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

JDA Public Relations Contact:
Jill A. Brownley, JDA Public Relations
Tel: (480) 308-3849; Jill.Brownley@jda.com

JDA Software Outlines Strategies to Realize Cost and Operational Efficiencies

Part II: Fine Tune Your Supply Chain to Achieve the Next Level of Savings

Scottsdale, Ariz. – August 11, 2009 – In [Part I](#) of this thought-leadership media alert series, **David Johnston, JDA Software’s senior vice president, manufacturing and wholesale distribution**, recently shared strategies for leveraging the supply chain to survive in today’s economy. Quickly increasing cash flow, successfully leveraging brand strengths, accurately responding to changing market conditions and gaining a sharper understanding of consumer demand are key ways for companies to enhance their competitive position and improve financial results.

For companies looking to take their supply chains to the next level, Johnston outlines additional best-practice strategies that companies can adopt during the economic slowdown.

- **Fine tune forecasts.** One way to realize quick savings is to fine tune existing statistical parameters to increase forecast accuracy. Increased competitive activities and changes in consumer-buying behaviors during the economic slowdown may have shifted the demand patterns of your products and reduced the accuracy of your forecasts. When this happens, you need to adjust the statistical parameters that are used to generate the baseline demand forecast for these products. First, identify where demands have shifted, determine if existing statistical parameters are still valid, and then tune the parameters to reflect the current market.
- **Save money...and the planet.** Companies are finding that the push to “go green” not only helps the environment—it also helps their bottom line. Fuel and logistics have been the primary focus as companies seek to become more environmentally friendly, but utilities can be another key area where substantial savings can be realized. By synchronizing the overall supply chain through integrated planning and optimization, companies can be more proactive to reduce waste around everything from processes and resources to raw materials and logistics. Less waste means more cost-savings and a more environmentally friendly operation.
- **Broaden the scope.** Traditionally, supply chain operations have been focused on synchronizing three areas—forecasting, inventory and logistics. Not much attention has been given to suppliers and raw materials. By expanding the flow of information upstream to manufacturing, raw materials and suppliers, companies can enhance visibility and cooperation. Greater insight into time-phased production plans and raw material

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requirements allows suppliers to more accurately tailor their capacity and production, and ultimately lowers costs in both the short and long term.

- **Renew strategic competitive advantage.** Now is the ideal time to implement processes that will lead to a more strategic and sustainable position when the economy turns around. A critical step in achieving this is to adopt an executive sales and operations planning (S&OP) process that focuses on strategically aligning business strategies, financial plans and corporate objectives. To facilitate data flow and decision-making that enables alignment of the S&OP plan with financial goals, companies must leverage an enterprise information technology platform, as well as advanced supply and demand chain solutions and analysis capabilities. When executed properly, this process led by senior management will evaluate time-phased projections for new products, demand and supply, as well as the resulting financials, over a rolling timeframe ranging from 24 to 36 months.
- **Prioritize investments.** Companies should review all capital investments, expansion plans, acquisitions and assets, as well as analyze current and upcoming projects, to see how much they contribute to future financial benefits. By ensuring that priorities are in order, expansion strategies still make sense and that assets are in line with current needs, companies can ensure they are well positioned to remain competitive. Strategic rationalization of manufacturing and logistics investments is one important aspect to improving time-to-market and increasing the return on assets. Supply chain solutions that can model and optimize your supply network, costs and capacities, as well as review the tradeoffs between specific scenarios, will help you make optimal strategic investment decisions.

In concert with the strategies highlighted in [Part I](#) of this series, these steps can help create opportunities for companies to cope with the current economic challenges as well as provide a path for ensuring future sustainability.

To learn more about how JDA Software helps its customers build and leverage successful supply chains to increase revenues and maximize profitability, please visit www.jda.com.

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.

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