

Hub & Spoke Implementation approach

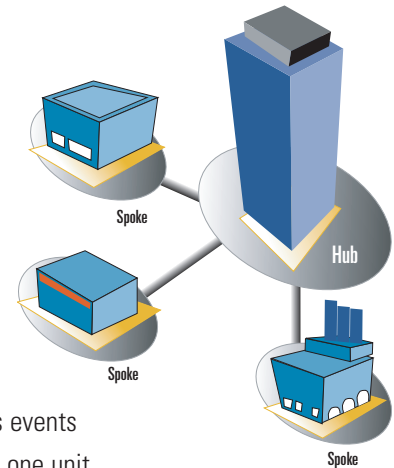
The Hub and Spoke concept refers to a parent or holding company that uses one business software system (the hub), which is integrated with another systems used by its subsidiaries, smaller initiatives, divisions or country operations (the spokes) in a decentralized application and strategic landscape.

Subsidiaries or divisions (typically less than 1 BUSD revenues and less than 1000 employees) tend to have very different needs than the parent company due to their size, location or type of business, and therefore need a different system which is in line with the overall IT and business strategy roadmap of the organization as an entity.

Enabling enterprises to consolidate financial data, share master data/reference data, the Hub and Spoke Model facilitates in

- > Gaining business insight
- > Enabling interdivision transaction
- > Sharing responsibility for services
- > Responding proactively to business events

Together, the hub and spokes form an integrated system that can progress forward as one unit.



Decision to go "Hub & Spoke" way

Unit/Plant/Division autonomy

- Little need for corporate interaction
- Legal regulations are local in nature
- Unique processes are the source of competitive advantage
- Unit/Plant/Division size
- Too small an operation
- Higher cost of Tier 1 licenses

Functional fit

- Mismatch on functional requirements
- Unique local constraints and compliance needs
- No need for common processes across the organization
- No need for global centralization

IT Staff capabilities

- Technical skills or numbers limited
- The subsidiary has its own IT staff and budgeting

Need for a Built-in flexibility

- Minor adaptations save time in daily work
- Industry-specific templates and vertical solutions reduce service costs
- Upgrade tool and methodology make it easier to move to a new version

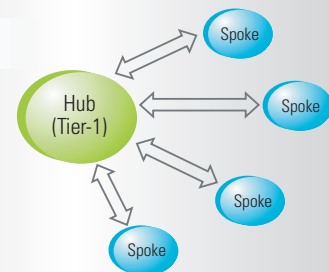
Tier 1 ERP not meeting objectives

- Complexity of customizations
- Application not mapped to changing business processes
- TCO needs

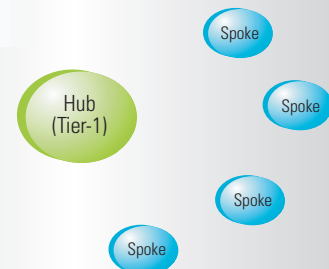
Integration Scenarios in a Hub & Spoke model

- The Hubs & Spokes can be connected together in various formats depending on the business needs, data volume, frequency of data exchange, TCO factors, IT architecture, future roadmap and company strategy
- The integration can be achieved using web-services, file based exchanges, middleware like BizTalk or any of the client owned investment
- Microsoft Dynamics Practice can implement all the four major products in Microsoft Dynamics Ecosystem (AX, NAV, GP and CRM) in this model

> Connected



> Disconnected



* Tier-1 ERP can be Oracle, SAP, PeopleSoft, JDE, Siebel or any legacy application which can be interfaced based on standard industry protocols

Functional Scenarios in a Hub & Spoke Model

Centralized Financials



- > Financial transactions such as general ledger journal entries are created by the spoke systems and transmitted to the hub
- > Financial consolidation and reporting can happen at Hub

Centralized Procurement



- > Requisitions (or purchase requests) are submitted by the spokes to a centralized purchasing department at the hub
- > The hub places the purchase orders with the vendor and communicates status back to the spokes
- > Receiving can be performed either at the hub or the spokes
- > Invoice matching is performed at the hub

Benefits

- **Simplicity** - Individual spokes are only responsible for fulfilling a portion of the company's overall data processing requirements, making the applications simpler and smaller than centralized monolithic applications
- **Best of Breed Solutions** - The software can be customized and localized to best meet the needs of each spoke
- **Local Control and Accountability** - It is easier to do most of the administration and support locally as it minimizes language and time zone barriers, while improving local accountability
- **Better performance** - Local applications running on local servers with smaller user base can yield huge performance benefits
- **Lower Cost** - License, Implementation and support costs are lower as Spokes run smaller and simpler software which is quicker and easier to implement and support. Upgrades are also easier and less painful as Spokes can be upgraded one at a time
- **Keep Existing Applications** - As companies grow, hub and spoke can be an effective way to organize and expand their IT resources in a phased way without replacing all their existing software

Infosys Value Add

- Brings best-of-breed technologies & solutions together for enterprises expanding their business across geographies through organic or inorganic means
- Pre-Built industry templates and reusable along with industry benchmarked process definition frameworks
- Domain knowledge across Financial Management, Supply Chain Management, Distribution, Human Resource Management, Customer Relationship Management, Manufacturing, Planning and Forecasting
- End-to-End product Knowledge across Microsoft Dynamics ERP and CRM product suite
- Ability to customize and localize the solutions as per local regulations which vary across offices around the globe
- Experience in integrating disparate applications with or without middleware
- Infosys Global Delivery model for lower TCO

Success Stories

LEADING HI-TECH MANUFACTURER

Implemented Microsoft Dynamics GP in one of the subsidiaries for Financials, Manufacturing, Distribution and Job Costing while the enterprise has SAP at Hub. This is an example of disconnected implementation with financial reporting happening at month end.

LEADING ELECTRONIC GIANT

Implemented Microsoft Dynamics NAV at one of the subsidiaries of the company and integrated with enterprise Oracle ERP /Siebel CRM to take in orders and send out shipment information, with financial data being updated at end of every month from NAV to Oracle.

LEADING SOFTWARE DEVELOPMENT COMPANY

Implemented Microsoft Dynamics AX at one of the group companies for procurement, planning and vendor management. This was a connected implementation in which the financial data was interfaced with SAP, the enterprise ERP at month end.

Global Presence

North America

Atlanta, Bellevue, Bentonville, Bridgewater, Calgary, Charlotte, Detroit, Fremont, Hartford, Houston, Lake Forest, Lisle, Monterrey, New York, Phoenix, Plano, Quincy, Reston, Toronto

Asia Pacific

Brisbane, Dubai, Hangzhou, Hong Kong, Manila, Mauritius, Melbourne, Perth, Riyadh, Singapore, Shanghai, Sharjah, Sydney, Tokyo

Europe

Amsterdam, Brno, Brussels, Copenhagen, Dublin, Frankfurt, Geneva, Helsinki, Lodz, London, Madrid, Milano, Oslo, Paris, Prague, Stockholm, Stuttgart, Walldorf, Zurich

India

Bangalore, Bhubaneshwar, Chandigarh, Chennai, Gurgaon, Hyderabad, Jaipur, Mangalore, Mumbai, Mysore, New Delhi, Pune, Thiruvananthapuram

For more information, contact askus@infosys.com

About Infosys

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