

•
•
• **JDA Software Group, Inc.**
• **NEWS RELEASE**
•

JDA Investor Relations Contact:
Lawrence Delaney, Jr., The Berlin Group
Tel: (714) 734-5000; larry@berlingroup.com

JDA Public Relations Contact:
Karen Walker, JDA Public Relations
Tel: (512) 474-2046; Karen.Walker@jda.com

JDA Software Offers a New View on Lean Manufacturing: Five Supply Chain Strategies to Improve Business Performance

Scottsdale, Ariz. – April 1, 2009 – Given the ongoing challenges that industries across the board are facing, 2009 promises to be a year of striving for operational efficiencies to stay competitive. With consumer spending down and credit and operating budgets tightening, manufacturers are faced with the challenge of reducing costs, re-aligning their offerings to meet changing consumer preferences and looking for new areas of growth. Compounded factors such as fluctuating materials and logistics costs, increased supply chain security and quality control requirements, and dramatic changes in demand patterns only add to the complexity of managing a global supply chain. To overcome these challenges in a consumer-centric world, progressive companies are seeking supply chain solutions that offer a new view on the traditional concept of lean manufacturing.

Pioneered decades ago by Toyota, lean manufacturing was designed to help the carmaker compete in domestic and foreign markets with limited resources and capacity by driving out production inefficiencies and waste and focusing on quality initiatives with value-focused workflows. Toyota's success story became a model for manufacturers all over the world and they have grown to become the current worldwide automotive leader. Times have changed, however, and today's concept of lean has expanded far beyond the original focus and methods of discrete industrial manufacturing.

"Next-generation lean represents a leap beyond Toyota's lean manufacturing model," states **David Johnston, JDA Software's senior vice president, supply chain**. "Applied intelligently and systematically across the enterprise, lean thinking today can have a transformative effect on a manufacturer's ability to compete, in both good and challenging economic times."

JDA offers the following five strategies to help guide manufacturers in applying next-generation lean thinking to improve their operations and overall business performance to drive profits.

1. Commit to Lean on an Enterprise-wide Basis. The primary goals of traditional lean manufacturing – drive out inefficiencies, reduce costs and waste, increase value and decrease variability – remain the same today. Only now these goals need to be embraced across the extended enterprise – both internally and externally with supply chain partners. In today's dynamic business environment, virtually all operation processes are interrelated and disruptions along the extended supply chain need to be responded to quickly

- more -

Add One

JDA Software Offers a New View on Lean Manufacturing: Five Supply Chain Strategies to Improve Business Performance

and in real-time. Confining lean to a single manufacturing facility or production area is not sufficient. Lean initiatives cannot work if done in isolation because changes made in siloed functional areas, such as manufacturing, distribution or transportation – or even at the local, regional or country level – can have unintended consequences that can lead to problems or increased costs in other areas. The most effective lean initiatives focus on the extended supply chain. For this reason, companies are deploying advanced modeling tools that can consider all costs and provide optimized strategies across a comprehensive supply chain network of distribution centers, plants, contract manufacturing partners, sourcing options and logistical lanes.

2. Understand What Drives Your Supply Chain. Understanding demand and, just as importantly, understanding the variability of demand, is the essential removal of waste – or *Muda* – a Japanese term for wasteful and unproductive activity and a key concept in the Toyota Production System. Today's variability is very different – it is often powered by economic and market forces outside one's own control. These include consumers opting for more value-priced products, a need for more product innovation, competition on a global scale, seasonal variations and increased promotional activity. In difficult times it is critically important to reexamine your enterprise's forecasting and demand planning processes and challenge historical assumptions to better understand what is driving demand. Lean manufacturing initiatives have a much better chance of delivering the expected benefits by enterprises that are able to quickly and profitably respond to changing demand patterns. This requires a demand management and shaping process that is statistically sound and collaborative across the planning, sales, marketing, product management and financial organizations.

3. Tie Demand Signals Tightly to Managing Supply. Once demand drivers are clearly understood, the next step is to use the demand to drive the development of a connected supply chain plan from distribution to production, to raw materials through to optimized sourcing. An optimized and connected plan can eliminate the significant levels of waste – *Muda* – that exist in most supply chains. Waste comes in many forms, including: high production change over cost and excessive down times due to inefficient scheduling, excessive materials and finished goods inventories that build over time in an attempt to keep service levels high and supply chain risk mitigated, as well as high logistics costs associated with unnecessary expediting and inefficient loads. With one synchronized view of demand, companies can transition from push-manufacturing to pull-manufacturing driven by consumer demand, customer orders and accurate forecasting. Two critical keys to success are the ability to determine the optimum inventory policies and the ability to continuously optimize sourcing plans based on the most current demand.

Add Two

JDA Software Offers a New View on Lean Manufacturing: Five Supply Chain Strategies to Improve Business Performance

4. Leverage the Power of IT for Global Visibility and Flexibility. The time when companies could effectively manage their demand and supply chains using traditional manufacturing resource planning (MRP) principles to drive a site by site production plan based on a simplified view of constraints are over. Manual lean methods of the past have also proven to be inconsistent and inadequate. With complex global supply chains, enterprises need solutions that solve complex optimization problems that are simple to use, easy to deploy, and capable of responding to real-time information. They must also provide the collaboration required to drill down into demand drivers at a granular level, as well as integrate and align internal and external supply chain partners. Today's robust supply chain software solutions integrate industry best practices, which are designed to help users manage even the most complex enterprises at today's rapid speed of business. Global visibility and the flexibility to respond to economic and market changes in real time are among the most strategic initiatives any company can deploy to remain competitive.

5. Align the Lean Initiative Closely to Operational Plans and Corporate Financial Goals. One of the most critical elements of an effective lean strategy is to tightly align demand and supply chain operations with the enterprise's strategic business plan. The role of financial performance management is to plan, direct and oversee capital expenditures, monitor and control cash flows and invest as appropriate to ensure profitability and revenue goals are met. Therefore, it is essential that financial management be an integral participant in the lean initiative and be a key part of the information flow, transparency, visibility and critical decision-making processes. To maximize operational efficiencies, enterprises should incorporate Sales & Operations Planning (S&OP) processes into their lean manufacturing initiatives on an enterprise-wide global scale to enhance supply chain visibility, eliminate performance surprises and achieve more integrated business planning and management.

Lean is not just about production any more – it can generate positive results across the value chain and have a profound effect on the long-term sustainability of any enterprise. In a successful next-generation lean initiative, operational efficiency drives increased productivity and better operating margins, leading to increased revenues. All of which can significantly increase cash flow and working capital, providing a cushion to ensure stability in a tough economy – and pave the way for capitalizing on competitive growth opportunities during both challenging and prosperous times.

To learn more about how JDA Software helps its customers leverage lean principles to better align their demand and supply chain business processes and achieve sustainable value creation for enterprises and their customers, please visit www.jda.com.

- more -

Add Three

JDA Software Offers a New View on Lean Manufacturing: Five Supply Chain Strategies to Improve Business Performance

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS) is the world's leading supply chain solutions provider, helping companies optimize operations and improve profitability. JDA drives business efficiency for its global customer base of more than 5,800 retailers, manufacturers, wholesaler-distributors and services industries companies through deep domain expertise and innovative solutions. JDA's combination of unmatched services, together with its integrated yet modular solutions for merchandising, supply chain planning and execution and revenue management, leverage the strong heritage and knowledge capital of market leaders including Manugistics, E3, Intactix and Arthur. When supply chain results matter, companies turn to JDA. For more information about JDA, visit www.jda.com or contact us at info@jda.com or call +1 800 479 7382/+1 480 308 3000.

- 30 -

We do not believe this press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Nevertheless, if remarks in this press release are considered to be "forward-looking" or to have forward-looking implications (such as the potential benefits of deploying the specific strategies), we would remind our investors and prospective investors that future events may involve risks and uncertainties. These risks and uncertainties include the fact that not all users will be able to utilize our products or strategies with successful results. Other risks and uncertainties that may affect our business are detailed from time to time in the "Risks Factors" section of our filings with the Securities and Exchange Commission. As a result of these and other risks, actual results may differ materially from those predicted. We undertake no obligation to update information in this release.

"JDA" is a registered trademark of JDA Software Group. Any trade, product or service name referenced in this document using the name "JDA" is a trademark and/or property of JDA Software Group. All other trade, product, or service names referenced in this release may be trademarks or registered trademarks of their respective holders.

JDA Software Group, Inc.
14400 N. 87th Street
Scottsdale, AZ 85260