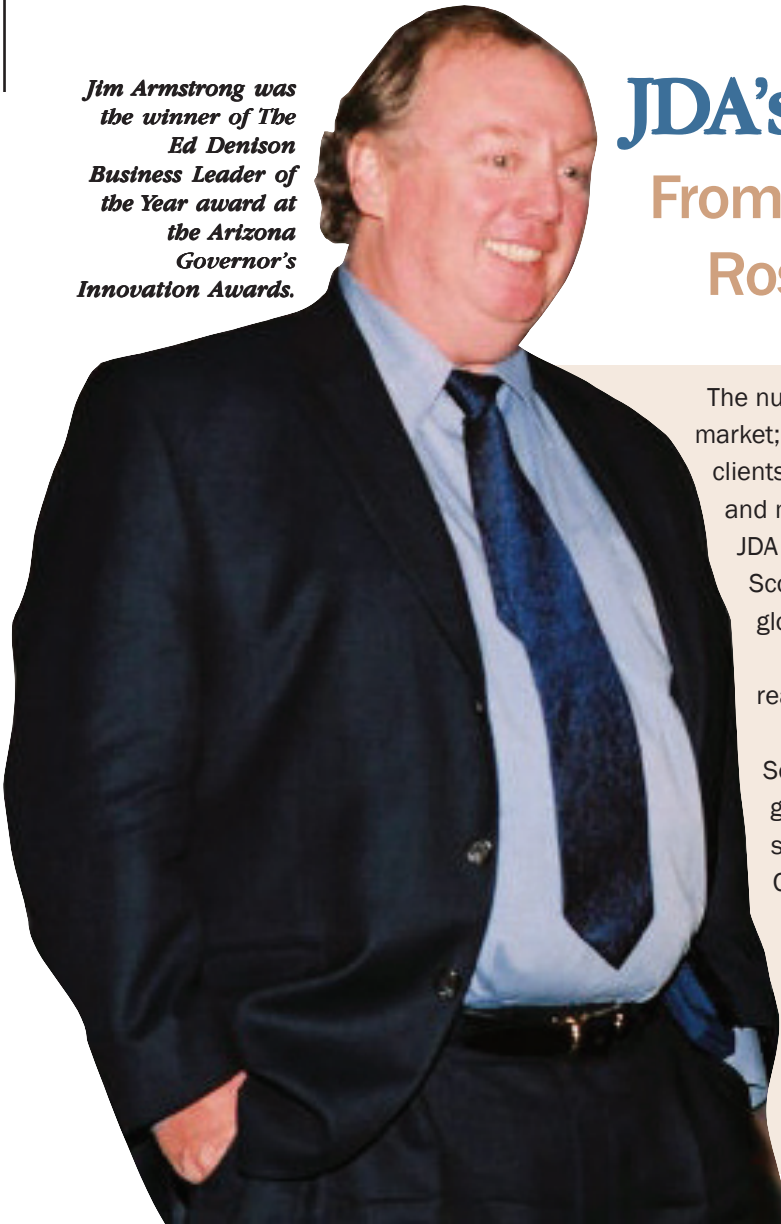


Jim Armstrong was the winner of The Ed Denton Business Leader of the Year award at the Arizona Governor's Innovation Awards.



JDA's Jim Armstrong: From the 'Miner' Leagues Rose a Global Leader

by Michelle Glicksman

The numbers are impressive: Nineteen years in the U.S. market; 4,600 retail, manufacturing and wholesale clients in 60 countries; 33 offices around the globe; and more than 1,300 employees. It's easy to say that JDA Software Group Inc., headquartered in the Scottsdale Airpark, is certainly a success on a global scale.

It is Jim Armstrong's vision, now grown into a reality.

Armstrong, now JDA's chairman, launched JDA Software Services in Calgary, Canada, in 1978. It grew to be one of Canada's largest IBM Midrange software companies. In 1985, Armstrong sold his Canadian business, and, with a partner, formed the U.S.-based JDA Software Inc. (Nasdaq: JDAS). In 2002, the company had a total revenue base of \$219 million.

We caught up with Armstrong not long after he was named The Ed Denton Business Leader of the Year at the Arizona Governor's Innovation Awards. Here's what he had to say.

SAN: Congratulations! Being chosen as The Ed Denton Business Leader of the Year at the Arizona Governor's Innovation Awards is quite an honor. What was your reaction when you found out you won?

JA: I was honored when I learned that I was the recipient of the Ed Denton Business Leader of the Year. It is always gratifying to be singled out and recognized by a group of your peers.

SAN: Owning a company in the Scottsdale Airpark is certainly a long way from where you started out - a half-mile underground in a

uranium mine in northern Canada. What, exactly, did you do there, and then what made you decide to start your own company?

JA: As a student, I worked every summer, either as a lifeguard on the beach, or in the local uranium mine. Obviously, the lifestyle on the beach was more attractive to a teenager, but working in the mine paid much better. I spent two summers working in the mine mill and then about six months working underground as a mechanic.

The lessons I learned there have stayed with me. It was a very militaristic environment, and

Feature

workers were taken for granted. There was an extremely strict social structure based on your job, and as a student laborer, I was firmly entrenched at the bottom of the ladder. I was highly motivated to escape that environment, and later, when I started my own business, I determined that it made much more sense to provide encouragement and opportunity to my employees.

In the late 1970s, there was a high demand for computer programming skills. Rather than work for someone else, I decided the timing was right to launch my own software company. I then formed JDA Software Services in Calgary, Canada, in 1978.



Great companies are the result of great management teams, not just one individual. It is critical that both clients and employees have respect for the management team, and that respect is earned by respecting the rights and expectations of those two communities.

SAN: Why do you like what you do?

JA: Being a founder of a company has many rewards. It is very fulfilling to see the business grow and to see employees, especially those employees who have been with us for a long time, to grow in their careers.

Additionally, one of the most gratifying aspects of my career is the knowledge that

retailers all over the world are using our software to operate more efficiently and profitably. The software that we deliver affects the business lives of thousands of our clients, as well as hundreds of thousands of their employees.

Every day I am thankful that I'm not still working in a mine, and that I've been able to live in the United States, travel the world and enjoy the results of a successful business career.

SAN: In 1996, you and your wife, Jo-Ann, established The Armstrong Family Foundation. The foundation, a \$15 million charitable corporation that is self-funded through donations, donates an average of \$715,000 per year in financial grants to local non-profit organizations. What was your motivation behind establishing this?

JA: We were originally motivated to establish the foundation because we felt an obligation to give back to the community in return for the success that we have had. However, as time goes on and we get increasingly involved with various non-profit endeavors, we have come to realize that our motivation is based on the satisfaction that we get through being involved in a charitable operation.

The foundation's work is completely different from the cutthroat business world. People involved in charitable operations have different motivations than those in the business community. We are in the fortunate position of being able to provide funding to some of those very talented people who are empowered to do great work with the capital that we make available.

SAN: I have consistently heard from many people that JDA Software is one of the best companies to work for. What is your management style? What do you do in order to create such a positive work environment?

JA: Our management style is founded around the belief that talented people do not need to be over-managed. There is no substitute for knowing what you're doing. I have found that an employee's true talents will quickly emerge if offered an environment that doesn't restrict his or her development.

It is also important to recognize when people are in over their heads and to act quickly to prevent that from continuing. Great companies are the result of great management teams, not just one individual. It is critical that both clients and employees have respect for the management team, and that respect is earned by respecting the rights and expectations of those two communities.

SAN: What do you consider your greatest achievement?

JA: Recently, I had the honor of presenting some of our employees with their 15-year service awards. I am very proud to have created a business environment where people want to work for that many years.

But without a doubt, I feel that my greatest single achievement is my family. I recognize that growing a successful business - especially one that required extensive travel - at the same time as trying to raise a family is difficult. I have seen many business people give up their families in favor of their business or their career. I am thankful that this never happened to us. I am also pleased with the fact that although our four children were raised in a privileged environment, they have developed values that make Jo-Ann and I very proud.

SAN: What inspires you to come to work each day?

JA: JDA has evolved through the stages of growth, entrepreneurial, developmental

and now institutional. In 2003, we saw over 70% of new license sales come from our existing customer base. This endorsement from our customers proves that all of our efforts to expand and enhance our product offering have been on target. Our market leadership was also acknowledged in December by the RIS (Retail Information Systems) News fourth annual Leaderboard that placed JDA as the number one vendor - ahead of 44 other companies - serving the retail industry. Being involved with this business every day is inspiration enough.

SAN: What piece of advice would you offer others who are just starting their businesses from scratch? What does it take to go from first starting a business to becoming a global leader?

JA: Before being successful in a business, you have to be the best at what you do. You can only do that if you have complete respect for your clients' expectations and are willing to go the extra mile to meet those expectations. In order to grow your business, you have to surround yourself with people who share that view. The bottom line is there can be no compromises when it comes to client satisfaction.©



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