WHITE PAPER

The path to AI adoption with Infor Industry AI

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Introduction

Imagine a large automotive manufacturing plant in Ohio that relies heavily on complex machinery for production. Unexpected breakdowns can lead to significant downtime, resulting in costly delays and even a marked loss of revenue. But what if AI could alert technicians when machinery needs to be replaced or repaired well before anything costly happens? What if AI could predict when and where maintenance would be needed to minimize unscheduled downtime in order to hit key deadlines?

This is just one example of where Infor's AI capabilities can transform businesses and organizations, and help make entire industries more efficient and more productive.

This whitepaper considers why AI is currently underutilized in the enterprise world and assesses why organizations need to be thoughtful about AI adoption before outlining Infor's unique approach to artificial intelligence deployment and its potential impact.

The state of AI

The term “AI” appears everywhere these days—in news headlines, high-stakes meetings, even social media misinformation warnings. But what does it really mean? How does it work? Where is it most useful?

What is AI, really?

Artificial Intelligence (AI) refers to software that is designed to perform tasks that typically require human intelligence, such as learning, reasoning, and problem-solving. The primary classifications of artificial intelligence that we will be referring to include:

Generative AI:

Produces new content or data based on patterns learned from existing information (e.g., generating text, images, or music).

Predictive AI:

Utilizes historical data to forecast future outcomes or trends (e.g., predicting customer behavior, financial trends, or equipment failures).

Prescriptive AI:

Offers recommendations or actions to optimize outcomes through predictive analysis and decision-making algorithms (e.g., optimal marketing strategies, supply chain management).

Regardless of the type or use case, AI operates through complex algorithms and models that process large data sets to identify patterns and insights. This often involves machine learning, where models are trained on data to improve their performance over time. AI capabilities can be integrated into a wide variety of other technologies and applications, from automating tasks and enhancing user experiences to enabling advanced data analysis and decision-making.

While generative AI use cases are still in their relative infancy, because of its promise to enhance productivity, AI has the power to fundamentally change how businesses operate globally. According to McKinsey,[1] Generative AI adoption jumped to 72% in 2024 from about 50% in previous years. This increase has been observed across nearly every region and industry. Some projections[2] show the overall AI market will reach $407 billion by 2027, which is a substantial increase from its estimated $86.9 billion revenue in 2022.

[1] “The state of AI in early 2024.” McKinsey (2024). Accessed September 17, 2024.

[2] Katherine Haan and Rob Watts. “24 Top AI Statistics and Trends in 2024.” Forbes (2024). Accessed September 17, 2024.

Despite the significant boost in AI adoption, applications are still concentrated in a handful of core business functions. AI is fundamentally underutilized by the industries and use cases that might benefit from it most, such as inventory optimization for healthcare workers or food production optimization for factory managers. Instead, today's most popular AI use cases tend to provide superficial support, like chatbots or digital assistants that simply nudge workers along and redirect them, rather than integrating the technology into a robust foundation fit to actually help complete the tasks at hand. For example, a chatbot can inform you that a production line is undergoing maintenance, but an integrated AI solution can move orders from a production line that is down to one that is fully functional.

Although 55% of organizations have adopted AI in some form, less than a third[1] have implemented AI across more than one core business function, indicating an overall limited scope. Certain industries that could greatly benefit from AI, such as manufacturing and logistics, have not integrated AI into their business whatsoever. Despite AI's promise when it comes to wrangling complex global supply chains, only 30%[2] of companies use it for supply chain operations. On average, the businesses that do implement AI can expect a revenue increase of 6% to 10%[3]; thus, the businesses not embracing AI are not only less efficient, but are also leaving significant money on the table.

Considering its vast capabilities, why isn't artificial intelligence being used more broadly to solve actual business challenges and meaningfully improve operations? How can businesses take AI from an innovation with promise to a transformative tool?

Revenue increase of
6% to 10%

[3] Berger Thormundsson. "Artificial intelligence in productivity and labor." Statista (2024). Accessed September 18, 2024.

Why jumping on the ‘AI bandwagon’ isn’t enough

When artificial intelligence is paired with a strong technical foundation, this technology can unlock so much more.

Today, AI in ERP systems has the capacity to automate both routine tasks—such as invoice processing—and manage more complex processes like predictive financial forecasting and supply chain management.

For instance, in supply chain management, AI can help manage product shipments, taking into account expiration dates in addition to the usual variables. In nutrition label translation, food and beverage manufacturers can translate their labels to meet compliance standards and language barriers across global markets with the push of a button. In fashion and retail, businesses can automate approval processes, sending trendy designs directly to the desks of those who need to sign off before they’re out of style.

Even when companies decide to move forward with AI implementation, there are still significant obstacles that can stand in their way, potentially jeopardizing long-term results and outcomes. These obstacles include:

Pressures to adopt AI: Companies may feel pressure to say they are using AI to stay competitive and relevant in the market, raising the question of whether these AI applications are actually generating impactful results for customers. Thus, businesses need to evaluate whether their AI investments are solving real customer problems or simply following a trend.

Assessing cost-benefit: Implementing AI requires significant investments in time, financial resources, and people. Companies must evaluate if these investments are justified by the potential returns and long-term benefits. Understanding the financial implications and expected ROI is crucial for any meaningful AI integration.

Anticipating risks: Companies need to understand and mitigate risks associated with AI implementation, such as technological failures or data privacy concerns.

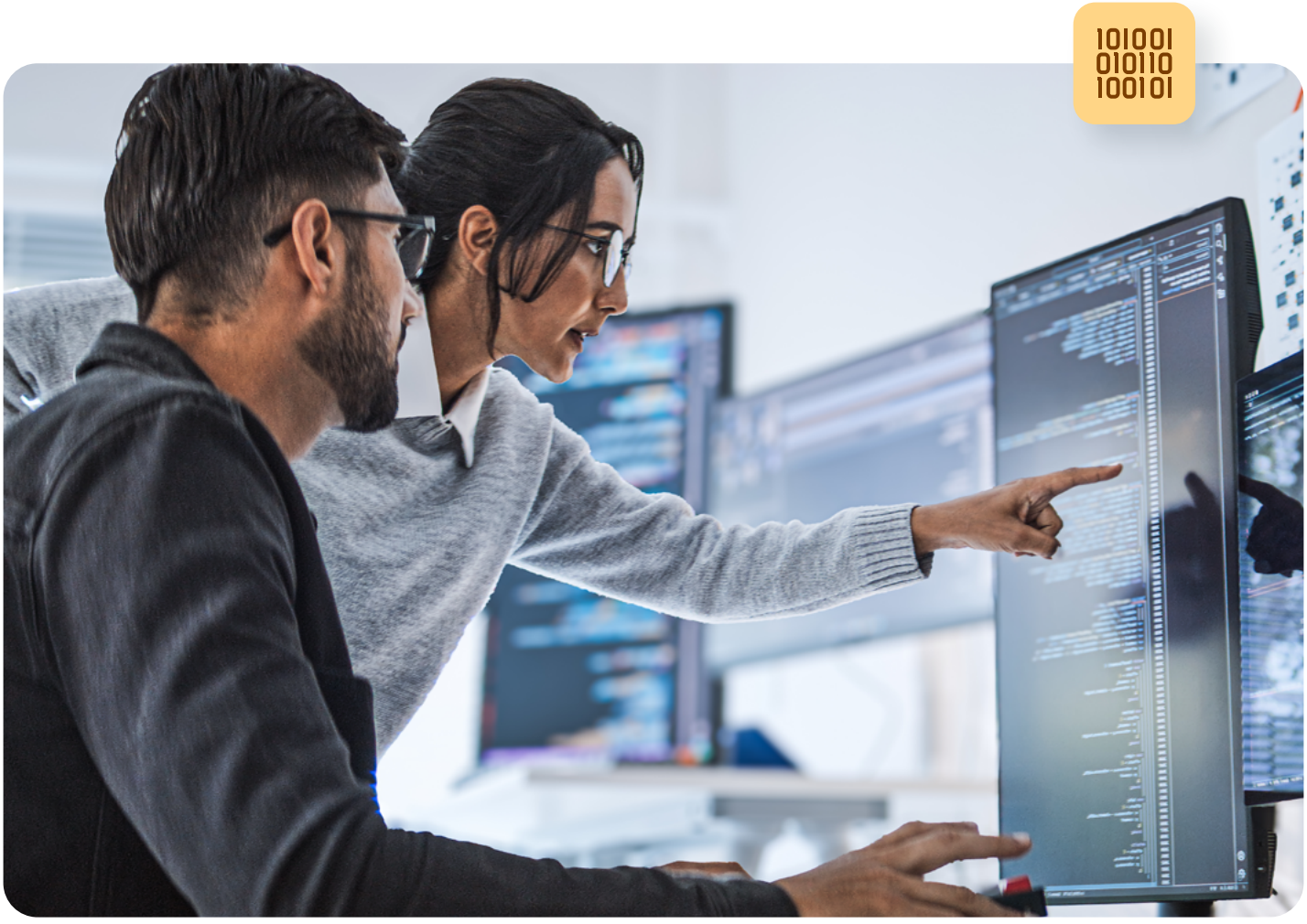
Considering long-term objectives: Successful AI implementation requires ongoing management and optimization afterward. Companies must set goals and continuously monitor the performance of AI applications to ensure tools are used effectively.

These smaller questions come together to pose a larger one:

How can we use AI purposefully, especially to deliver business outcomes?

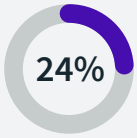
All organizations have good intentions when it comes to leveraging AI. Despite the hurdles when it comes to adoption and scaling, leaders know that AI has the capacity to unlock new value for customers like never before. The challenge is that organizations often conflate tools with strategy. They seek out projects that AI can do well, rather than orienting AI's deployment around specific business outcomes.

For AI to become a transformative force for the enterprise, it needs to be tailored to an organization's unique needs.



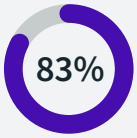
From insights to impact: Infor's AI strategy

Consider these figures:

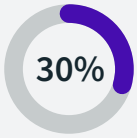


Infor has helped customers grow their businesses by over **24%** in a single year.

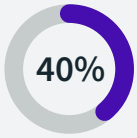
Fashion customers take only **half** the time they once did to generate new styles.



Food and beverage customers have reduced the time it once took to create product and price recommendations by **83%**.



An industrial manufacturing customer increased revenue by **30%**, while another manufacturing customer was able to optimize inventory by reducing anomalies **30** times faster.



Distributors have increased efficiencies by **40%**, transforming the power of five assembly lines into the power of seven.

Why were all these customers able to achieve these results? Because of Infor's unique approach to AI.

While AI is a relatively new technology, Infor is not new to artificial intelligence or machine learning. We have a well-established history in both prescriptive and predictive AI, and we have built a strong reputation for our expertise in generative AI. We have been integrating AI into our solutions for years, using it to drive real business value for customers.

Since 2013, Infor has built and run applications on AWS. This partnership has grown significantly over the years. In 2017, Infor introduced its first AI product—a predictive and prescriptive solution designed to address complex industry challenges, including inventory intelligence, price forecasting, product up-sell/cross-sell, supply chain intelligence, and vendor rating.

Today, Infor Industry AI is a suite of AI solutions tailored for specific micro-verticals, empowering organizations with predictive, prescriptive, and generative AI. For instance, one manufacturing customer saw a 95% improvement in productivity, while another saw 98% of rush orders processed faster.

Leveraging recent advances in AI, there have never been more opportunities to meaningfully deploy this emerging technology to create seamless employee and customer experiences, helping organizations save valuable time and money. Our strategy for AI is pragmatic and customer-centric—it's an extension of our overall philosophy around how truly industry-specific software can benefit the enterprise.

Our commitment is to industry specificity: When applied to a foundation of industry-specific knowledge, data, and software, AI's business impact increases significantly. Infor's hyper-specific industry knowledge, gleaned from decades of collaboration with 60,000 customers and counting, gives us a clear advantage when it comes to driving value with AI.

As with all of Infor's products, our approach to AI begins with the customer. Before any AI integration begins, we engage directly with our customers to thoroughly understand their business needs. This ensures that we tailor AI solutions that are precisely aligned with their unique requirements. For example, a dairy farmer assessing protein content in milk shipments has vastly different needs than an automotive manufacturer aiming for compliance in their first line of electric vehicles.

Even within a given industry or organization, different roles have specific needs that must be accounted for. Working days in accounts payable differ significantly from those on the shop floor; AI can enhance them both in different ways. Infor developed AI solutions in collaboration with industry experts and customers who are industry leaders. Our solutions are tailored to meet users where they are, enhancing their experience and boosting productivity.

Getting specific with best-in-class industry data: Our AI solutions excel by leveraging extensive and diverse data sets that are specific to each customer's industry and designed to give them a competitive edge. Training models underpin every AI solution. The best models are trained on not only a large volume of data but also a diverse set of data. Our AI solutions are able to perform more effectively because we understand the value of turning data into insights. We do this by managing every step of the process:

Collecting data:
We gather comprehensive company information from various sources into a centralized repository, ensuring completeness and fairness in decision-making.

Organizing and storing data:
We keep information meticulously organized in a central location for timely access.

Protecting information:
We safeguard sensitive data to ensure privacy while granting appropriate access to necessary insights.

Insight generation:
We convert raw data into practical insights that facilitate informed business decisions.

With Infor, your data is part of an interconnected suite of solutions. For instance, cloud migration can be resource-intensive and high-risk. Infor provides cloud customers with access to relevant industry data and APIs to identify benchmarks and exceed them, seamlessly integrating with existing data inputs. This helps ensure that Infor Industry AI securely drives and leverages quality data through a unified platform.

One connected platform for minimum risk and maximum value: Across industries, our goal is to use AI to automate and optimize processes that maximize business value for our customers. At Infor, AI is not just an add-on but an integral part of a holistic platform known as Infor OS, designed to address unique customer needs and optimize core business processes. As part of the Infor OS platform, our suite of purpose-built AI solutions empowers organizations with predictive, prescriptive, and generative AI capabilities, helping enhance personalization, productivity, and innovation across all users and industries.

Leveraging AI enables us to create hyper-relevant, outcome-driven experiences that provide customers with an immediate industry advantage. Our solutions are pre-customized to meet sector-specific needs, simplifying implementation and reducing costs and risks compared to traditional approaches. This enables smart, seamless processes that deliver maximum value for industries, organizations, and teams.

We support diverse needs, including demand forecasting, enhancing customer experience, operational efficiency, asset cost reduction, pricing and margin optimization, and labor management. We have also helped customers enhance productivity through generative AI, improve forecasting capabilities with predictive insights, and optimize pricing through prescriptive recommendations.

The future of Infor & AI

Infor will continue to approach AI the same way we approach all industry software: with the customer at the center. As we consider the future of our AI development, our thought process begins and ends with the customers we serve.

We are not pursuing AI for AI's sake. We are pursuing AI with impact. We will continue our dedication to investing only in AI solutions that meaningfully address specific industry challenges, improve processes, and enhance decision-making.

We lead with empathy, putting people first. Infor believes in the power that's generated when processes and products unite with people. Our primary goal is always to consider the user's experience first and innovate accordingly. For us, AI is not about leaving the user behind. Rather, it's about empowering each user with the tools they need to thrive in their processes. Our investments in AI emphasize a human-centric approach. We believe in understanding and engaging with customers in a way that resonates with them, ensuring that AI and other technologies serve to enhance human experiences rather than replace them.

We foster a culture of AI innovation and encourage our customers to do the same. Innovation is our bread and butter. We don't believe in "one and done." Introducing AI into our customers' ecosystems is just the beginning; adjusting it over time to reflect changing conditions and needs is what builds long-term success. Our customers' businesses are constantly changing, and so, too, should their AI support. We are constantly working with customers to identify new and high-impact situations where AI can be beneficial to their business, and then creating solutions on a bi-annual basis that fit those needs.

Through artificial intelligence, we will continue delivering on the Infor promise to meet customers exactly where they are. With Infor Industry AI, we're enabling our customers to discover untapped possibilities and create new opportunities for those they serve. Our purpose-built, industry-specific AI solutions are designed with one goal in mind: to prioritize and enhance customer value at every step.

About Infor

Infor is a global leader in business cloud software products for companies in industry-specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Over 67,000 organizations worldwide rely on Infor to help overcome market disruptions and achieve business-wide digital transformation.

Elevate what's possible with Infor Industry AI

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