

From: Eddie Capel <c_manh@emailopen.com>
Sent: Monday, July 1, 2019 11:00 AM
To: DL_Auto_Everyone <DL_Auto_Everyone@manh.com>
Subject: CEO Newsletter



Manhattan is known throughout the industry for our customer focus. I am extremely proud of our track record and could give countless examples of how our team members regularly Push Possible® on behalf of our clients. While this dedication is critical to our success, sometimes the most valuable customer support is actually provided by other customers.

An important part of being a customer-centric organization is encouraging customers to connect with each other. We understand this and strive to provide networking opportunities at our Momentum and Exchange conferences. Manhattan also accomplishes this by facilitating customer community events throughout the year. Our customers often meet to compare notes on their Manhattan projects, learn more about our solutions and discuss key industry trends.

Recently, **adidas** and **Asda** hosted Manhattan WMS user group meetings in their Rieste, Germany and Dartford, England facilities, respectively. At these meetings, customers shared details of their rollouts and product upgrades, and visited some of the world's most advanced warehouses. At adidas, customers were treated to an extensive tour of the company's central wholesale and ecommerce distribution centers, where they saw the latest warehouse robotics and automation technologies in action. Asda gave its guests a tour of one of the company's state-of-the-art Home Shopping Centres, which delivers online groceries to its customers across the U.K.

L'Occitane also recently hosted a Manhattan Active™ Omni customer meeting in their Paris office, where representatives from **Gucci**, L'Occitane and **Lacoste** (among others) discussed their Manhattan projects. A member of our Product Management team attended the event, led many of the discussions around our Omni solutions and reviewed product enhancement suggestions.

I am thrilled to see our customers working together to get the most out of their Manhattan solutions. Our customers are proud of the work we have done on their behalf and are eager to share their successes. This thriving customer community is a testament to the strength of our solutions and the drive and

dedication of our employees. Thank you for helping us build this wonderful customer ecosystem.

Eddie

PROFESSIONAL SERVICES ORGANIZATION (PSO)

[Name], Senior Vice President, Americas Professional Services

As we approach the halfway point of 2019, the Professional Services Team is *thriving*. We continue to deliver successful go-lives, earn additional opportunities with existing customers and assist our Sales team in winning net-new customers. *Thank you* to our entire team for your hard work and dedication. Please see department-specific updates below:

The OPTI team started the month strong with kickoffs for **Ulta** (v2018 component deployment), an engineering engagement with **Martin Brower** and an upgrade for **Columbia Sportswear**. Additionally, the team continues to progress on large initiatives with **FedEx**, **L'Oréal**, **McKesson** and **Tory Burch**.

The TMS/EEM team recently went live with **Seneca Foods** (TP&E SaaS) for managing their inbound and outbound transportation (integrated with SAP) as well as with **F&D** using TP&E for managing their international workflow.

WMOS had six go-lives, including a new customer go-live with **Liquor Control Board of Ontario** and additional site rollouts at FedEx, **United Natural Foods (UNFI)** and **adidas**.

The WMi teams kicked off two initiatives for **L Brands' Victoria's Secret** business to increase their DC's peak capacity. This two-pronged initiative will increase their peak capacity by 300,000 in 2019 and an additional one million in 2020.

The PFIO team took **Elektra** live with v2018 (upgrading from v2015). The projects at **Hy-Vee**, **Genuine Parts Company (GPC)** and **KeHE** are progressing well toward their go-lives in late Q3/Q4. Projects at UNFI and **Floor & Décor** are in the build phase and tracking to go-lives in early 2020.

ESO is partnering with **FedEx Supply Chain** to support their large-scale, three-year growth initiative. The ESO team also completed the second training session of the multi-country rollout for **adidas Latin America** in Brazil. These classes have received positive reviews and our team is excited to travel to Chile next.

The SCALE team recently signed our second U.S. Manhattan Active SCALE customer, **Future Forwarding**. Additionally, the team brought four customers live on SCALE 2018 in the first week of June, **Sub-Zero** – the first SCALE customer to be integrated with Manhattan's SaaS TMS, **Vermont Country Stores**, **Christian Dior/LVMH** and **Ramp Logistics**.

CUSTOMER SUPPORT ORGANIZATION (CSO)

[Name], Vice President, Customer Support Organization

The spring and early summer months find many customers focused on new initiatives and rollouts to ensure they are buttoned down well in time for their peak season later in the year.

The WMOS team is continuing to drive such initiatives that further highlight our expertise in MHE and Automation. **Vitamin Shoppe** has engaged us to help drive integration with Numina Group's conveyor automation system in their Avondale, AZ facility. We'll also kick off a pilot project with Kindred Robotics for integration with **Abercrombie & Fitch**. **Carter's** also piloted two Kindred robots over the past year, addressing the challenge of reducing a reliance on a temp workforce at peak times. With the ROI proven, we're engaged on the full integration of 16 Kindred robots in their Braselton, GA DC. We've also been busy supporting new DC deployments – **HyVee** went live with their Omaha, NE fulfillment center for ecommerce on WMOS 2017 and **Discount Tire** recently went live with their second site. The go-live for Discount Tire has been very smooth, with the DC shipping full volumes by Day Three!

Our OLM teams are supporting numerous initiatives, including **Fallabella's** Cyber Day sale which recently concluded with record-breaking sales. OLM CSO advised on detailed preparations and allowed their teams to focus on success, covering their support needs through our premier support offering. We also helped **The Children's Place** successfully roll out BOSS (Buy Online, Ship to Store) across all of their 780 stores following an earlier successful pilot. The rollout will save transportation costs by shipping ecommerce and retail orders together, with strong results already being enjoyed as a result.

The OLM EAG (expert advisor group) team, formed earlier in the year, is working on further cost saving initiatives at The Children's Place and **Reitmans**, and the team is pulling their deep design expertise and "field" experience to solve customers' business problems. More to come from the EAG in future updates!

Our WMi team completed their onboarding of **Destination XL** and **Under Armour** onto our Premier Support program. We also kicked off a new 2018 implementation with **Bed Bath & Beyond**, deploying in a new DC focused on cross-docking import merchandise.

The TLM CSO team is driving operational success for our customers, working with **NDCP** for a Proof of Delivery rollout and with **Cardinal** to complete their Parmed project rollout. The CTSO TLM team is gearing up to run transportation modeling initiatives with **Tractor Supply** and **Ahold USA** in July.

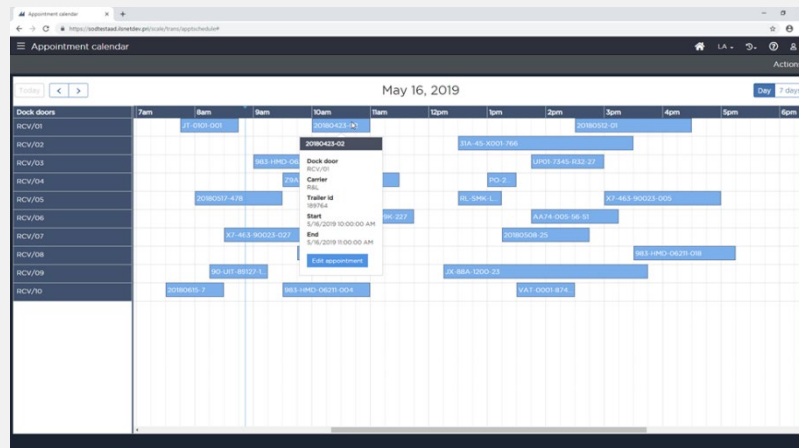
Our customers are looking to us for deep functional knowledge, technical know-how and real-world experience – and we are ready and able to help them regardless of product or location!

RESEARCH & DEVELOPMENT (R&D)

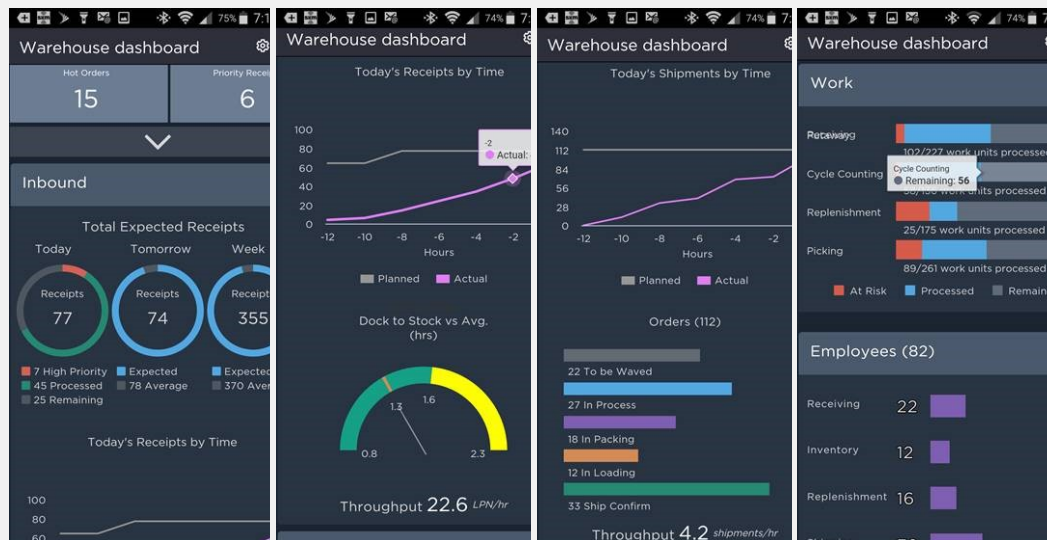
[Name], Senior Vice President, Global R&D

Rounding out our v2019 release cycle are our SCALE and Billing Management releases.

Through the 2019 release cycle, the SCALE R&D team has delivered a number of enhancements and made them immediately available to the field. Included in these update deliveries are a new graphical appointment scheduler, UI extensibility enhancements, Device Integration Framework enablement for SaaS and more.



One major focus for 2019 was making the move toward modern mobility. This was accomplished first with SCALE Mobile (also delivered immediately to the field), which provides a view into warehouse health from anywhere on any Android or iOS device.



The 2019 release builds on our mobility focus with the delivery of a new capability, Warehouse Mobile, which modernizes the handheld work execution experience on Android devices. It is a look and feel that is familiar to users of smart devices. It also leverages a JSON file-based framework called Screen Rendering Controls (SRC) that drives the flow and layout of the screens. This allows flexibility and customization of flows without code modification, by simply updating a file. It all adds to the extensibility framework and ease of use that SCALE is known for.

Billing Management has also had a long-awaited user experience improvement with its 2019 release. While the word "classic" has a certain charm when talking about cars or movies, it doesn't typically evoke the same positivity when talking about software user interfaces. The Billing Management product has shed its classic look and gotten on

board with the modern look and feel that Manhattan's products are starting to be known for.

PRODUCT MANAGEMENT

[Name], Senior Vice President, Product Management

When we think about major supply chain disruptions over the last five years, many of us automatically think of omnichannel and the impact it's had on consumer behavior and retail in general. There's no doubt that omnichannel has presented Manhattan with one of the greatest opportunities to innovate and differentiate that many of us have seen in our lifetimes.

What you might not automatically consider, though, is the impact omnichannel has had on the wholesale industry. In inventory circles, there's a commonly known phenomenon called The Bullwhip Effect. Simply stated, the further away you are in the supply chain from a disruption, the greater the potential impact. In this context, The Bullwhip Effect implies that the more aggressive retailers are with executing omnichannel strategies, the more difficult it becomes for their wholesale partners to plan for their demand and ultimately service their inventory needs at consistently high levels.

With our 2019.0 release of Demand Forecasting & Replenishment, we introduced a new methodology that wholesalers can leverage to improve forecast accuracy and their overall profitability, all while deepening their insights and relationships with their most influential and strategic retail customers. We call it Customer Centric Inventory Optimization (CCIO). The heart of CCIO relies on the idea that wholesalers can improve their inventory optimization by selectively segmenting the demand of their largest, most influential retail customers.



Over the last 12 months, many of our long-standing wholesale customers have shared with us their plans to more closely align with their retail partners. Several have gone so far as to convince their retail customers to share things like promotional calendars. With CCIO, this type of collaboration becomes instantly actionable intelligence that Demand Forecasting & Replenishment can use to fine-tune the future demand plan in ways never before possible.

One of our newest Inventory customers, **KeHE Distributors**, is in the process of deploying CCIO as part of their initial rollout and several of our existing wholesale customers are building their upgrade plans so they can take advantage of this innovation. Successfully launching CCIO is just one more key step in our long-term strategy to out-innovate the rest of the supply chain planning market.

AMERICAS SALES

[Name], Senior Vice President, Americas Sales

Many of our customers and prospects are taking a "cloud first" approach to their technology evaluations. The Americas Sales team has seen a rapidly growing interest in our cloud solutions. The demand has come from customers and prospects purchasing solutions from Manhattan Associates for the first time, as well as existing customers who want to transition their existing Manhattan solutions hosted in their corporate data center to the cloud.

The move to the cloud has significantly changed the sales process and the Sales team has had to get educated on selling in a very different environment. RFIs and RFPs now typically include detailed questionnaires around security, compliance and SLAs, and the sales process typically includes a technology session with our customers' and prospects' IT team to discuss these topics. Pricing strategies and negotiations are very different, and involve discussions and negotiations on length of term, usage limits and environment provisioning. The contract we base our agreements on is much different for cloud/SaaS opportunities. Even the way we demonstrate our solutions has changed. Most of our demonstration environments have moved from our internal servers to cloud providers including Microsoft Azure and Amazon.

I am pleased with the success the team has had selling our SaaS/cloud Manhattan Active solutions in the first half of the year. This year, we have won opportunities across all our Active solutions – Active Distribution, Active Transportation, Active Inventory and Active Omni. I look forward to sharing details of some of our Q2 SaaS/cloud wins in next month's newsletter.

EUROPE, MIDDLE EAST, AFRICA

[Name], Senior Vice President, Europe, Middle East, Africa

Across the region, stable and successful go-lives abound amidst a great deal of prospect activity that is trending positively.

In The Netherlands, **Bluestar** (Hardware Distribution) has gone live on Outbound with SCALE with conveyor integration and **Coolblue** has gone live on Inbound with WMOS.

In addition, the CE team went live with WMOS for Inbound at the Strijen DC of our technical wholesale customer **Technische Unie (Sonepar)** – a key milestone. WMOS is an integral component of the SAP S4/Hana-supported Procure to Pay (P2P) process. The next step is to bring the second DC live for Inbound as well as introduce WMOS to support the logistics operations at 22 hub sites. In parallel, we are working on the Order Fulfilment project enabled by Manhattan Active Omni. To minimize IT disruption, Manhattan Active Omni will be integrated to a legacy ERP, and at a later stage integration will switch to SAP S4/Hana.

At **X5 Pyaterochka** in Russia, we continue to progress with activating new functionality and extension development. Labor Management has successfully gone live in the live environment.

Kurt Geiger in the U.K. has progressed with a go-live at 600 this week on WMOS. The go-live at **Arcadia** is progressing smoothly with volumes on track.

The team in France has gone live at the **Cdiscount** Dartess site (Wine & Spirits) with WMOS integrated with Exotec's goods-to-man working well. The first phase of **Kering** has gone live with the **Bottega Veneta** store in Paris now capturing "distant" orders using our POS, EOM and SOF. Kering will be on stage at the EMEA Exchange in October.

In Spain, **El Corte Ingles** is now fully live at Materia Prima with WMOS. Volumes are increasing regularly and CSO transition is underway.

Several members of the EMEA team attended the Gartner Supply Chain Summit in Barcelona with a high-profile presence alongside customer **Coop**, who presented in our solution showcase.



The team in EMEA continues to grow and we have seen a 24% increase in headcount compared to this time last year, with large intake numbers in Q2 being inducted across the region.

ASIA PACIFIC

Australia - China - Japan - Singapore

In Japan, the **Nitori** go-live for WMOS has successfully transitioned to CSO.

The team in SEA have gone live successfully at **CP All** (owner of 7/11 stores in Thailand) with WMOS on Inbound with volumes increasing daily, filling up the Greenfield site prior to Outbound which is expected to go live later in the month. We are in the process of rolling out to a total of 18 DCs, each with about 300 users.



At **Target** in New Zealand, the customer sent a note of appreciation for all the hard work on the New South Wales implementation, which is a testament to the team's hard work and relationship with the client.

GLOBAL MARKETING

[Name], Senior Vice President and Chief Marketing Officer

With more and more of marketing becoming digitally focused, we can test tactics and obtain results quickly – if not immediately. New technology has also enabled the ability to narrowcast specific messages to defined audiences to achieve specific goals.

One such approach is account-based marketing, or ABM, wherein we concentrate on reaching a set of targeted companies and even more specifically, individuals at these companies. Rather than the traditional marketing focus of acquiring and nurturing individual leads, with ABM we focus on building relationships with key individuals at target companies.

We're currently testing this with our game-changing POS offering, targeting ten companies for which we believe Manhattan POS is ideally suited. Armed with research on the key contacts, we started broad – at the company level – with digital impressions, then delivered emails as we became more personalized in the process, eventually homing in on the individual. If we're successful in engaging digitally with that person and we see them exploring content on our website, we follow up with a personalized direct mail piece that includes a mug or tumbler from their alma mater.

Thanks for reaching out to me regarding your services at Manhattan Associates. I am very impressed that you took the time to research where I graduated from college and that really caught my attention...

-Response from tumbler recipient

One-to-One Campaign: Touch Points
Targeted Digital Assets

Follow-up Email

Direct Mail

Outbound DG Call

Retargeting Ads From Landing Page: Demo CTA

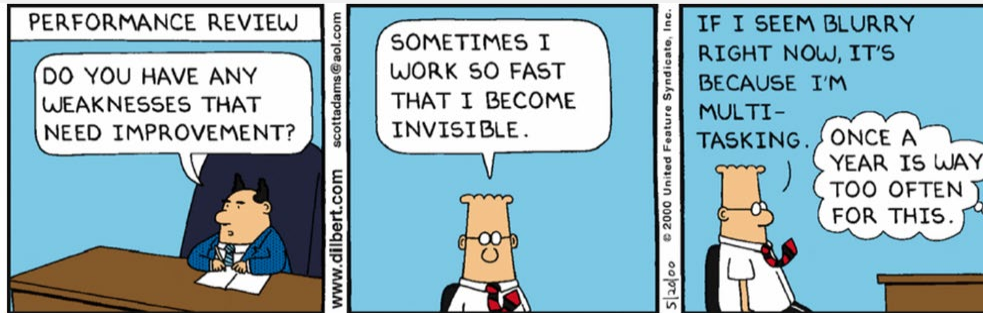
With this personal connection established, we follow up with outreach from our Demand Generation team.

This highly personalized, one-to-one marketing approach is producing results, with three appointments set up and more to come. Based on these positive early results, we're already developing the next ABM campaign to showcase **Lamps Plus**' deployment of POS.

Much of the success of account-based marketing relies on delivering what is important and valuable to the target, and the Marketing team works diligently to develop content and offers that are relevant and substantive. This, combined with treating the target as a market of one, ensures that our POS solution gets the reception it deserves.

HUMAN RESOURCES

[Name], Senior Vice President and Chief Human Resources Officer



Who doesn't love performance reviews?

For those of you who haven't heard, **MPOWER** is going agile. As part of our phase two in our performance management makeover, we are rolling out **MPOWER Connections**.

An **MPOWER Connection** is a monthly conversation between you and your manager to focus on what is meaningful to you – it may be goal achievement one month, skill development the next month, and career growth another. The point is that our processes are designed to be fluid and flexible to meet the demands of our teams and our changing work styles. This forward-facing focus makes the Connection a natural setting for these conversations.

To learn more, all employees and leaders should attend the **MPOWER Hour** training sessions happening now around the globe. If you haven't already attended, [click here](#) to see available sessions and register today. And, you can always find more information and helpful job aids on **MPOWER** within the Workday "My Performance and Career" worklet.

We are also excited to share our Culture and Engagement Survey results later this month. I know the feedback you provided will be meaningful in shaping and delivering new initiatives that contribute positively to our culture.

Remember, to drive change requires all of our participation! So, jump in.

ALLIANCES

[Name], Senior Director

At the midyear point, we can take a moment to pause and reflect on how the year has transpired thus far. We can also take inventory of the year ahead and how to best invest our time to maximize successful outcomes. The Alliances team has added 11 new Manhattan Value Partners (MVPs) during 2019: Locus Robotics, Matthews Automation Solutions, RightHand Robotics, NCS Partners, VCO Systems, Newmine, Reliant, Avalara, Shipware, Trimble Visibility and Cybersource.

This collective group of partners and their solutions reflect many of the current trends and top priorities in the marketplace and we are thrilled to partner with these companies with the intent of delivering valuable, integrated solutions to address today's pressing issues. Further, the team has multiple conversations every week with interesting companies outside of the existing partner community, some of which are likely to become new MVPs as 2019 marches forward.

We are also taking time at the midyear point to invest for the future as we take steps to increase and modernize product access for select Manhattan solutions and partners. We are also assessing and improving our core tools of the trade in the form of updated contracts and a new and improved partner portal. Last, even though it is just now summer in the northern hemisphere, we are kicking off our 2020 MVP process including program improvements with an eye on our key January events, i.e., NRF and Partner Day 2020.

If you are interested in learning more about our partners – consulting, technology, hardware, or robotics – and how we engage with them, feel free to reach out to me directly to learn more.

ETS

[Name], Executive Vice President and Chief Financial Officer

The ETS Team around the world continues to deliver new capabilities for infrastructure and business systems. Great new features and capabilities are being extended across the organization. Here are just a few of the highlights for this month:

The Global Business Technology team successfully delivered an upgraded version of our ReQlogic procurement tool. In addition to ensuring ongoing stability, this upgrade enables several process improvements for the Accounts Payable team. The team also delivered a new automated reporting capability for the hardware sales team, as well as a Global Employee Directory available on MA Matters to make contact information easily accessible to all Manhattan team members.

Global Technology Services recently rolled out an upgrade to Mojave to ensure all MacBooks have the latest software capabilities including new OS features and enhancements, like Dark Mode and Stacks; the latest releases of Microsoft Office and WebEx; improved stability and security; and access to the latest developer tools.

The Enterprise Technology Services teams are working diligently to provide a secure, yet open work environment and we will continue to Push Possible throughout 2019!

