRS) by integrating different GAAPs by country. The solution dramatically minimizes the transitional impact on financials and accounting in particular while addressing compliance and risk requirements.

Manufacturers must address an intricate set of governmentally required compliance and tax reporting regulations. QAD EE Financials helps companies institute the controls necessary to meet compliance regulations such as Sarbanes-Oxley (SOX), or the Japanese version, J-SOX. QAD EE's tax management features include geographically sensitive reporting, and support an unlimited list of tax types and rates. The multi-country tax features share the same database, eliminating the need for regional tax and reporting systems.

Internationalization

Successful multi-national manufacturers, and those manufacturers looking to expand geographically, operate every day in a multi-currency and multi-cultural environment. QAD EE Financials supports an unlimited number of currencies, countries and accounting principles, all from the same General Ledger, and all within the same reporting process.

Despite wanting to keep financial operations efficient, multi-national manufacturers must still meet local compliance requirements. QAD EE Financials delivers local reporting in local currencies. It also supports transactional currency gain/loss calculations, daybooks for European transactions, and Chinese financial reporting including the Golden Tax, among other unique local variations.

Flexible Chart of Accounts, Consolidations and Allocations

If you have multiple subsidiaries, you'll also want to minimize the cost of financial and accounting operations while meeting reporting requirements. QAD EE enables you to operate finance efficiently even if your company consists of dozens of local

and foreign subsidiaries. For example, QAD EE Financials allows balance sheets and income statements to be based on alternate charts of accounts, both legally and operationally. QAD EE automates financial consolidations and eliminations across enterprises, even when entities use different charts of accounts, fiscal periods and currencies. If you are looking to distribute expenses and revenues based on your own formula, you will find that flexibility in QAD EE, using multi-level and recursive allocations.

A MANUFACTURING FOCUS

Most manufacturing executives pursue two golden rules for success — customer satisfaction and streamlining operations. Building products customers want, whether built-to-order or stock, with the right level of quality, drives revenues and demand. Streamlining production with excellent planning, scheduling and resource management, with optimized plant operations, and with integrated quality, not only controls costs but also enables you to respond to ever-changing market conditions.

QAD EE ensures that you are able to enjoy these benefits through its time-tested yet entirely modernized set of manufacturing features. From plant management to planning and scheduling, from quality management to supporting a full range of lean manufacturing processes and flexible product configuration, QAD EE helps you achieve end-to-end manufacturing excellence.

Quality Management

In a world where social media spreads bad and good reviews in seconds, quality counts and that visibility extends to quality-related compliance as well. You want to achieve the best possible quality at the lowest possible cost, and given that pursuit, look for quality management solutions that are natural extensions to their manufacturing processes. QAD EE builds quality management directly into standard processes to help you control cost and quality simultaneously, and includes features such as inventory sampling, purchased item inspections, item attributes tracking and quality work orders.

Beyond the fundamentals, QAD offers industry specific quality capabilities. For example, the QAD Enterprise Quality Management System provides a complete quality system to address industry-specific international standards such as ISO, FDA and AS 9100. Similarly, with more than 400 live sites supporting life sciences manufacturing, QAD continues to be a leader in supporting CAPA, corrective action/preventive action reporting, as well as adverse event reporting. QAD also offers other life sciences manufacturing process mainstays such as Current Good Manufacturing Practices (cGMP) validation, and use of eSignatures.

Configured Products Manufacturing

Customers want products with the exact feature set they require, and companies find that mass customization is a manufacturing requirement. QAD EE includes simple “features and options” functionality along with a fully featured, rules based product configurator for more complex products. Both configuration methods create order specific BOMs and work orders to ensure rapid delivery of customer specific items.

Planning, Scheduling and Execution

Excellent planning, scheduling and execution controls guide the entire manufacturing process for all involved. Many manufacturers mix production modes, and benefit from planning and scheduling that effortlessly spans all manufacturing methods, along with data capture using the most automated method.

QAD Manufacturing Planning supports the entire range of production methods, including configure to order, repetitive, discrete and mixed-mode, in a fully integrated manner. The scheduling module offers workbenches, which provide straightforward visual representations of the master schedule and planned production, gives planners tools to adjust schedules to meet demand and to reroute schedules to deal with pending production conflicts. The execution module includes the full range of data collection options, and tracks completions, rework, scrap and quality measures.

QAD ENTERPRISE EDITION KEY BENEFITS AND FEATURES

Lean Manufacturing

Compression of manufacturing cycles resulting in on-time delivery, without sacrificing customer satisfaction, by supporting build-to-order and minimizing waste, have been manufacturing mantras for decades. Add in tactical benefits such as minimizing floor space and integrating quality, and there is no wonder why lean manufacturing remains a focus for the world's leading manufacturers.

QAD Lean Manufacturing helps you to establish and execute Kanban processes, stretching from the plant floor to suppliers. It also offers a long list of formulas for setting supermarket quantities, with options for user defined parameters. QAD Lean Manufacturing also helps users to model value stream through mapping suppliers, manufacturing process, workflows, supermarkets and customers, and enables users to establish Kanban loops for full visibility across the supply chain.

Enterprise Asset Management

Manufacturers know that one of their primary levers for enhancing profitability involves optimal utilization of assets, throughout the asset lifecycle. That means that your enterprise asset management (EAM) must supply effective controls for capital projects, indirect purchasing, MRO, plant maintenance, as well as the business intelligence to gain insight into EAM performance.

QAD EAM bridges the full spectrum of EAM processes and information for the EAM lifecycle. The integrated nature of QAD EAM is what sets it apart for manufacturers looking to ensure that all plants run as smoothly as possible, and all necessary equipment remains operational at the lowest cost. QAD EAM directly integrates with QAD EE Financials and QAD EE's other manufacturing modules to eliminate redundancies and improve accuracy.

INS AND OUTS OF SUPPLY CHAIN OPTIMIZATION

Manufacturers want to intimately understand and communicate with their supply networks — also known as supply chain visibility — to manage inventory better, thereby enhancing profits and reducing customer lead times. Manufacturers give equal weight to logistics, the last mile of the supply chain and the value chain; inbound in order to ensure production begins on time; outbound to ensure customers receive their goods on time. QAD Supply Chain Management (SCM) delivers this complete set of capabilities, including a new Managed EDI capability. QAD SCM streamlines procurement by linking planning, operating and trading partner information so that you can make accurate and timely decisions.

Purchasing

QAD Purchasing doesn't merely support ordering, receiving and invoicing. It includes supplier performance metrics, and enables sharing long-term plans with suppliers giving them a better opportunity to plan, obtain raw materials and deliver. It also supports high-volume, repetitive JIT deliveries with detailed schedules and tracking.

Supplier Performance

The world moves too fast to operate in the dark when it comes to trading partners and supplier networks. Despite advances in information technology and transportation networks, supply chain relationships are more important than ever.

QAD EE includes complete supplier performance metrics based on quality and delivery parameters.

Supply Chain Portal

QAD EE promotes collaboration with the supply chain by giving authorized suppliers a real-time view of scheduling, purchasing, inventory, and Kanban signals through supplier portals. QAD EE's cloud-based Supply Chain Portal acts as the relationship management and information hub for your entire

value chain. The portal includes Managed EDI features that provide the transactional language and execution between you and your suppliers.

Quality

QAD EE SCM offers the tools and repository to define quality requirements and record results through inspection of inbound materials. Though QAD EE Quality Management integrates this information for viewing throughout all manufacturing processes, it is particularly important data at the point of receipt from the supply chain, and the results become part of the supplier performance equation.

EDI

If you're in automotive, consumer products or almost any other manufacturing industry, you need EDI to communicate with customers and suppliers for the speed and accuracy it provides when communicating with customers and suppliers. In fact, EDI remains the transactional standard for the entire manufacturing value chain, and many QAD customers use QAD EDI eCommerce as an interaction portal, often in conjunction with a 3rd party EDI Value Added Network (VAN). QAD EE now also offers the QAD Managed EDI solution, which works for both QAD cloud and on premise deployments. QAD Managed EDI makes it easy for customers to handle trading partner documentation changes and simple to add new partners. It works seamlessly with most major global VANs and/or direct connections, and it supports the most often used EDI standards and a breadth of transfer protocols.

Other Major SCM-related Feature Sets

Beyond purchasing, supplier performance and quality, QAD EE offers a long list of other modules that apply to the larger SCM challenge. For example, QAD EE includes modules for Warehousing, Logistics Accounting, Global Transportation Management for import/export activities, and Freight Management. All of these integrate naturally with the other QAD EE SCM capabilities, but you only need to employ the modules you need.

For manufacturers that are intent on a KPI-driven approach to inventory management, QAD EE Demand Planning reduces the number of overstock and out-of-stock conditions. It also adds the ability to define capacity constraints. The improved planning and tighter control provided by Demand Planning in QAD EE translates into fewer missed opportunities with customers, and more accurate pull signals for suppliers.

INTEGRATED CRM FOR MANUFACTURERS

Ultimately, you want your customers to have positive experiences with your products. QAD EE offers a manufacturing-oriented set of CRM capabilities spanning customer management, channel management, and customer service and support. It also integrates CRM data with other parts of QAD EE to create accurate and timely demand management results and to track trade activities.

Sales and Service

In addition to account and relationship tracking, QAD EE empowers the manufacturing sales person to create sales quotations that easily convert into orders. QAD EE order status reporting includes applicable inventory allocations. QAD EE makes it simple for sales manager to track customer margins and salesperson productivity, with analysis by product, item, site and customers, and rankings by item, margin or quantity. QAD EE supports multiple price lists with automated rules-based discounting and effective dates, and an overall flexible framework to deal with country-specific business customs and terms. QAD EE helps you lower the cost of sales through Customer Self Service, a web storefront for that helps you automatically take orders while reducing processing cost and time to deliver, while improving order accuracy.

Product Configuration for Manufacturers

QAD EE includes a sophisticated, rules-driven product configurator. Tapping into product data, inventory, pricing, order management and

production planning, QAD EE not only significantly simplifies the generation of customized products, but also the ordering and tracking of mass customized products.

Customer Service and Support

Customer Services does not begin and end with a 1-800 call or an exchange with a Web-based support agent. Manufacturers, in particular, require a complete lifecycle of service and support, starting at the close of the deal through warranty expiration - and perhaps even beyond the warranty. QAD EE includes a complete customer service feature set oriented to the unique support demands placed on manufacturers.

It starts with Service and Support Management which helps servicing agents oversee product installation, as well as to manage repair, service contracts and warranty fulfillment. It is augmented by the Field Service Scheduler, which helps optimize field service productivity. Closely related to the Field Service Scheduler is the Mobile Field Service module, which enables field personnel to log their activities remotely.

ARCHITECTURE, INSIGHT AND PROCESS OPTIMIZATION

In addition to core manufacturing features from financials to manufacturing to CRM, you need ERP that enables you to optimize your business processes, and gain insight across the operation through business intelligence.

Process Maps and Business Process Management

Perhaps the single most powerful tool a manufacturer has to streamline operations and value chain integration is business process management (BPM). QAD EE has emerged as a visionary on this front by offering a complete set of graphical views of a company's business model across all applications and processes. LOB personnel and analysts can easily drill into any workflow or function. Process maps automatically generate procedural documentation that simplifies training. QAD EE also includes QAD Business Process Management (BPM) for companies that want to drive continuous business process improvement. QAD BPM lets you create living process models, and gives them the monitoring and measurement capabilities to best tune processes.

Business Intelligence and Analytics

QAD EE offers intelligence options that help boost insight from the tactical to the strategic. For example, QAD EE's "Operational Metrics" establishes a baseline of BI for managers that includes more than 100 standard metrics grouped by process and/or line-of-business area. QAD's BI Portal enables you to go further, however, by designing your own visualizations, reports and dashboards. Business analysts may share their designs with other analysts, making it easy to reuse and recombine BI components. QAD BI Portal dashboards support grouping multiple KPIs on a single page, a technique often used to deliver insights for senior management.

DELIVERY AND FLEXIBILITY: DOMAIN ARCHITECTURE AND CLOUD

QAD EE's modern multi-tier domain architecture provides your IT department with the flexibility to abstract data from process and applications and to tune performance Much of QAD EE's strong integration features stem from QAD EE's domain architecture, as well as the ability for the IT department to choose the best approach for site deployment.

Manufacturers also know that the ability to bring up new or remote ERP sites, or to rapidly complete ERP migrations for merger, is essential to effective remote operations and merger integration. At $250/user/month QAD's cloud deployment option gives you the ability to quickly implement QAD EE. Multi-site manufacturers may also choose to mix and match cloud and on-premise QAD EE deployments, for example, using QAD EE on premise for large manufacturing centers, and QAD in the cloud for satellite operations.

CONCLUSION: QAD EE IS THE ERP SUITE FOR EFFECTIVE MANUFACTURERS

No manufacturing company can ever stand still because the value chain is in constant motion. From customer demands to the structure of the supply chain, from manufacturing best practices to financial reporting requirements, from tax laws to logistics management, change in manufacturing is inescapable. If you're a manufacturer, you need an ERP suite that grows, moves and evolves with you, aiding you in your ongoing pursuit of the effective enterprise. QAD EE provides that kind of manufacturing-centric ERP suite.

QAD EE's focus on manufacturing, and in particular Automotive, Life Sciences, Industrial Consumer Products, Food and Beverage, and High-Tech manufacturers. By focusing on a vertical range, QAD EE acts more as an extension of the manufacturer, helping to make achieving quality and best practice goals second nature.

QAD's EE suite enables manufactures to:

- Support global growth and expansion
- Optimize processes across manufacturing, supply chain customer facing and manufacturing organizations
- Meet financial and operational regulatory and customer local and global requirements
- Access and analyze data and report across all processes supporting business decisions and meeting regulatory requirements
- Deploy IT solutions with in a blended architecture of cloud and on premise with a single view of information

QAD EE makes it easy for manufacturers to support what you are doing today, as well as wherever you may go tomorrow, next month, next year and well beyond. QAD Enterprise Applications Enterprise Edition embodies our unwavering commitment to global multinational manufacturing companies, as well as to small manufacturing companies with visions of reaching multinational status. If you are interested in exploring QAD Enterprise Edition further with us, please contact your QAD relationship manager.

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