1   Hello, this is Dan Potter with IBM, and I'd like to welcome you to today's
           practitioner session featuring Brad Annis, the Business Systems Manager at Flex-
           N-Gate Corporation. Flex-N-Gate is just getting started in their BI journey, yet
           their first business analytics application, which was designed to deliver more
           insight into their procurement process, has already yielded savings in the first few
           months alone. So to tell you more about their success, I'd like to introduce Brad
           Annis.

2   Thank you, Dan. I appreciate that intro. Just to give you a bit of a background to
           who Flex-N-Gate is and what we do, we are a privately-held company. We have
           revenue over 2 billion a year. We're the 15th largest automotive parts supplier.
           We supply everyone. We supply Ford, GM, Chrysler, Honda, Toyota. We supply
           all of them. We have 48 facilities that are worldwide -- facilities in Mexico, US,
           Spain, Canada. We're opening a facility in China. We have grown over the past
           few years by way of acquisition. We have had difficulties, as well as many of the
           automotive parts suppliers have over the last couple of years, but we have been
           able to maintain and actually grow over the last two years. One of our advantages
           that we have is, when we acquire a company, we're able to take our current
           processes, be it manufacturing, be it systems, be it--we take the best parts of who
           we are and then we're able to integrate those into the facility that we're acquiring.
           So we bring in our ERP systems, we bring in our EDI systems. We kind of groom
           and nurture that facility into the way--into the Flex-N-Gate way of thinking, if
           you will. We have many different products, we have--that we supply. We're in
           metals, we're in plastics, we have many assembly operations. We also are
           involved in sequencing. So even from an automotive perspective, we do quite a
           bit.

3   We are a vibrant company. As I mentioned before, we have great strength in that
           we're able to take and adapt to new companies and new environments. So we've
           been able to take that and, along with this project, which has actually given us a
           great leap forward in kind of getting a corporate view of the information, so we're
           good at the plant and now we're developing this tool kind of at a corporate level.
           About a year-and-a-half ago, I was brought into a meeting with our new vice
           president in charge of purchasing worldwide. Prior to that, we had some different
           division leaders for US and Canada, metals and plastic, but we really didn't have
           anyone that was over the entire procurement process. So the owner hired Bill
           Beistline from Chrysler, and he is a wonderful resource, and brought me into this
           meeting and said, Brad, I need to be able to pull data, I need to be able to look at
           data across the entire company. And he asked a very simple question. He asked,
           what are our top five suppliers? And I looked at him and I says, well, Bill, that
           would be a good thing for me to know as well. You see, you need to understand
           who we are and what--where we're coming from. We've got different containers
           of data that are scattered throughout several different partitions. We're iSeries-
           based, so we have 11 different partitions that house now 38, will soon be 45
           different databases. So I said, each facility has their own vendor master, they have
           their own purchase orders, they have their own parts. I said, here's 50 user names

and passwords, have fun. And he looked at me, he's like, it's got to be better than this. So what we did at that point is we started a project to kind of take an overall corporate view of what we buy. We need to be able to answer that simple question, what are our top five suppliers? So at that point I knew this was going to be a large task. I'd never done anything quite like this before. So I tapped Sirius at that point. I had had a relationship with Sirius in the past, I'd bought some hardware from them, and I knew that they had other offerings other than just the hardware. So I brought them in and I said, here is my project, this is what I need to do. So we kind of worked the problem together and we decided that the first thing we needed to do is we needed to be able to cleanse the data across all of the different databases. I had over 45,000 vendor masters, and that needed to be cleansed. The data needed to be cleansed and like vendors needed to be brought together. So we purchased a product called QualityStage that has fuzzy match-type capability, so we started interrogating the data, we started sorting the data. And QualityStage also has some ETL-type processes, so we pulled the data, did some cleansing, and then we started pushing some consistent fields back to our databases. So we started getting some good consistency with these, what we call, a corporate vendor codes that we assign to every vendor master and corporate commodity code which we assign to every part number. So initially we didn't have Cognos or Cognos Express. We needed to be able to do this and not spend a tremendous amount of money. So one of the aspects of Flex-N-Gate that is unique, and that is we really don't spend a huge amount of money on technology. That's one of the things that our owner actually prides himself with, and that is, we spend money in the manufacturing process and we have very little--actually no IT budget or IS budget per se. So we used a product called DB2 Web Query, which is based on the iSeries, and we were able to start looking and viewing this data. We kind of knew that wasn't the package that we were going to be ultimately in--that we were going to end up with, but we knew that that would give us a good start. So that's where we started.

4   One of the things that when any IT project or any major effort that we go through here, it has to be proven, and that's something that I discussed with Sirius early on, and that is, we cannot do this and I will not have a budget going into it. And one of the things Sirius asked me was, okay, what is your budget for the project? And I said, we don't budget like that here, so we have to be able to prove the value as we go. I needed a way of dipping my toe in the water, so to speak, with not actually having a full-blown budget, and that was one of the challenges of any of the vendors that we looked at. And that is, they had these great packages, they had these great presentations, but they wanted a huge amount of money up front, and I needed a way that I could get into this and develop it as I go, and ultimately Cognos Express gave me that option. One of Bill's main focuses of the project was, even though we're at corporate level and even though there are certain things we're going to need to do to make the data consistent, we cannot lose the plant independence. That was very important, and that's one of our strong points. We cannot lose that. So we are also a very lean company. Our IT staff is--IT/IS staff is very lean, actually. We actually don't even have a programmer on staff. Our

approach towards IS, or information systems, has been buy a package, make that-- buy the best in that class for that package, and let the package stand on its own. We try not to customize any of the things that we purchase and that we use on a daily basis, so that was one of the important requirements. We knew we were starting just with purchasing, but as I looked for ultimately the presentation layer, we needed--I knew that it was going to grow into other areas -- for example, the finance area, the sales analysis area -- that did not fall inside of the initial project, but I knew whatever solution we had had to also accommodate the other areas of the business.

5   So we had QualityStage, we had the DB2 Web Query, we were starting to look at the data. We started growing beyond the ability of the DB2 Web Query to satisfy what we were looking for. And as we cleansed the data more and more, the data became very useful to us, and really we needed to do more and more with the data, so we started looking for a permanent presentation layer. The first product we looked at actually was Cognos, and there were 12 folks that reviewed it with Sirius and the IBM folks, and they really liked it. They really thought that it would meet our needs well. I knew Cognos from the reputation, I knew Cognos from some prior experiences, and I knew that that would fill the bill for us. But we couldn't just look at one package, we had to look at others, so we brought some of the other vendors out there. We looked at BusinessObjects, we looked at Information Builders, we looked at Informatica, we looked at all of the major ones that are part of that top right quadrant, and ultimately we ended up going with Cognos. We actually were one of the first ones that purchased Cognos--the Cognos Express offering. And we were very pleased when that came out because, well, we knew that it certainly fit inside of what we were trying to do. Sirius gave us a nice upgrade path to the full version of Cognos, which one of these days I'm hoping to get to soon. But with Cognos Express, as I mentioned earlier, it would give us that way of dipping our toe in the water and just starting out developing the skill sets and developing the data. One of the key factors of Cognos Express that we really liked and that filled the bill well was the Query Studio. I've got several power users, I call them, that knew QU1, which is IBM's original Query product, and they needed the ability of using this package as well. So I needed a front end or I needed a Query product that I could kind of develop the packages and develop the database in the background and these users could come in and take a look and run their own queries against the consolidated data, and that suite, the Query Studio, filled that bill very, very well.

6   We have experienced great success with this product. One of the stories that I like to tell is, when we started reviewing and looking at some of the data, we started finding things out that we were disappointed with, to say the least. For example, we had a particular supplier that supplied three different companies for us -- matter of fact, it was the same salesperson for all three of our plants -- and we found that there were three different prices for the same product. So there were several instances of this, several opportunities that we have been able to get the best price, consolidate the buys and the purchases, review all the contracts, and

we've been very pleased with the result. Currently, it's being used not only for the comparative analysis but to review contracts. We've been able to eliminate a lot of the downloads into Excel, the client access data transfers. Cognos Express has a Query tool in their Report Studio, has nice features that output the data to PDF it outputs the data to Excel, both 2003 and 2007, so that's been one of the benefits as well. We're starting to use the automatic notifications as well in reporting. I hold, it seems like, daily classes with the Query product, and as the data in the background gets more and more cleansed, as it becomes more and more consistent, the product will definitely grow.

7   We're certainly not at the end of our procurement project, as we continue developing it, but have already started looking and reviewing with the sales group the shipping requirements, the sales aspect, I've started integrating some of the accounts receivable, accounts payable, for a consolidated look and then review. Today they use pivot tables and ODBC transfers to consolidate a lot of this information, so we're replacing that.

8   Data cleansing was absolutely one of the requirements initially that we had to go through. One of our advantages is that we were on the same ERP system, so we did have common data tables, but we found a variety of practices using that ERP product. Another thing that I'm sure people will probably laugh at this, and that is test your backups. Yeah, it helps. I've been the victim of that.

9   I really owe a lot of credit to Sirius and what they were able to bring to the table. As I mentioned earlier, I do--I had never really done a project like this before. They were a great added benefit to this project, bringing in kind of what is out there, what technologies are available. They certainly expedited the investigation of process for me. Kind of had to look at other vendors, as anyone does, but ultimately came back to what IBM had to offer. So I've been very pleased with what they have provided for me, and their contribution to the project cannot be underestimated. So with that, Cliff, if you'd like to say a few words?

10   First of all, I'd like to thank Brad and all the folks over at Flex-N-Gate for giving Sirius the opportunity to work with them and put together a Cognos Express solution that really has done a bang-up job for them. Again, thank you very much, Brad, for that opportunity to work with you. Let me tell you a little bit about myself. My name is Cliff Heitz. I am a information management solution architect for Sirius, supporting our customers nationally. I work as a sales engineer to put together solutions for our customers, specifically in the information management brand. Why I'm dedicated to that is, because there are so many products within this whole suite of solutions that IBM has, you really do need a dedicated person to kind of understand what that all is and how that all kind of comes together. A bit of information also about Sirius and who we are. We are IBM's largest business partner in the United States. We have about 700 employees. We have 7,000 customers across the US. We do about $700 million a year in total business across the IBM product suite. This is hardware, software, and services. We sell, in

essence, everything that IBM makes. One nice thing that we did last year, 2009, with our 3,000-plus certifications, we received IBM's global Beacon Award for business partner technical vitality. So again, thank you very much for joining us here. And let me talk a little bit about Cognos, Cognos Express, and some of these entry points here and ways that we can possibly work with you and engage to put together a solution for you. One of the things that happens in these data warehouse/business intelligence type of scenarios is that there are these various multiple entry points. Where do I kind of get started? I've got data that I've been collecting over the years, I have this legacy data, I have new data, I have data tables that have been developed from custom code that I put together in COBOL or RPG, I have packaged applications or ERP applications, and there's been acquisitions over time and there's all these different systems. How do I bring all of this kind of stuff together to get some intelligence out of all the data that kind of sits out there? And so here's a couple of good pieces of information and advice to kind of get you started and what to think about. Obviously Cognos does a great job taking the data that is there and working off data models that have been built and put together to produce intelligence, reports and graphs and charts and dashboards and all those types of things, and it does a super job. Very, very easy to use, very much enabling the end user to accomplish this. Now, how do we kind of get to the point that they can do that and understand the data? A couple things that have to happen. One, you have to understand what data is out there. How is it structured, and what is the condition of the quality of that data? How do we evaluate that, and how can I make sense that I can have something like a supplier or a vendor, IBM? Is it IBM, is it International Business Machines, is it IBM Inc., is it Inc with a period, Incorporated? Is it six vendors or is it really one? So you can see some of the things that begin to emerge, or how I treat a purchase order number or a quote number or an invoice number can be all over the place. So how do I begin to evaluate and assemble those together? It's a significant issue that kind of has to be looked at so that you can get the best answers that come through. Nonetheless, you can start with a Cognos Express just looking at the existing data without a great deal of evaluation and effort in terms of the data quality, but eventually it's going to face you. Now, what Flex-N-Gate did is they saw data quality as an issue that they needed to address first, and they did that with another IBM product called QualityStage, to look at that data, assemble a set of rules, create a set of data that now Cognos will query against. Then you build models from that, and what that means is, you collaboratively decide of what you want to do to collect data and hierarchically order this data in business terms, not in the terms that IT has used to name tables and columns and things such as that, so that's where you go next. Then you also have to think about, from a performance perspective, what do the executives and other people want to see? Do I want to see sub-second response on a dashboard? Do I want this data to be refreshed in a minute or 30 seconds or 5 seconds? What is acceptable? So there are things to kind of about in that. So as you can see, there are all these various moving parts and issues to consider. You have data quality, you have performance, you have entry points to think about, and also, what do you want this system to do? Best advice: start small, do not boil the ocean, take small bites, solve an immediate

pain point, and get an executive buy-in that they like what they're seeing first. Don't try to do too much at once. Don't necessarily try to take a big enterprise top-down approach but maybe work more bottom-up and put together a solution. And then do additive things, which is exactly what Flex-N-Gate did, and that really was a great measure of what their success was. So what we'd like to do with you is talk to us, ask questions, work through our reps to explore where you're going, what you want to achieve here, get me on the phone here. We can ask some good questions here to see where you're going, what you'd like to achieve here, and then we can kind of assure that we're going to have good success with Cognos Express and other Cognos solutions and any other items that are in the IBM Information Management portfolio. So again, thank you very much for your time. We sure appreciate you all being here on this--to listen in, and we look forward very much to working with you and ensuring a good solution success for you. Thanks very much.

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