

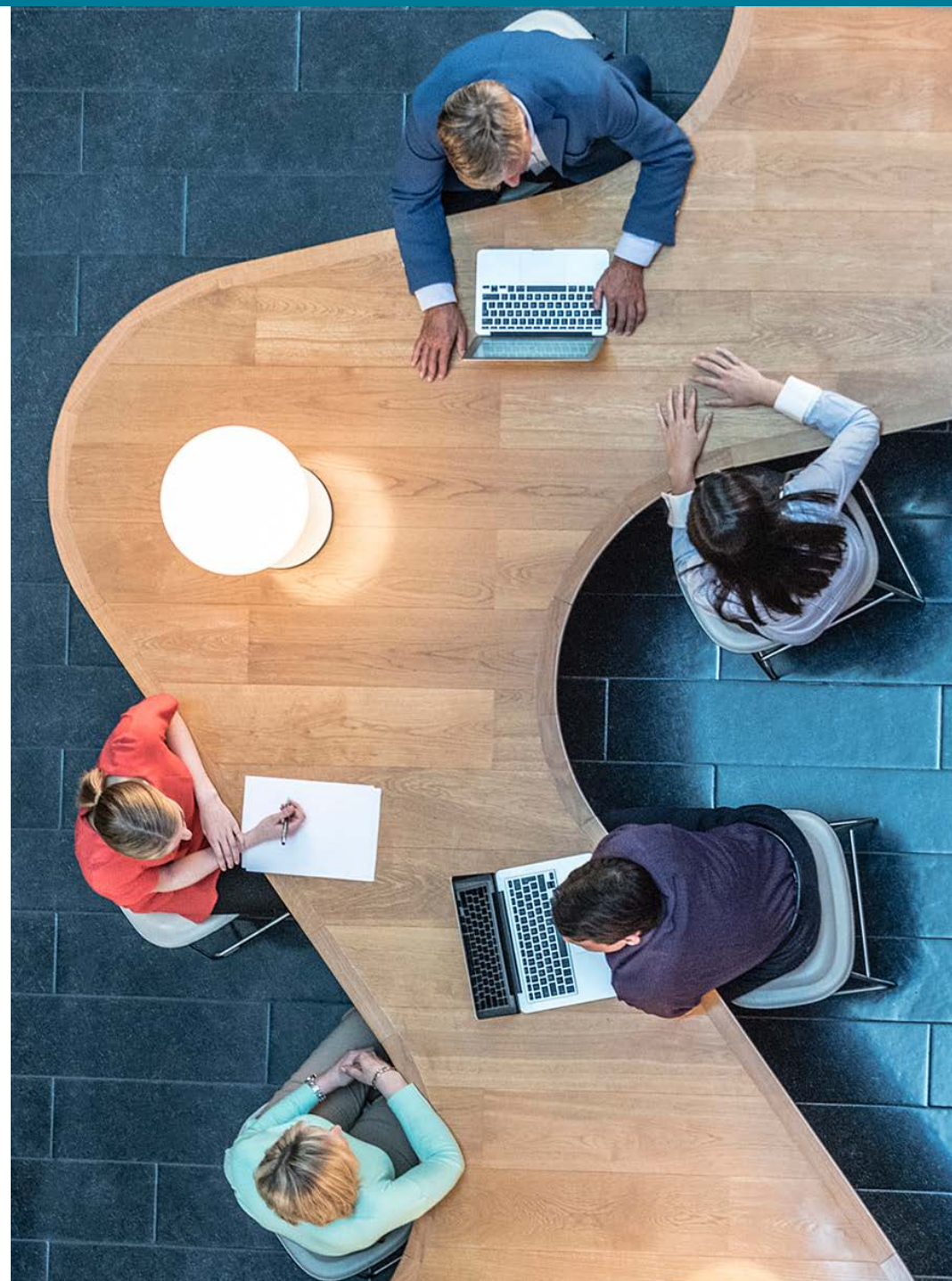
How To Know If Your ERP Solution Is Compatible With Your Growth Plans

A guide for manufacturing and distribution companies in Australia and New Zealand



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Driving Growth

The manufacturing and distribution marketplace is challenging to say the least. With a wide number of competitive forces at play for Australian and New Zealand companies, meeting growth targets is just not possible without the right foundations in place.

When it comes to choosing the right resources, aside from people, technology is arguably the most important. Therefore, if your technology platforms aren't facilitating for your growth, then they are a handbrake for your success. When we place people alongside technology in this same consideration, it becomes clear that the two are interdependently linked on a number of levels. This is why you need to ensure your ERP system is compatible with your growth plans.

However, if you are like the 67% of Australian business leaders that are concerned about whether their IT systems can cope with the complexity that growth brings¹, then it's time to seriously consider what you need to do to prepare for tomorrow.

In this eBook we will discuss the functionality and approach that can help you identify the traits of the right ERP system for your company's future.

¹ Source: The research was conducted by MORAR and sponsored by Epicor Software Corp, and surveyed 1,824 managing directors, and heads of finance, operations and IT in businesses with 100+ staff spanning the manufacturing, distribution and service industries (and in businesses of all sizes in retail) in Australia, Canada, China, France, Germany, Hong Kong, India, Mexico, Singapore, Sweden, the UK, and the US. (MORAR, Growth Survey, 2015).



"We are stuck with technology when what we really want is just stuff that works."

Douglas Adams

Remove the Constraints

One of the less-considered impacts of using dated, rigid ERP systems is that it can limit your perspective on productivity.

When you work in such an environment over time, it's only understandable that your approach to operational efficiency can be viewed through the lens of system capability, rather than true creativity. If such prohibitive thinking becomes normal, it can restrict innovation and develop a negative internal narrative of your company's capability.

If your ERP system doesn't allow for customisation without messing with source code, then you are likely to steer clear of optimising the platform for how you do business, leaving you underperforming because of a system limitation.

In a marketplace that is highly competitive and expects continuous improvement, being constrained

by your technology can have a number of direct and indirect impacts on your overall performance. For example, when your staff hear stories about all the creative things your competition are doing, they are likely to become demotivated when, by comparison, they can barely operate without an hourglass staring them in the face every few seconds.

Your ERP system should open the door to true systems integration, user interaction and flexible business processes. It should not place unrealistic constraints on how you need to do business. Therefore, if the capability of your current system can't meet those needs, then you can't afford to stay with it any longer.

Does your ERP system give you the confidence to approach innovation and problem solving without restriction? Or is your approach negatively impacted based on the known limitations of your system?

80% of organisations agree that ERP is critical to their business—but half characterise the performance of their current ERP system as merely 'adequate' or 'basic'.

Source: 2014 research, commissioned by Epicor Software and conducted by Redshift Research Ltd., based on interviews conducted with more than 1,500 business professionals in 10 countries.



Uncover Capability and Need

Before resolving to throw away your ERP system and jump into another, a great first step is to truly understand your needs and how this fits with the capability of your current system.

Speak to your current ERP representative and highlight to them your challenges, goals, and—where known—the specific functionality you need. Then, leave them to illustrate how their software can meet your requirements and add value in ways you hadn't even considered.

Additionally, speak to your systems users across different departments to understand what their pain points are. This will uncover valuable insights to help identify whether your current ERP platform will be able to provide what your company needs moving forward.

In the event you establish a need to upgrade your ERP system, then you have already completed some ground work. This will help set your selection criteria so you reduce the risk of making the wrong choice on something less considered, such as the right deployment method.

66% of CIOs believe their organisation takes advantage of less than half of the features of their current ERP system.

Source: Telsyte, Implementing Modern ERP: Uncovering Key Components For A Successful Business Outcome, 2015. Report commissioned by Epicor Software and independently produced by Telsyte.



Generating Value From ERP Software in the Cloud

There is no argument that cloud technology has changed the way the world sees software. Gone are the misconceptions of security risk and functionality loss, and now, businesses across a range of industries are making the move to the cloud.

Cloud-based solutions have been adopted by companies of all sizes, with a Saugatuck Technology report² showing that with respect to ERP/business management software, 47% of businesses have implemented cloud solutions and 70% plan to implement in the near future.

The financial case for moving to the cloud is well supported, too, through an ability to reduce—and in some cases remove—the upfront capital expense of software, hardware, and associated infrastructure. This allows for a rapid application deployment and regular, predictable subscription fees.

Opting for ERP software in the cloud can also free up your IT resources to work on more strategic tasks. Having your ERP system in the cloud also means upgrades are likely to be more effective. Speaking from an Epicor perspective, our cloud upgrades, both big and small, are deployed by ERP cloud operations staff as part of standard support services. Within this structure, you experience less disruption. Minor updates are transparently deployed, typically bi-weekly, with less-frequent major upgrades being prepared for with plenty of notice and a sandbox training environment for your users.

60% of SaaS adopters did not reduce IT staff. Instead, they put their existing resources to better use.

Source: Mint Jutras, Benefits Actually Realized from the Cloud, July 2015.

47% of businesses have implemented cloud solutions, and 70% plan to implement in the near future.

² Source: Manufacturing Cloud Sense: Improving Business Management with Cloud ERP. May 2015. Saugatuck Technology.

Having your ERP system in the cloud allows you to move away from a reliance on workflows that exist with Excel integration and e-mail-based systems collaboration. Instead, effective ERP software in the cloud can allow you to deploy real-time integration processes that link your staff, suppliers, partners, and customers. This opens collaborative opportunities that streamline your operations while fostering more valuable supply chain relationships.

If your company uses multiple ERP platforms across different locations, then a cloud deployment also creates the opportunity for a single system to replace multiple platforms so you can unify the experience for all staff.

This truly opens up the capacity for a flexible and nimble workforce, as working from home and between appointments is a functional reality.



Deploying ERP solutions in the cloud brings with it a number of considerations.

Learn more in our free guide ►

The Top 10 Reasons Epicor Clients Choose the Cloud

Increase Productivity With Mobility

In today's business world, people are increasingly subscribing to the notion that work is what you do, not where you go. Mobility, however, is more than just facilitating for your sales team to work off-site. Mobility also means empowering your on-site staff to access your ERP system from devices that don't have them connected to a desk.

Whether it's a factory floor worker needing to keep up to date with production line performance, or a storeperson needing to check bin locations while replenishing stock, you can leverage significant productivity gains from mobility.

For those staff that need the ability to perform work off-site, the value of being able to check inventory levels while at a client meeting, or juggle production schedules while on break at an exhibition, provides for a fluent and efficient business. It fosters a culture of productivity and makes the idea of down-time a redundant one.

Mobility doesn't need to cost a fortune either. Cloud deployment allows you to achieve excellent mobility results through using relatively inexpensive handheld technologies.

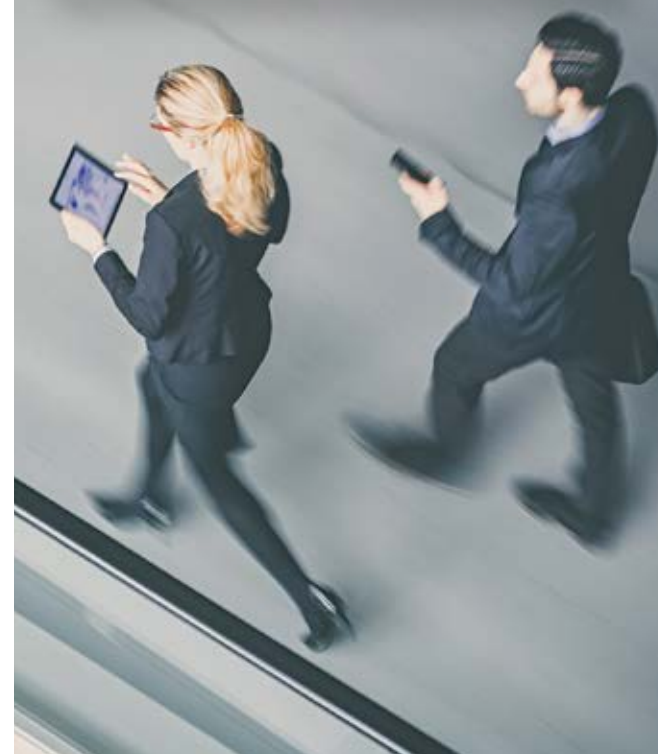
Like many of the factors covered in this eBook, it is the intersection of technology and people that allows the greatest results. Value is derived from the collective technological capabilities that allow people to operate at their best, which, in the modern organisation, requires mobile functionality be given serious consideration.

48% of organisations don't have access to their ERP system from the web or a mobile device.

Source: Telsyte, Implementing Modern ERP: Uncovering Key Components For A Successful Business Outcome, 2015. Report commissioned by Epicor Software and independently produced by Telsyte.

84% of organisations that have more than 20 staff, have employees that—excluding working from home—do their job away from an office of fixed location.

Source: Telsyte, Implementing Modern ERP: Uncovering Key Components For A Successful Business Outcome, 2015. Report commissioned by Epicor Software and independently produced by Telsyte.



What Does Growth Look Like?

To drill down further on the people and technology interdependence, a recent survey of almost 1,000 manufacturers conducted by MORAR® on behalf of Epicor uncovered the five factors that were essential to the success of the manufacturers that reported growth over the prior 12-month period.

When considered collectively, one can conceive how reliant each individual factor is on the other.

For example, if you isolate the fourth factor—**having the right technology in place**—it becomes fair to suggest the significant role technology plays on the positive existence of each of the other factors.

To illustrate this point, let's hypothesise the impact that the wrong technology would have on the other factors.

The wrong technology:

- ▶ Delays or limits planning effectiveness through difficulty in obtaining data and a lack of confidence in its integrity
- ▶ Creates complexity and a poor user experience, which can reduce morale, work ethic, and focus
- ▶ Creates rigidity through isolated functionality which causes inefficiency and limitations in meeting market demands
- ▶ Limits the ability to attract and retain the right staff because of the collective impact of the above points

While this hypothesis does project a significant contrast, the potential for such a shift in success is possible if you do not have an ERP system that allows your business to perform at its potential.



Good planning **(60%)**



Hard work and determination **(48%)**



Agility and response to market demands **(42%)**



Right technology in place **(40%)**



Staff with the right skills **(38%)**

Preparing for Growth to Be Sustainable

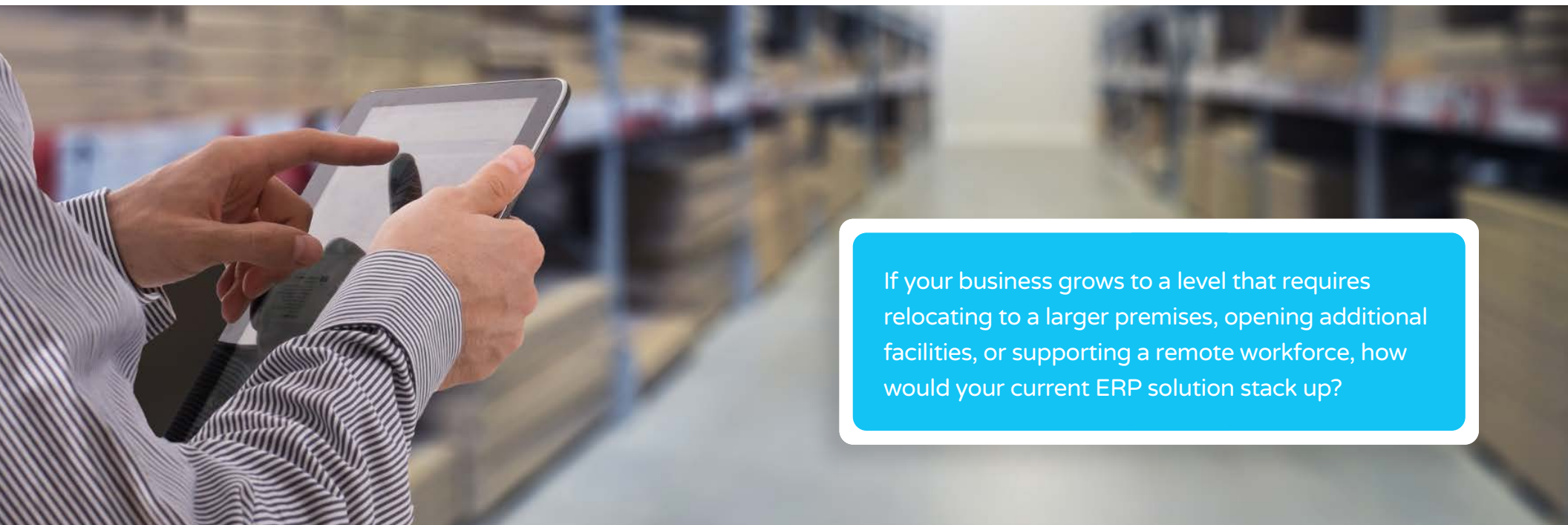
Unfortunately, not all growth leads to positive outcomes. I'm sure you are familiar with companies that experienced explosive growth and then struggled to turn a profit within a few years.

Without the right systems, your business could find itself in the same position.

Thinking about the results from the survey referenced on the previous page, success stems from effective planning. Everything from human resources to technology resources need to be planned for. So, from an ERP software perspective, if your current platform cannot deliver economies of scale in your operation and allow you to deliver excellent service in times of growth, then you may well have lost a great opportunity to sustain and enjoy the growth you are working so hard to achieve.

Another benefit of cloud deployment, speaking for the Epicor service offering, is the capacity for customers to add—and sometimes remove—users to their system on demand. Alongside the avoidance of investing in high-end hardware and software, once you have reached go-live, you can continue to grow your system without having to scale associated hardware or infrastructure.

The only thing that is constant is change. Therefore, you should view your selected ERP platform through the lens of best facilitating your future plans, whatever they may be.



If your business grows to a level that requires relocating to a larger premises, opening additional facilities, or supporting a remote workforce, how would your current ERP solution stack up?

Operating in the Social Age

Another great example of the changing face of business is the commercial impact of social communications.

Whether we like it or not, we live in a connected age. What this means for an ERP vendor is the opportunity to develop a platform that encourages users to become more involved and collaborative.

As we touched on earlier, having employees engaged with the software they use is a cornerstone for success. If your ERP system can allow employees to tag and comment on reports or processes, it facilitates a real-time level of involvement that can positively engage other stakeholders.

This collaboration helps foster team growth, shared objectives, and alignment on the factors that improve the customer experience.

Organisations with social ERP are 145% more likely to have real-time collaboration across departments and divisions.

Source: Aberdeen Group, The Next Generation of Business Management: Social ERP, April 2015.



Learn the business benefits of social ERP in the Epicor eBook: Connect, Collaborate, Innovate
[Learn More Now ►](#)



Providing a Positive Customer Experience

Providing the right customer experience is a key ingredient in the success of today's high-performing organisations. To compete, let alone be a market leader in this environment, is a challenge to say the least.

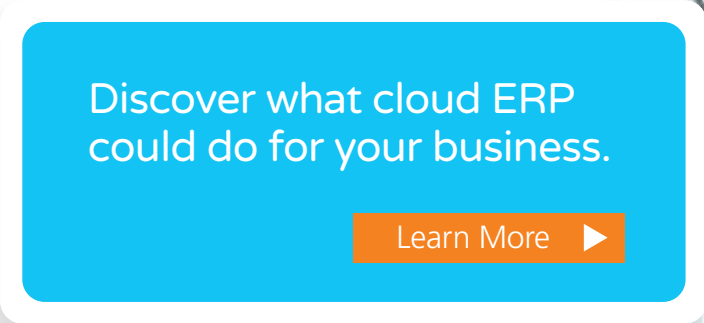
If your ERP system doesn't allow you to adapt to the changing needs of your market, your business will be left behind.

Providing a platform that equips customer-facing staff with efficient access to data to support customer queries is just the beginning. In this interconnected age, you need to have a truly flexible ERP platform that allows you to offer a painless end-to-end experience, from pre-order placement to after-sales support.

The key outtake here is that if you can facilitate for the way your customers do business, then you are reducing the barriers for their doing business with you.

For example, if you can add value to your customers' procurement process by providing appropriate connectivity to your systems and real-time insights into elements such as stock levels and their order status, it will deepen your relationship and reduce the likelihood of losing their business to a competitor who can.





Discover what cloud ERP
could do for your business.

Learn More ▶

Summary

This eBook presents a range of criteria that will help you identify what ERP functionality is truly important to the future success of your business.

When growth is the primary focus for so many companies in manufacturing and distribution, it means that you and your competitors will each be looking for the competitive edge in this shared pursuit.

While your ideal ERP platform may not be made up of all the individual components we have listed, the most important thing is that you identify the individual components that are right for you and move as effectively as possible to that solution.

At the outset, we identified that if your technology platforms aren't facilitating your growth, they are a handbrake for your success. Hopefully, the insights you have taken from this eBook will allow you to release the handbrake and move into top gear.

If you're looking for an ERP system that drives social collaboration and innovation, we should talk. Interested in learning more about Epicor ERP? Contact us at:

 +61 2 9927 6200

 info.anz@epicor.com

 www.epicor.com/australia

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements are built into every solution—in the cloud, hosted, or on premises. With this deep understanding of your industry, Epicor solutions manage complexity, increase efficiency, and free up resources so you can focus on growth. For more information, connect with Epicor or visit www.epicor.com/australia.



Contact us for more information on Epicor Products and Services

+61 2 9927 6200 info.anz@epicor.com www.epicor.com/australia

Corporate Office
804 Las Cimas Parkway
Austin, TX 78746
USA

Toll Free: +1.888.448.2636
Direct: +1.512.328.2300
Fax: +1.512.278.5590

Latin America and Caribbean
Blvd. Antonio L. Rodriguez #1882 Int. 104
Plaza Central, Col. Santa Maria
Monterrey, Nuevo Leon, CP 64650
Mexico

Phone: +52.81.1551.7100
Fax: +52.81.1551.7117

Europe, Middle East and Africa
No. 1 The Arena
Downshire Way
Bracknell, Berkshire RG12 1PU
United Kingdom

Phone: +44.1344.468468
Fax: +44.1344.468010

Asia
238A Thomson Road #23-06
Novena Square Tower A
Singapore 307684
Singapore

Phone: +65.6333.8121
Fax: +65.6333.8131

Australia and New Zealand
Suite 2 Level 8,
100 Pacific Highway
North Sydney, NSW 2060
Australia

Phone: +61.2.9927.6200
Fax: +61.2.9927.6298

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