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EDITORIAL

By Pierre Haren, ILOG CEO

Both inside and out, ILOG helps power the Internet through cutting-edge solutions. While web-site operators are adopting our products to give customers greater satisfaction in ordering goods and services, the companies behind the net's hardware are increasingly relying on us in running their equipment.

Most of the traffic on the Internet goes through fiber-optic cables. As this traffic has grown, so also has the demand for more bandwidth.

Cable operators are handling the increase with new technologies capable of boosting the capacity of existing optical networks a millionfold, preparing the industry for the next wave of high-speed Internet services.

To make these technologies work, optical network suppliers are using ILOG software to control their equipment. Our graphics give them realistic interfaces for viewing and operating devices, while our rule engines filter alarms down to manageable numbers.

As with every industry, ILOG backs the Internet with the best software for making things happen.

ILOG JTGO Chosen to Drive New Fiber-Optic Equipment

FOCUS

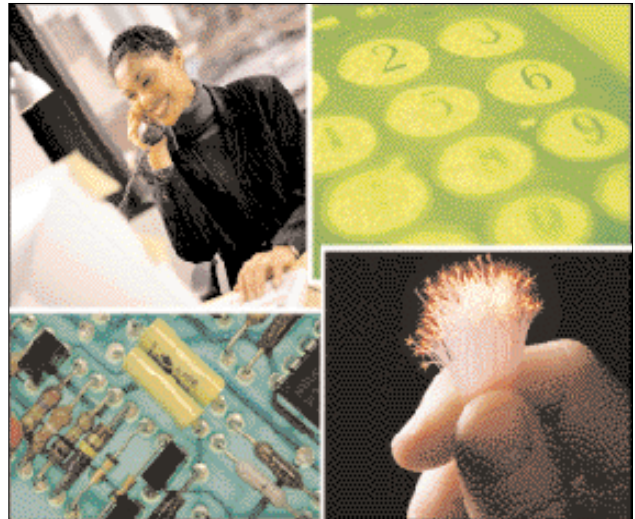
DWDM and SONET set to double volume of optical networks

Emerging technologies for boosting the volume of optical networks to handle the tremendous growth in Internet traffic is set to catch on over the next few years. ILOG will be at the forefront of this trend with the new ILOG JTGO 2.0, the one-stop component for building network management graphical user interfaces (GUIs) in Java™.

Along with the ILOG JViews Component Suite, ILOG JTGO has already been adopted by such optical network equipment providers as CIENA, Brightlink, Ironbridge Networks, Nortel Networks, Sycamore Networks and Tellium.

DEVELOPMENT SAVINGS

The 100% Pure Java™ visualization components slash development time and cost by as much as 50%, with ready-to-use graphic objects and development tools for rapidly building GUIs. Such savings are a must for a hot new market like optical network optimization.



"With the rapid pace of innovation in the communications industry, it's crucial to maintain a time-to-market advantage," says Bill Barton, director of software engineering at IronBridge Networks. *"We selected ILOG JTGO because it has cut our development time significantly and will help us deploy our carrier-class terabit router more quickly. The look and feel is also superior to anything else available for network management."*

By using such emerging technologies as dense wave division multiplexing (DWDM) and SONET optical networking equipment, companies are multiplying the efficiency of existing fiber-optic networks.

Their efforts have the potential of boosting the capacity of telephone systems a millionfold, according to some estimates, paving the way for the next generation of high-speed Internet services.

ONE INTERFACE FOR ALL

Today's sophisticated communications networks contain a multitude of technologies, platforms and services. ILOG GUI solutions allow service providers and equipment and platform vendors to develop a single user interface to manage multiservice networks.

The complexity is hidden from the network operators, who interact with the same interface

(Continued on Page 3)

ILOG OPENS OFFICE IN DETROIT

To better serve the automotive industry, ILOG has opened an office in Detroit to provide both sales and technical support.

Ford, Nissan, Peugeot, Michelin and DaimlerChrysler are just a few of the automakers and automotive parts suppliers relying on ILOG software in custom-built manufacturing scheduling, configuration and design optimization applications that have saved the companies millions of dollars in operating expenses.

"Today's new e-business trends are making the automotive industry more consumer-oriented than ever before," says Denis Sennechael, ILOG worldwide automotive sales director. "To target production and keep expensive inventories down, carmakers need solutions that optimally commit resources and ensure supplies are ordered and obtained on time.

Through its wide application by enterprise resource planning and supply-chain management software providers, ILOG optimization has become the de facto standard for resource planning and scheduling systems. Its modular components of linear- and constraint-programming algorithms are ideal for developing highly complex applications for modeling and solving a vast variety of problems.

With DaimlerChrysler, for example, ILOG software is used in reducing waste in paint-shop operations, and has resulted in annual cost savings of more than \$20 million a year. The success of the system has led to its wide adoption throughout the automaker's worldwide network of factories.

In the age of the Internet, car manufacturers can turn to ILOG to enable their online solutions. The recently released ILOG Configurator has the potential of revolutionizing web shopping for cars. It allows someone to design his own vehicle on the Internet, fitting together chosen parts into a buildable configuration that can then be slipped into a production line with the click of a mouse button.

ILOG is helping carmakers change the way they do business, from the heart of Motor City and through the best custom solutions in the industry.

COMPANY NEWS

Exchange Adds ILOG to Top Indices

Company among 10 largest software makers in France

The advisory council of the Paris Stock Exchange has added ILOG to the Société des Bourses Françaises (SBF 250) and Indices Technologiques (IT 50) indices.

ILOG was listed on the Paris Nouveau Marché stock exchange last year, and made an initial public offering on NASDAQ in the United States in February 1997.

ILOG was one of 11 companies added to the SBF 250 at the same time, and all are technology providers, joining 30 similar companies already on the index. On the IT 50 index, ILOG is listed among the top 10 companies. The company's inclusion is indicative of the rapid growth of the Nouveau

Marché, the newest French stock exchange. Dominated by high-tech companies and one of five exchanges in the EURO.NM network, the Nouveau Marché has seen its composite rise from 1,200 to over 7,000 in the last year.



PARISBOURSE SA

ILOG is one of the 10 largest French software companies. The investment community has become increasingly aware of the company as its products become more widely used in e-business applications.

Siebel Systems, Business Logic, BEA Systems and other top Internet players have chosen ILOG products because they enhance web personalization and deliver a high degree of intelligence.

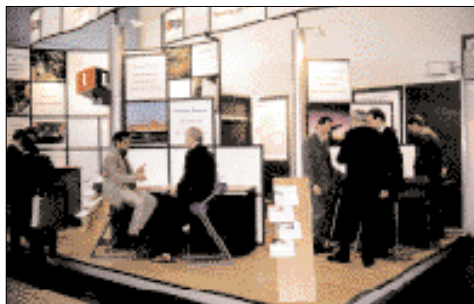
ILOG at CeBIT 2000

Visitors view e-business products

ILOG took its top e-business products to CeBIT for the information technology fair's largest show yet.

More than 750,000 visitors attended the trade show from Feb. 24-March 1 in Hanover, Germany. About 7,800 exhibitors filled the 25 halls of the show, covering more than 400,000 square meters with the best the industry had to offer. It proved to be the largest show yet for CeBIT, at four times the size of the last Comdex. The main topics were the Internet, e-business, and the emerging technologies for merging data with speech transmission, as with WAP mobile phones.

German Chancellor Gerhard Schröder spoke at the event, saying he wanted to create a "green card" for foreign IT specialists, an idea that was well received by many present at the show. The German IT industry currently has over 70,000 openings for specialists.



ILOG booth at CeBIT

ILOG and its e-business products – ILOG Configurator, ILOG JVIEWS and ILOG JRULES – attracted much attention during the show. Both prospects and the press were highly impressed by the software components. ILOG has taken a defining role in extending the reach of the Internet to cover mission-critical operations for banking, trading, transportation, telecommunications and supply-chain management.

New Chief in Japan

Yuji Chahara has been named president of ILOG's Japan operations. With more than 10 years of experience in sales and marketing, he brings to ILOG an in-depth knowledge of the Japanese software market.



Yuji Chahara

Mr. Chahara, 45, started his career with a degree in mechanical engineering from Hosei University in 1974. He has served as the marketing and communications director of Novell Japan, and the sales and marketing director of Business Objects Nihon, his last employer.

In February, Bounthara Ing, the last president of ILOG Japan, passed the reins to Mr. Chahara. The new president hopes to establish stronger sales channels for ILOG's products in Japan, in order to further penetrate the market.

ILOG Demystifies Rule Programming

New ILOG JRules lets businesses maintain their e-commerce solutions

With ILOG JRules 3.0, ILOG has taken the mystery out of creating e-business rule applications in Java™.

Ideal for fully personalized web services, business rule engines have had the reputation of being too complex. The new ILOG JRules extends the rule engine beyond the highly skilled programmer, letting companies maintain their own systems.

With more businesses

moving to the web and its self-service paradigm, rule engines are letting companies differentiate themselves in serving customers and other businesses. With ILOG JRules, consumers have more support in obtaining goods and services, while companies are able to expedite such activities as supply-chain procurement and fulfillment.

ILOG JRules has been chosen for BEA Systems' new WebLogic Commerce

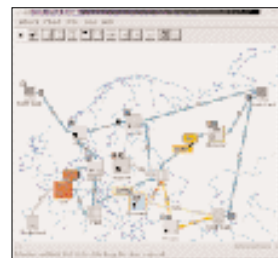
Server, Open Market's new Content Server, and upcoming products from Business Logic.

STANDARD RULE LANGUAGE

ILOG JRules 3.0 supports the Universal Business Rule Language, the first-ever standard language for business rule systems. It allows rules to be expressed in XML, optimizes performance based on application characteristics, and can automatically link rules to relational databases. The component's rule engine can also be embedded in the most commonly used Enterprise Java Beans. ●

ILOG JTGO Chosen to Drive New Fiber-Optic Equipment

no matter which network technology or platform is underneath. Another key benefit to using ILOG GUI solutions is that their already wide usage will aid newcomers to the industry in gaining acceptance for their systems.



ILOG JTGO interface

"Having an interface that is familiar to the industry, and perhaps more importantly to many network operators, can

have a significant impact in how readily a new technology is both adopted and accepted" says Rob Rich, senior vice president of Telecommunications Research at Yankee Group. "That factor must be considered in the selection of any interface, and likely was a consideration in the adoption of ILOG GUI products with these (optical networking) equipment providers."

ILOG JTGO 2.0 AND ILOG JViews

ILOG JTGO 2.0 offers customization and network viewing options specially designed for network management, including a graphics editor for creating custom graphic objects for representing network assets.

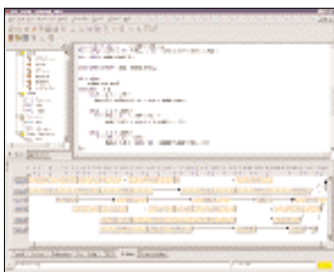
Other benefits include enhanced map features for creating sophisticated node layouts, and standardization based on the findings of the TeleManagement Forum, the leading international authority on network management systems. The component also includes 48 high-level Java Beans for rapid application development, and custom screen views for network management via the web.

The ILOG JViews Component Suite is a comprehensive set of embeddable 2D graphics and development tools for creating advanced Java GUIs. It cuts development time by as much as a third and frees the developer from using HTML GUIs or platform-dependent solutions. ILOG JViews GUIs are fully interactive and portable, and encompass the latest web standards, including XML and Swing. ●

New ILOG OPL Studio 3.0

Optimizer better supports Microsoft products

ILOG OPL Studio 3.0 has joined the ranks of the ILOG Optimization Suite as the latest version of the industry's most innovative tool for rapidly developing optimization applications. The new version comes with several new features for increasing the productivity of operations with applied optimization. Most notable is support for the Microsoft Component Object Model (COM), the backbone of Windows and Microsoft ActiveX.



ILOG OPL Studio interface

COM SUPPORT

COM support means a model built with ILOG OPL Studio can be embedded into a program written in C++, Java™ or Visual Basic for Applications (VBA), the software language of Microsoft Excel, Microsoft Access and other Microsoft products. Now an Excel spreadsheet can contain a button linked to an ILOG OPL Studio model. The model can be used to generate a solution using data entered through the spreadsheet. The solution can then appear on the spreadsheet or in another user interface. This is possible because ILOG OPL Studio 3.0 includes direct

spreadsheet connectivity, making it easier to import and export 2D array data from and to a spreadsheet directly into an ILOG OPL Studio model. With ILOG OPL Studio, a complete optimization application can be developed in a matter of days and then given an interface with Microsoft Excel, without

writing a single bit of C++ code.

Similarly, a Java programmer who is deploying a Windows application can easily embed an ILOG OPL Studio model into the application and run it with ILOG Solver, ILOG CPLEX and ILOG Scheduler. This lets Java programmers under Microsoft Windows embed optimization in their applications without sacrificing performance. UNIX users can do the same in C++ to provide similar functionality.

In addition, an online help facility contains all the keywords used by the product, and improvements to the ILOG OPL Studio graphical user interface increase productivity. The new version of ILOG OPL Studio is available for Windows, Linux, Sun Solaris and HP-UX. ●

ILOG Brings Parallel Optimization to Linux

Red Hat CTO demonstrates new ILOG Parallel Solver at System Builder Summit

ILOG brings high-end parallel optimization to the Linux community for the first time with the new ILOG Parallel Solver and ILOG Parallel CPLEX.

This new Linux support combines the robustness of parallel UNIX with the cost-performance benefits of PC-class servers. Red Hat Inc., the market leader in open-

source solutions and a leading Linux distributor, demonstrated ILOG Parallel Solver on PC-class multiprocessor servers in March at the System Builder Summit in Palm Springs.



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300% RETURN ON INVESTMENT

Optimization applications are the most common commercial parallel-processing solutions. Leading supply-chain companies, and major airlines and shipping companies use the solutions to achieve return on investment as high as 300 percent.

Optimization software examines millions of solutions to a problem to determine the best one, and depend on parallel processing to reduce runtime.

"Today's announcement underscores the reliability of Linux used for business-critical enterprise applications, of which optimization via parallel processing is a prime example," says Michael Tiemann, Red Hat chief technology officer. *"When market forces or customer demands mandate a change in plans, you need a system that is up, running and has enough performance to re-optimize in real time. Red Hat Linux has the proven reliability and scalability to meet this challenge."*

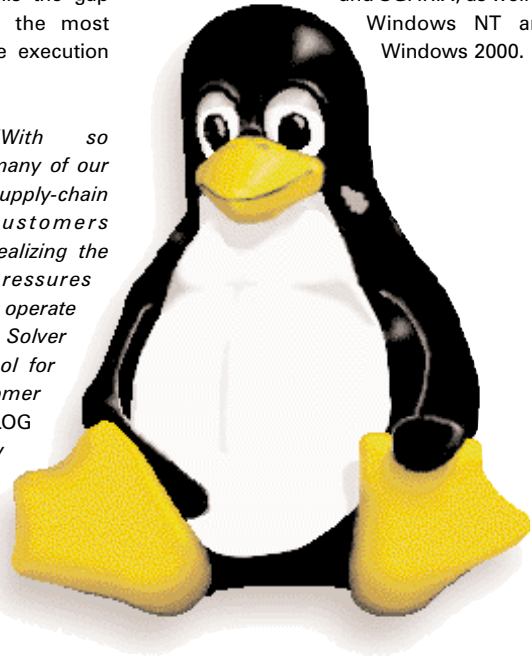
COMPLEX SCHEDULING PROBLEMS

ILOG Parallel Solver is the latest addition to the ILOG family of parallel optimization products. As a complement to ILOG Parallel CPLEX, it can be used in highly complex scheduling problems. ILOG Parallel Solver addresses the optimization of real-time execution problems, an area underserved because of a shortage of powerful solving technologies.

With e-commerce driving the need for corporate supply chains to respond more quickly and accurately to customers, better real-time execution tools are increasingly needed. ILOG Parallel Solver fills the gap with constraint programming, the most effective technique for real-time execution problems.

"With so many of our supply-chain customers realizing the pressures of e-commerce and the need to operate in real time, our new Parallel Solver gives them a powerful new tool for quickly responding to customer demands," says Pierre Haren, ILOG CEO. *"These companies now have the ability to give customers their best answer versus their best guess, and this could mean the difference between a successful purchase and a lost customer."*

ILOG Parallel Solver also supports HP-UX, Sun Solaris, Windows NT and Windows 2000. ILOG Parallel CPLEX is available for HP-UX, Sun Solaris, Compaq Tru64 Unix, and SGI IRIX, as well as Windows NT and Windows 2000. ●



IA-64 Linux Proven with ILOG CPLEX

ILOG CPLEX optimization software was used to show the robust performance of the new IA-64 Linux platform at a public demonstration held in February at Linux World Expo in New York City.

The most math-intensive commercial software available, ILOG CPLEX displayed how quickly the new OS can solve real-world business problems.

ILOG CPLEX was one of the first commercial software products to be fully ported to Linux. The new OS was developed for the IA-64 Intel® Itanium processor. Only ILOG CPLEX was used in the demo, in which it solved complex optimization problems that included crew scheduling for a large commercial airline.

The magnitude and financial impact of the problems addressed by ILOG CPLEX have

made it a critical component in the decision-support applications of many Fortune 500 companies.

According to AMR Research, an advanced planning and scheduling system can obtain a return on investment of as much as 300% by reducing costs and labor, and improving product margins.

ILOG CPLEX can examine millions of bits of data, evaluating various alternatives in determining the best solution -- often in just minutes or only a few hours.

In the demo, ILOG CPLEX optimized the scheduling of flight crews by selecting their tours of duty and assigning flights. The software compared millions of possible pairings using crews, preferences and assignments, quickly determining an optimal schedule for the large airline. ●

Orbitals Optimized with ILOG

Satellite operator improves service with RHEA system

The Société Européenne de Satellites (SES) has adopted RHEA Sky Tech's Daily Activity Plan (DAP) to manage its ground operations and improve service with ILOG optimization and visualization. SES operates satellites serving most of Europe. To further improve operations to support its growing volume of business, the company had RHEA Sky Tech develop a resource management system based on DAP and its ILOG core.

"We'd have spent 20 years developing the Daily Activity Plan without ILOG tools," says Tonny Velin, manager of RHEA Sky Tech in Spain.

RHEA Sky Tech is one of three companies in the RHEA Tech S.A. group, headquartered in Liège, Belgium. Established in 1992, the company lists among its customers IBM, EUMETSAT, the European Space Agency, SES-Multimedia/ASTRA-NET, Telefonica Sistemas and the Canada Space Agency. It counts ILOG among its partners, basing its systems on ILOG's visualization and optimization software.

DAP is based on five ILOG components. Its optimization module uses ILOG Solver and ILOG Scheduler for planning and scheduling satellite operations. Driving the system is a graphical user interface based on ILOG Views, whose graphic objects and powerful visualization engine give DAP an intuitive, user-friendly control environment. Linking the system to data sources are ILOG Broker, for tapping databases, and ILOG Server, for ensuring synchronization among interfaces.

They participate in defining operations and allocating resources, monitor activities with real-time data flow, and detect conflicts in assignments. DAP enables SES to fully utilize its satellite resources.



AceFusion.com Builds Hub with ILOG Optimization

Site is Asia's first multimodal e-fulfillment portal

AceFusion.com, a top provider of integrated supply-chain management solutions in Asia Pacific, has selected ILOG optimization components to power its e-fulfillment portal: FusionHub.com. Launched in March, FusionHub.com is the first multimodal e-fulfillment portal in Asia specially designed for the shipper, integrated freight-forwarding and third-party logistics community.

"Our collaboration with ILOG has been very successful," says Lim Chee Kean, CEO of AceFusion.com. *"We aim to be the leading solutions provider for supply-chain management and e-fulfillment in Asia. With complete multimodal capabilities, FusionHub.com will provide a compelling platform for all e-commerce players. The advanced ILOG-based optimization features within FusionHub.com provide a strong differentiating factor. Using state-of-the-art leading component technology enabled us to cut time to market, which is crucial in the e-business world."*

SEAMLESS INFORMATION EXCHANGE

FusionHub.com is an e-commerce portal that allows information to be exchanged seamlessly on a hub between business-to-business e-commerce players, shippers, retailers, online stores, suppliers and logistics service providers, to increase business and productivity.

ILOG Solver and ILOG Dispatcher have been embedded into FusionHub.com with the support of ILOG's consulting services. The new module will deliver advanced optimization capabilities for transportation planning and vehicle routing. The system assigns pickup and delivery routes to vehicles working with capacity constraints, time windows, multiple depots and work-hour regulations. Routing and scheduling can be performed dynamically, accommodating last-minute changes, sudden unavailability of vehicles and other constraints.



Optimal route plans that shorten travel distance and minimize personnel and vehicle requirements ultimately reduce operational costs. The system can enable companies to dramatically reduce planning and scheduling from days to minutes and ensure optimized transportation plans for freight, courier and express services, placing the right shipment on the right vehicle for the right delivery time and destination.

PARTNERSHIP WITH ILOG

AceFusion.com joined ILOG as a partner under Singapore's Local Industry Upgrading Programme (LIUP) in February 1999. Under the LIUP, promising IT companies in Singapore are working with leading software companies like ILOG to identify, develop and market new solutions by tapping into established channels and technology expertise.

"We are very pleased to see AceFusion.com join the growing list of leading corporations, SCM vendors and e-business enterprises who are relying on ILOG optimization components," says Foo Jong Tong, general manager of ILOG Singapore. *"We strongly believe that ILOG technology will contribute to FusionHub.com's success in delivering the best value-added and world-class services to its subscribers. ILOG is fully committed to support AceFusion.com initiatives further in the spirit of our LIUP partnership."*

AceFusion.com has a complete suite of web-enabled client-server supply-chain management solutions that can be integrated directly from www.fusionhub.com.

BEA and ILOG Usher Companies into Internet Era with ILOG JRules

Component enhances service of WebLogic server

BEA Systems Inc. has adopted ILOG JRules for the BEA WebLogic Commerce Server. The powerful, lightweight components of ILOG JRules make it ideal for enhancing the server's personalization and business policy-based capabilities.

BEA is the E-Commerce Transactions Company™ powering many of the most innovative companies serving the "e-generation," including Amazon.com, DIRECTV, E*TRADE, Federal Express, Kaiser Permanente, Nokia, Qwest and United Airlines. The company uses business rules in the server to drive a variety of business processes, including pricing, merchandising, product configuration and personalized content management. Using a BEA-developed rule editor, a company can quickly change the behavior of an application to match customer or market demands.

"BEA WebLogic Commerce Server provides the market with the most adaptable, standards-based implementation of commerce functions," says Ivan Koon, president of the BEA E-Commerce Application Components Division.

"We differentiate ourselves by enabling our customers to create sustainable competitive advantage through the C2B2B value chain. ILOG's compact, high-performance rule engine enables us to deliver the customer retention component for more effective up-sell and cross-sell opportunities."

ILOG JRules is to be used in business templates supplied by BEA and its partners or designed by application developers. The templates let users quickly define merchandising campaigns, tailor individual content, and provide customers with specifically targeted information.

"With ILOG JRules, you can quickly evaluate and dynamically change business rules so that applications can deliver more flexibility than ever before," says Pierre Haren, ILOG CEO. *"BEA products are used in e-commerce applications around the world, so we are very pleased to be selected. We look for this technology partnership to produce more responsive e-commerce applications that attract customers and keep them coming back."*

With more companies operating on Internet time, it is imperative for software to be adaptable, so applications can evolve as customers' needs do. ILOG JRules' speed and intelligence allow business rules to be managed dynamically with existing Java business objects, giving application developers a powerful tool for quickly changing the parameters of their applications with little programming.

The ILOG component's lightweight rule engine translates into faster application response time for customers accessing a web site. ILOG JRules is also thread safe, so it can run as one of several threads in an application. ●

Fraser Expands with ILOG Rules

Singapore's oldest brokerage stays competitive with ILOG

The oldest brokerage in Singapore, Fraser Securities, has adopted ILOG Rules for its web-based investment service, FraserDirect. ILOG Rules will be integrated into Fraser Planning Tools, an intelligent investment planning application, which is being developed by the IT provider Software Studio.

"The fast-changing competitive landscape makes it important for us to expand our online product offerings, as well as to be able to constantly update our online services," says Ng Quek Peng, managing director of Fraser. *"ILOG Rules gives us exactly what*

we need: rapid time to market and easy maintenance of a running system."

Fraser Planning Tools will extend FraserDirect's services by using ILOG Rules in recommending investment portfolios. It will take into account investment objectives, risk capabilities and expected returns in proposing solutions covering several parameters, including fund volatility and past performance. The recommendations will be categorized by predetermined portfolios or type of fund. Being completely interactive and intelligent, Fraser Planning Tools will be

Information Fusion in iUranium3 Va

ILOG and partner preview applica

Information Fusion (I-Fusion), a forerunner in e-business solutions for logistics, has chosen ILOG optimization software for its value chain suite, iUranium3.

I-Fusion is a partner in the ILOG Local Industry Upgrading Programme (LIUP) in



Singapore. Together, the companies showcased iUranium3 at Logistics Asia 2000 in March.

"The combination of ILOG's leading optimization technology and our expertise in value chain integration enables us to deliver a highly robust and speedy back-end solution for the entire value chain system to our customers," says Christopher Yeo, CEO of I-Fusion.

MANAGE ORDER AND DELIVERY

The value chain system integrates demand-processing systems with ILOG

the first online investment application of its kind. It will be a platform-independent web-based tool, with ILOG Rules supplying its powerful rule engine for integrating and processing business rules.

ILOG Rules is a fast, lightweight rule engine that can be integrated seamlessly into intelligent C++ applications. A Java™ version of the engine, ILOG JRules, is also available. With them, business rules can be quickly implemented and easily changed in response to today's demands for dynamic, flexible and personalized product and service offerings. Core operational systems can be rapidly updated as corporate business policies and procedures change. ●

ion Uses ILOG Value Chain Suite

tion at Logistics Asia 2000

optimization engines to give an enterprise the ability to manage order and delivery commitments, product mixes and pricing structures to meet business objectives.

iUranium3 uses ILOG OPL Studio to rapidly model supply-chain resource allocation problems, which are then addressed by ILOG Solver and ILOG Planner in finding solutions. ILOG components optimize the whole value chain, from order processing and warehousing to inventory management and distribution.

I-Fusion joined the ILOG LIUP in June 1999. Under the program, promising IT companies in Singapore are working with leading software companies to identify, develop and market new solutions by tapping into established channels and technology expertise.

"By relying on ILOG best-of-breed optimization technology, iUranium3's performance capabilities will be greatly enhanced, thus providing its users with high-velocity value chains," says Foo Jong Tong, general manager of ILOG Singapore.

ILOG OPTIMIZATION: DE FACTO STANDARD
ILOG optimization software components power the business resource allocation applications of major companies in almost every industry.

Today the components are so widely used by top enterprise resource planning and supply-chain management software vendors, including Baan, i2 Technologies, J.D. Edwards, Oracle, PeopleSoft and SAP, that they have become the de facto standard for the optimization industry.

ILOG is the only vendor of optimization components offering an extensive line of proven algorithms in both constraint and linear technologies, according to industry analyst Benchmarking Partners Inc.

ILOG's broad range of optimization components enables the rapid solution of large problems that were once considered impossible to solve or unsolvable with other technologies. ●

CAPS Saves Companies Millions with ILOG CPLEX

General Mills and Honeywell benefit from supply-chain streamlining

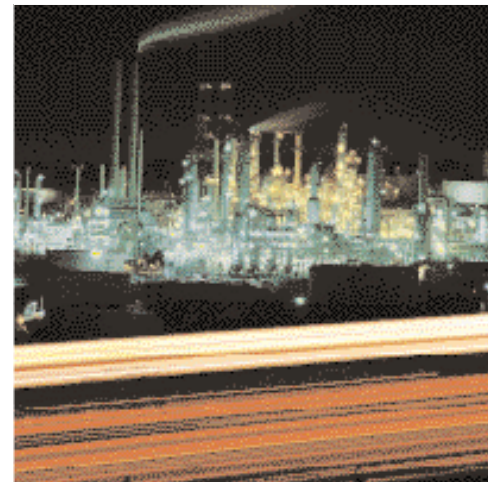
CAPS Logistics has integrated ILOG CPLEX into CAPS Supply Chain Designer to achieve the fastest optimization speeds.

Among the first to apply the new solution, General Mills has saved millions of dollars and Honeywell has gained significant time savings by using the software in designing and planning global supply-chain operations.

SIX YEARS WITH ILOG

For six year now, CAPS Logistics has been embedding ILOG CPLEX in optimization solutions for the ERP and global supply-chain markets. But with the latest version of the mathematical optimizer, the Baan company has been reporting unprecedented results. In an average of 86 seconds, benchmarks with the new ILOG CPLEX have solved problems that typically took more than an hour to beat.

"Some of our customers have obtained a 10-to-1 improvement in solution time with Supply Chain Designer," explains Dr. Bill Nulty, vice president of supply-chain research and development at CAPS. *"We are very pleased with our relationship with ILOG. CPLEX makes our software look great, as well as increases the accuracy of our solver."*



Supply Chain Designer models and optimizes design and planning for global logistics supply chains, including infrastructure design, facility location and sizing, resource allocation, transportation and inventory strategies, service-level analysis and profitability studies.

TENS OF MILLIONS IN SAVINGS

General Mills has saved as much as \$90 million as a result of implementing the solution, which it used to restructure its manufacturing network by increasing the size of certain production facilities while shutting down or modifying others.

"We were looking for a solution that would help us make important decisions about adjusting our manufacturing or distribution networks, and recognized that optimization was the way to do this," says Jeff Siewart, supply-chain analyst at General Mills. *"Supply Chain Designer using ILOG CPLEX has let us shorten our solve time to five minutes from 45 to 50 minutes previously. These optimization tools are so critical to our operation today that we don't make a final decision on the project without them."*

Honeywell uses Supply Chain Designer to optimize the logistics supply chain for its business units at a strategic level. This helps Honeywell improve customer service levels, create more efficient distribution networks, consolidate warehouses, improve inventory and sourcing strategies, select cost-effective transportation modes, and generate overall cost savings.

"We had to optimize the supply-chain network for one of our business units that had a very large product and customer base. The tools we used to achieve this previously took far too long," says Nisha Badshah, project lead at Honeywell. *"We incorporated Supply Chain Designer using CPLEX and were able to reduce the response time from over 20 hours to under 10 minutes. We are very happy with this solution."* ●

Talking about ILOG

FRASER SECURITIES

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Ng Quek Peng
Managing Director

RHEA SKY TECH

"We'd have spent 20 years developing the Daily Activity Plan without ILOG tools."

Tonny Velin
Manager

CAPS LOGISTICS

"CPLEX makes our software look great, as well as increases the accuracy of our solver."

Dr Bill Nulty
Vice President of Supply-Chain R&D

INFORMATION FUSION

"The combination of ILOG's leading optimization technology and our expertise in value chain integration enables us to deliver a highly robust and speedy backend solution for the entire value chain system to our customers."

Christopher Yeo
CEO

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ILOG

9 rue de Verdun
94253 Gentilly, France
Tel: 33 1 49 08 35 00
Fax: 33 1 49 08 35 10
E-mail: info@ilog.com
Internet: www.ilog.com

ILOG Worldwide Information Center
Tel: 1 (775) 831-7744 or 1 (800) 367-4564

Subsidiaries:

Germany, Japan, Singapore, Spain,
the United Kingdom and the United States
Distributors in other countries

ILOG Connection is published by ILOG S.A.
Publication Director: Pierre Haren
Managing Editor: Natja Igney

Desktop Publishing Specialist:

Jean-Luc Roquefort

Content Writer and Editor:

Mark Wilkinson

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CUSTOMER FOCUS

Supply-Chain Optimization

DynaSys Puts the Squeeze On

ILOG CPLEX renders savings from supply chain

Millions in savings can be squeezed from a supply chain through optimization. DynaSys, a leading global provider of e-SCM solutions, renders such huge savings with SKEP eXt, a comprehensive suite of decision-support software modules. SKEP eXt enables companies to rapidly and reliably plan every detail of their supply-chain operations.



Founded in 1985, DynaSys is headquartered in Strasbourg, France, and maintains offices, subsidiaries and agents in the United States and throughout Europe. Over 130 companies, mainly in the food processing, pharmaceutical, medical supply and textile industries, currently use DynaSys solutions. Its top customers include Coca-Cola, Danone, Nestlé, Baxter Healthcare and SmithKline Beecham.

DynaSys recently upgraded SKEP Optimizer and SKEP Multisourcing, two key components in SKEP eXt, with ILOG CPLEX to give its customers fully optimized solutions for organizing their supply chains.

ILOG CPLEX is a mathematical programming component for resource optimization. It provides superior performance and reliability for addressing large, highly complex problems like those encountered in supply-chain management.

By using the power and flexibility of ILOG CPLEX, DynaSys was able to develop a hybrid optimizer with heuristic and mathematical algorithms that give planners an unprecedented level of productivity. DynaSys increase profit margins more than ever before, with its ILOG-enhanced software solution. Customer satisfaction and production operations have improved as a direct result of better resource and production optimization with ILOG CPLEX.

MEETING STRATEGIC OBJECTIVES

SKEP eXt allows process manufacturers to achieve strategic



objectives through comprehensive supply-chain planning. SKEP Optimizer and SKEP Multisourcing use ILOG CPLEX to mix, match and test the elements of a supply chain into an optimal order that ensures improved productivity and the on-time delivery of materials.

Waste resulting from large inventories is greatly reduced, and makers can more reliably fill orders. Furthermore, solutions can be evaluated by cost, giving planners a strong comparative for making final decisions.

ILOG CPLEX technology greatly reinforces the optimization solutions of SKEP eXt. In SKEP Optimizer, it determines the best balance between production and orders, and optimizes production plans.

In SKEP Multisourcing, it participates in managing the flow of materials and products among production and distribution sites.

SKEP Multisourcing plans distribution to warehouses and markets based on user-defined strategies. ILOG optimization improves distribution and reduces inventory, cutting costs for SKEP eXt users.

IMPROVED OPERATIONS

ILOG CPLEX improves delivery times and customer service, and reduces inventory levels and production and distribution costs. Reactivity is boosted through faster solution times and greater scalability.

ILOG CPLEX lets SKEP eXt optimize resource planning and help companies communicate more precise orders to suppliers.

Furthermore, while SKEP eXt took six months to upgrade, the integration of ILOG CPLEX only took one man-month. In total, the entire project took only eight months to complete. The system is run on PCs with Window NT.

