Taking Your Distributorship to the Cloud

The Benefits and Efficiencies Distributors Can Gain From Cloud-Based ERP

EPICOR.

Enterprise Resource Planning (ERP) Has Come a Long Way

Originally focusing on automating back-office functionality that didn't involve customers, ERP soon evolved to include several phases of a business' transactional operations. ERP's key development through the 1990s and first decade of the 2000s was the rise of its collaboration between transactional data and management areas such as customer relationship, supply chain, inventory, human capital, and beyond.

Many distributors have already undergone several ERP system upgrades or are currently in the midst of one. In Industrial Distribution's 2017 Survey of Distributor Operations, 14 percent of distributor respondents whose company didn't have an ERP system planned to install one within the next two years. Given the array of productivity benefits that ERP enable, it's no wonder distributors of all types are adding or upgrading ERP every month.

Now in the age of Industry 4.0, ERP is making its next and perhaps biggest evolution yet—to the cloud.

What Is Cloud ERP?

The difference between a traditional, on-site ERP system and cloud ERP system is simple: On-premises ERP software is installed on a company's local hardware and servers and is managed by its in-house staff. Cloud ERP, on the other hand, is a vendor-provided software-as-a-service (SaaS) that is managed by that vendor via the Internet in a system the customer accesses through a web browser.

Advantages of Cloud ERP

On-site ERP can be upgraded time and time again, but the potential is limited, and the challenges traditional ERP systems face are where cloud ERP excels:

Integration

Traditional ERP integration into a business' other operating software can cause numerous headaches. Cloud-based ERP helps break down technology silos within a business, like the management for orders placed over the phone, via ecommerce and those orders placed via mobile device. "The biggest thing is it gets distributors outside of their four walls. They're not constrained within them," said Mark Jensen, director of product management—distribution at Epicor Software Corporation. "In order to compete today, you have to figure out the web and mobile, and the cloud allows you to get there faster."

Mobility

On-premises ERP is often limited to an individual facility, whereas cloud-based ERP is seamlessly connected across a company's entire network as everyone has the same accessibility from their web browser.

Adaptability

One of the limits of traditional ERP is its limited upward mobility. As distributors grow, they often add more technology or dive deeper into ecommerce functions that are beyond their existing ERP's capabilities, requiring upgrades. Cloud-based ERP is ready for these factors, and can adjust to a company's specific business and technology needs. "You have to have a system that allows you to take advantage of those newer technologies as their price point gets more attractive,

and that's going to happen very fast," Jensen said. "You have to look at your system and see if it lets you apply something like artificial intelligence to pricing."

Manpower

With the cloud-based ERP vendor handling management of the system, companies don't need a dedicated IT staff for it. Alternatively, this allows that IT staff to focus on other strategic areas. This is especially appealing for those small and midsize distributors that don't have the budget for such employees or simply aren't tech-savvy themselves.

Lower operating cost

A cloud-based ERP has the potential to eliminate the need for distributors to purchase server, network, and storage hardware necessary to maintain the platform onsite. Instead of capital expenditures, distributors can focus on operational expenditures.

Choosing a Provider

There are a number of cloud ERP providers today, as the rise in the newer technology has drawn new vendors to the industry.

Whereas many of those vendors focus solely on their "cloud ERP-only" capabilities, it certainly helps to have the expertise of a provider that also has expertise in the on-premises format.

In that regard, Epicor Software Corporation differentiates itself in the market with its wealth of knowledge. The company's history includes more than 40 years of business software innovation for distributors—and that amount of ERP knowledge makes the company an expert resource to help distributors of all sizes determine exactly what type of ERP is right for them, be it on premises or cloud-based.

The latest chapter in the Epicor legacy came out of the company's 2019 Insights customer conference, where it announced that its popular Prophet 21 ERP software is now powered by Microsoft® Azure®—an open, flexible, and enterprise-grade public cloud computing platform.

Epicor cloud-based ERP allows Epicor on-premises ERP customers to move to the cloud without seeing any disruption with their business. With helping them become more

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mobile and taking advantage of new software technology, Epicor Prophet 21 customers can see all the benefits of a cloud-based solution without the headaches of a traditional ERP upgrade or installation process. They won't lose any of the customization they've built or functionality currently being used. This is a big issue in today's workforce that sees many baby boomer generation staff retiring and the onboarding of younger distribution salespeople and managers.

"The generational shift was one of the drivers of our cloud strategy," Jensen said. "It allows our customers to have an application that's not radically different. You don't have to re-train—and to the millennials, it looks modern and fresh."

What about distributors who currently aren't Epicor customers? Other cloud ERP providers offer their solution through collaborating with a third party that actually handles the functionality. The Epicor solution is handled all by Epicor. It's just one reason distributors should consider Prophet 21.

"With Epicor, you're getting deep distribution functionality on the cloud—powered by Microsoft Azure—to drive business growth faster, more easily, and more reliably than ever."

—Mark Jensen,
Director of Product Management—Distribution
Epicor Software Corporation

About This Report

The information in this report was researched and produced by Industrial Distribution in conjunction with Epicor. Statistical data was researched and compiled by Advantage Business Media in May 2017. Epicor updated this report in March 2019 to mention Microsoft Azure.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the 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 is built into every solution—in the cloud or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, connect with Epicor or visit www.epicor.com.

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