5 Ways Epicor Prepares Manufacturing Companies to Compete and Succeed in a Changing World

EPICOR

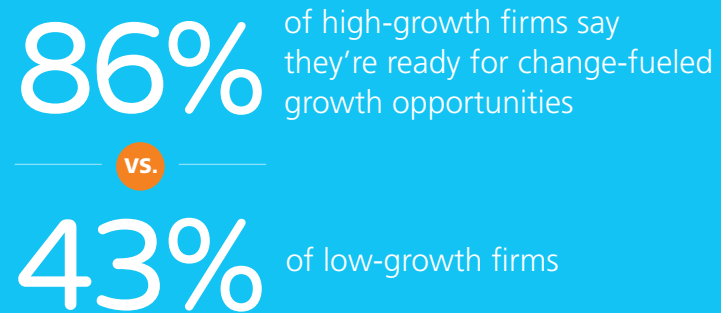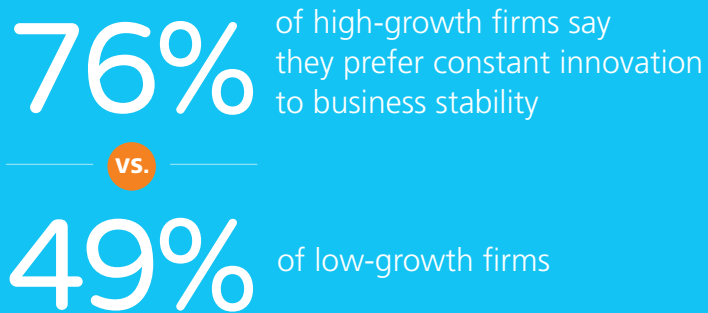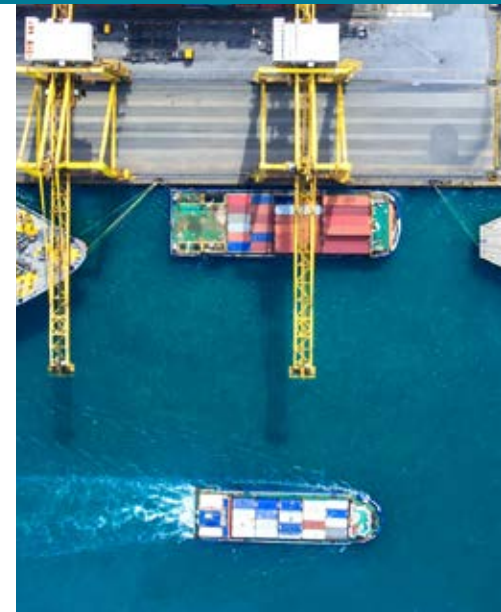# What's Inside

Manufacturing Change
The New Realities of Innovation and Growth

Change—and the innovation it creates—increasingly defines the winners and losers in today's manufacturing industry:[1]

76% of high-growth firms say they prefer constant innovation to business stability

vs.

49% of low-growth firms

86% of high-growth firms say they're ready for change-fueled growth opportunities

vs.

43% of low-growth firms

Let's look at five key areas where successful manufacturers must embrace change—using it to drive innovation, competition, and growth. We'll also explain how Epicor ERP Cloud equips manufacturers to regard change as an opportunity rather than a threat.

———

1 "Global Growth Tracker Survey Reveals 10 Characteristics That Enable Manufacturing Companies," Epicor.com blog post, published Mar. 24, 2017.

1

Keeping Pace With Changing Technology

Technology isn't just transforming the world—it's doing so at an ever-increasing pace:[2]

▶ Computing power cost $222 per million transistors in 2003 and $0.016 in 2016
▶ Storage cost $569 per GB in 2003 and $0.033 per GB in 2016
▶ Electrification took 46 years to reach 25 percent of U.S. consumers, while the worldwide web took seven years

Keeping up is a daunting task

68% of top business school grads say the pace of technology change is their biggest challenge—ahead of economic and political turmoil (**60%**) and climate change (**59%**).[3]

Epicor ERP Cloud helps to solve this challenge by integrating predictive analytics, machine learning, mobility, and other technologies faster and at a lower cost than on-premises ERP. Service-oriented architectures, Web 2.0 standards, and other capabilities use technology innovation—at any pace—to fuel manufacturing performance.

---

2 "2016 Shift Index," Deloitte research publication, published Dec. 13, 2016.
3 "Rapid Technological Change Is The Biggest Threat To Global Business," Forbes.com, published Feb. 9, 2017.

2 Meeting the Expectations of the Modern Workforce

More than one in three U.S. workers today are Millennials—adults born between 1982 and 2004.[4] They're a group with strong opinions about the role technology plays in their lives:

▶ They are 64 percent less likely to consider changing jobs when employers keep them engaged[5]
▶ More than two-thirds prefer to work for tech-savvy firms[6]
▶ 65 percent consider themselves to be advanced technology users[7]

Workforce management

The median age of the U.S. manufacturing workforce in 2012 was more than two years older than the workforce as a whole.[8] As its workforce ages, manufacturers must recruit and retain younger talent to stay competitive and vital.

Epicor ERP Cloud, which is building a world-class user experience and takes an aggressive approach to technology innovation, enables manufacturers to attract and engage the Millennial talent they need to stay competitive.

_____

4 "Here Is When Each Generation Begins and Ends, According to Facts," TheAtlantic.com, Mar. 25, 2014. The article attributes its definition of the Millennial generation to researchers Neil Howe and William Strauss, who popularized the term and its widely-accepted definition.

5 "For Millennials, Is Job-Hopping Inevitable?" Gallup.com Business Journal, published Nov. 8, 2016.

6 "Generational Research on Technology and Its Impact in the Workplace," CompTIA survey report, published Jul. 1, 2013.

7 Ibid.

8 "Median Age of the Manufacturing Workforce," Manufacturing Institute, updated Oct. 2013.

3 Competing in a Global Manufacturing Marketplace

74% of U.S. manufacturers say growth is a top business priority. Most of these firms see overseas expansion as a key to achieving this growth:[9]

▶ 92% plan to enter new geographic markets within the next 12–24 months
▶ 56% say these will be "significant" geographic initiatives

Going global can tap into vast opportunities

Emerging overseas markets will consume **65%** of the world's manufactured goods by 2025.[10]

Geographical expansion, however, is not easy. Global manufacturers must manage disparate and decentralized organizations that span multiple nations, cultures, regulatory and legal norms, levels of economic development, and many other variables.

Epicor ERP Cloud cuts these challenges down to size. It offers multicompany, multisite and multilingual capabilities; country-specific functionality; master data management; and other features that give manufacturers the visibility and control they need to build and sustain profitable, global growth.

---

9 "Global Industrial Manufacturing Outlook," KPMG infographic based on eponymous survey data, Jun. 2016.
10 "Global Growth, Local Roots: The Shift Towards Emerging Markets," McKinsey.com, published Aug. 2017.

4 Tapping the Power of Analytics and Data-Driven Manufacturing

Modern manufacturers generate vast quantities of data. Useful insights are the proverbial needles in a haystack—and these "needles" must be available in real time, using intuitive formats that support fast and effective decision-making.

Advanced analytics also enable data-driven manufacturing practices with an enormous upside:[11]

▶ Advanced analytics can deliver margin improvements of up to 4–10%
▶ Predictive maintenance—a typical use case for manufacturing analytics—can reduce machine downtime by 30–50% and increase machine life by 20–40%

Epicor ERP Cloud and Epicor Data Analytics (EDA) unlock these benefits with:

▶ A flexible, seamless integration
▶ Out-of-the-box dashboards that support quick, intuitive decisions
▶ "Drill-down" views offering intuitive, on-demand access to deeper insights
▶ Modular, role-based content packs that make it easy to ask useful questions and to get actionable answers

---

11 "Manufacturing Analytics Unleashes Productivity and Profitability," McKinsey.com, Aug. 2017.

5 Charting a Path to Sustainable, Cost-Effective Compliance

Regulatory compliance is a fact of life for any modern business. Manufacturers, however, face some unique—and often very dangerous—compliance challenges:[12]

▶ Manufacturers pay an average of $19,564 per employee, per year to comply with federal regulations—nearly double the average across all industries
▶ 99% cite federal, state and/or local regulations as a significant source of risk
▶ 95% specify environmental regulations as a particular concern

Quality-related issues also create compliance risks for manufacturers—84% dealt with a major product quality, contamination, or recall incident in 2016.

Epicor ERP Cloud integrates governance, compliance, and risk software to deliver business process, data management, audit and records management, and other compliance-related capabilities. Features such as audit trails, product life cycle management, and advanced quality management also help manufacturers to manage quality-related compliance risks.

_____

12 "2016 BDO Manufacturing Risk Factor Report," BDO.com, Jun. 2016. Applied to all statistics cited in these bullet points.

Discover How You Can Profit From Change

Each of these issues creates unique challenges for manufacturing firms. All of them, however, reflect a new reality for manufacturers of any size or type. Success and survival depends on business applications that are agile, adaptable, and engineered for innovation—without imposing crushing costs, complexity, and risk on the firms that use them.

This is the formula that positions manufacturers for success using Epicor ERP Cloud—and it's a formula that point solutions, homegrown solutions, and even legacy on-premises ERP environments are inherently unable to duplicate. The imperative to reimagine your business has never been stronger. Explore how Epicor can prepare you to compete and succeed in a changing world.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed to fit the precise needs of our manufacturing, distribution, retail, and service industry customers. More than 45 years of experience with our customers' unique business processes and operational requirements are built into every solution—in the cloud or on premises. With this deep understanding of your industry, Epicor solutions dramatically improve performance and profitability while easing complexity so you can focus on growth. For more information, connect with Epicor or visit www.epicor.com.

EPICOR.

Contact us today ✉ info@epicor.com 🌐 www.epicor.com