



## **Parker Hannifin Recognized as One of Top IT Innovators**

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### **Cleveland-based Manufacturer Gets a Nod for Information Technology Efforts That Defy Economic Downturn**

CLEVELAND, Oct. 8 /PRNewswire-FirstCall/ -- Parker Hannifin (NYSE: PH), the Cleveland-based global supplier of motion and control systems and technologies, has been named one of the nation's largest and most innovative users of information technology (IT) in a recent ranking of 500 IT leaders by "InformationWeek."

(Photo: <http://www.newscom.com/cgi-bin/prnh/19990816/PHLOGO> )

The focus of the 2002 ranking, "InformationWeek 500: A Tough Climb This Year," was on U.S.-based companies' IT accomplishments during the current difficult economic climate, particularly their efforts to maintain employee morale and productivity over the past 12 months. Participants submitted comprehensive descriptions highlighting core areas of operation, including technology deployment, IT budget, technology strategies, E-business and customer-knowledge initiatives, and staff management. The organizations ranked represent nearly one-third of all U.S.-based companies with more than \$1 billion in annual revenue.

"We are extremely pleased that our employees' ongoing improvement and innovation efforts resulted in this prestigious recognition," said William Eline, Parker's vice president and chief information officer.

This marks Parker's sixth consecutive year on the magazine's top innovators list. In 2001, "InformationWeek" ranked the company as 18th among 500 innovators for E-business strategy and direction. Parker has also been recognized in "eWeek" (Fast Track 500), "B-2-B Magazine" (200 Best B-2-B Web Sites), and "Computerworld" (100 Best Places to Work).

"Being part of the 'innovators' group shows that Parker has a good handle on pioneering IT strategies that can enhance our business functions in both good and difficult economic times," Eline said. "It translates into the premier customer service we strive for every single day, and puts us in line with the goals of profitability and growth spelled out in the company's 'Win Strategy.'"

Parker, ranked 17th among its manufacturing peers and 199th among the top 500 companies, earned the distinction thanks to its comprehensive IT strategy involving a consolidation of the company's existing electronic transaction systems. All Parker operating units connect globally via an enterprise gateway, and this portal provides customers and suppliers alike a mechanism to deal with 122 company divisions as though they were a single entity. Previously, customers had to place multiple orders to obtain products, receive invoices, etc. Implementing the new global IT system has allowed Parker customers to place orders, check inventory availability, review order and shipment status, review billing information, as well as obtain basic and advanced information about products and services through Internet-based applications. The shift has freed the company from transactional and lower-level service responsibilities and permitted Parker to focus instead on higher-level sales and customer service issues. Nearly 50 percent of current orders are processed electronically.

"Despite the tough current economic conditions, Parker has maintained productivity and reduced operating costs by consolidating products, tools and technologies that perform similar functions," said Eline. "All this has a direct impact on the bottom line. The steps we've taken have increased customer and supplier satisfaction and decreased transaction costs, laying a foundation for more incoming orders and helping our supply base."

Parker is also implementing its complete supply chain goals by empowering suppliers to review manufacturing schedules, long-range product forecasts, accounts payable status, product drawings, PO status and quarterly ratings through its Web-based portal, PHconnect. This new information allows suppliers to lower the overall inventory levels, and it enables Parker and suppliers to enter into long-term agreements with service guarantees and price reductions averaging more than 10 percent. Parker also uses this information to analyze buying patterns, leverage supplier spending and develop better forecasts of customer demand.

With annual sales exceeding \$6 billion, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of commercial, mobile, industrial and aerospace markets. The company employs 45,000 people in 45 countries around the world. For more information, visit the company's web site at [www.parker.com](http://www.parker.com) , or its investor information site at [www.phstock.com](http://www.phstock.com) .

"InformationWeek" is a weekly print magazine that reaches 440,000 business and IT professionals at more than a quarter million

businesses. Read by CIOs, IT managers, business managers and information technology professionals among others, the magazine provides in-depth analysis, news, research and perspectives on the latest business technology trends. For the past 14 years, InformationWeek has ranked billion-dollar-size organizations on the basis of their innovative use of various aspects of information technology.

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