

An Epicor® White Paper

# Top 10 Technologies Small and Midsize Manufacturers Can't Afford to Ignore



## Abstract

Manufacturers today are looking for innovative ways to differentiate themselves in the competitive global marketplace. Understanding customers' needs in great detail has become an essential to being competitive.

One way to gain this understanding is to implement an enterprise resource planning (ERP) solution. ERP solutions consolidate business operations, enhancing your businesses ability to be agile. Not only do these systems deliver on technology that you can boast about over coffee with a colleague, the business advantages include the ability to streamline your organization's processes to reduce waste, improve throughput, and ultimately meet your customer's value stream—improving odds for continued business in the future.

As we delve into the "Top 10 Technologies Small and Midsize Manufacturers Can't Afford to Ignore," you may see opportunities to reinvent the business processes you currently deploy by investing in new technology. You will also see barriers to complex industries come down as technologies exist to bridge the gap for complying in these industries. Epicor has experience in nearly all industries in manufacturing, including medical device, aerospace and defense, industrial machinery, electronics, energy, and much more. Epicor can help your business reduce risk and add industry diversity to its strategy.

Epicor is a technology partner with more than 40 years of expertise in helping small and midsize manufacturers meet new challenges with agile technology. To this end, a report from Gartner names Epicor as a Visionary in Gartner's Magic Quadrant for Single-Instance ERP for Product-Centric Midmarket Companies.<sup>1</sup> Between the lines of functional and technology value that we will be discussing, our ultimate goal for your time investment is that you understand that you're not alone in executing on your manufacturing business strategies—Epicor can help.

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<sup>1</sup> Gartner Inc. "Magic Quadrant for Single-Instance ERP for Product-Centric Midmarket Companies" by Michael Guay, Chris Pang, Christian Hestermann, and Nigel Montgomery, December 9, 2015



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“We wanted the most current and future-looking technology, and Epicor—with its roots in contract manufacturing, applications, as well its strong software as a service ERP solution, was a great fit.”

Anthony L. Chirchirillo,  
CEO of Chirch Globa

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## Technology for small manufacturers in review

The last two decades have seen a dramatic shift in use of technology to drive improvements in manufacturing operations. Just 25 years ago, many small and midsize manufacturers relied on paper-based systems to run their businesses. These systems offered little business-wide visibility to aid customer support and required duplication of manual effort many times over.

With the wide adoption of Windows® technology in the 1990s, we started to see many applications developed to improve manufacturers' operations through the use of computers to specifically help them more accurately track costs, improve on-time delivery with online scheduling, and improve business visibility. You might know these systems as shop management systems, manufacturing and financial systems, ERP, and more. The end goal was to integrate the functions required to estimate, procure, produce, ship, and service customers better for improved profit.

Then came wide adoption of the Internet, and around the year 2000 we had the dot-com bust. The technology at that time just wasn't ready for Internet availability. We have a very different story today. Now, applications are built using a service-oriented architecture (SOA) which feeds off the power of the Internet to deliver applications that can be deployed either at your shop or via the Internet. We call the latter cloud-based solutions, and many times they are available in a subscription-based model called software as a service (SaaS).

### Benefits of cloud-based solutions

The business benefits in choosing cloud-based solutions go beyond the economics, where businesses benefit from reduced internal IT costs. Cloud vendors offer security levels that most small and midsize businesses can't afford, and in an increasingly complex world, are a serious consideration for many. Cloud-based solutions offer new freedom for users as they are available anywhere an Internet connection is available and “always on,” naturally promoting improved utilization of systems. As cloud-based solutions are automatically updated for you, the pain and disruption of upgrading is gone, and cloud users are always on the latest technology available from suppliers. As competitive pressures and security concerns grow, keeping current with technology and establishing a predictable upgrade routine is today's norm. New technologies and expectations of workers to be mobile and to collaborate electronically are driving the need for rapid adoption of technology. Reducing the risk of IT through a collective of users rather than going it alone drives many towards cloud-based solutions. Finally, as time is spent translating processes and adopting the new technology, not figuring out what hardware is needed, acquiring it, deploying it, and maintaining it—manufacturers find that the time to value of cloud technologies is faster and more responsive, which improves customer satisfaction.

### Freedom of choice

Epicor delivers freedom of choice in deployment. While there are many benefits to cloud-based solutions, the reality is that not all manufacturers choose cloud deployment. Epicor ERP is available either as a cloud-based solution or on-premises solution. Users can choose to move between deployment models as their business needs change. For example, a start-up business may choose to deploy initially in the cloud then later move their deployment on premises. Likewise, an on-premises user may choose to upgrade into a cloud instance in lieu of outlaying the capital to invest in new hardware.

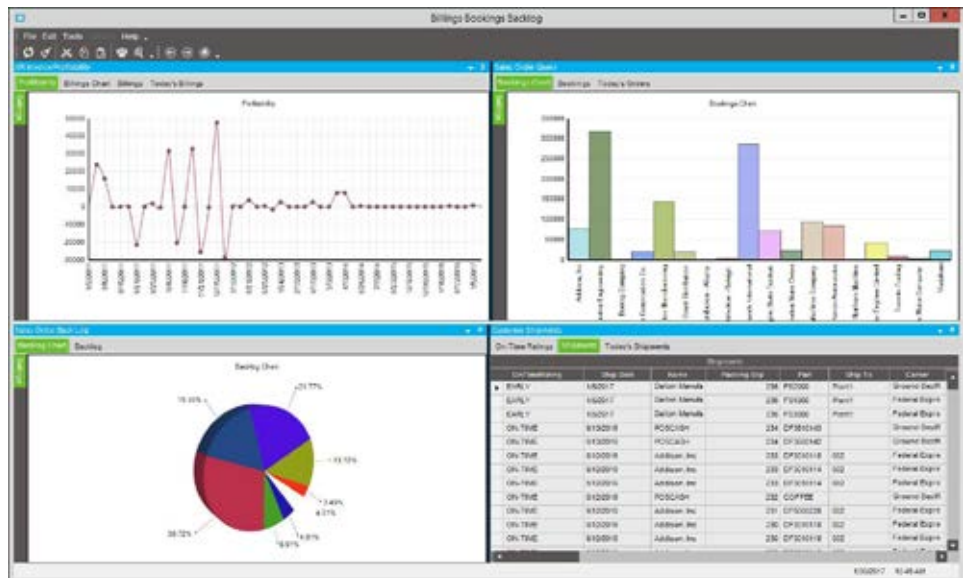
## Top 10 technologies

Epicor has experience working with over 4,000 manufacturers around the world. Technology is what we see as a real advantage that enables our customers to stay agile in the face of change while executing on their business strategies. Whether your business strategies are focused on eliminating paper processes, driving new automation in the business, or empowering your employees with new access to information, you will find the return for today's latest technologies more than supports the cost and limited business disruption in considering and deploying a new system.

### Respond faster, go paperless

#### Role-based dashboards

Everyone in the business has them—watchdog reports that you run every night or morning, sometimes throughout the day. They offer the status of production on the floor, purchases expected for delivery, quality events, and more. Without these reports, we are lost. What if there were a better way? What if we could have this information available to us online and have it live—with the latest information at all times. User-based exception dashboards enable us to do just that. It's a slice of your data with your applied filters that remove the "data noise" so you can focus on the problems. It might be the "late jobs" or "purchases received today" or "quality incidents today, this week, this month." It's really up to you as, you can easily configure the dashboards one time, using your data, and continue to use them on a daily basis.



Instantly see the operational data for improved decision making and exceptions-based management.

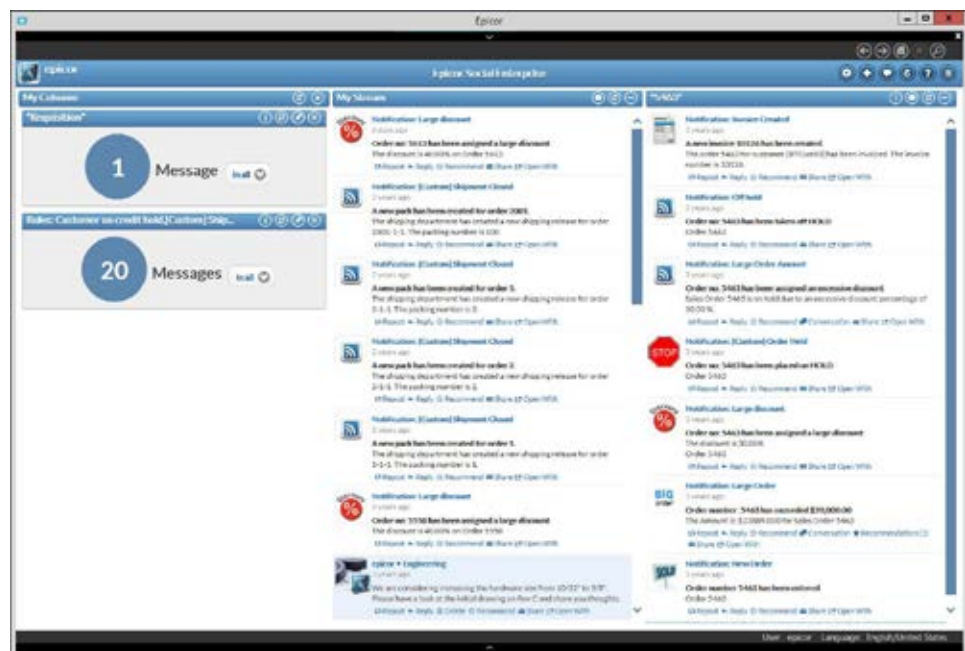


## Social communication

Increasingly we find that communication is going digital. E-mail has been the main conduit to these communications. As our workers subscribe to new technologies in digital communication at home, this quickly translates to the workplace. Through digital communication tools such as Epicor Social Enterprise, which is embedded within Epicor ERP and Epicor Cloud ERP, users can collaborate more easily to serve customers better and improve the productivity of the operation. Some examples include:

- ▶ Communicate maintenance problems from one shift crew to the next
- ▶ Collaborate in escalation groups around a customer issue
- ▶ Ideas and knowledge can be shared between generations and across departments
- ▶ Share ideas and knowledge across departments and generations
- ▶ Generate a cross-departmental communication trail for a quote, an order, an account dispute, part revision—nearly anything tied within ERP

The real beauty of leveraging digital communication within ERP is that it is so easy for workers to pick up and start using. This is because many workers today already use these technologies on their personal devices, so they can easily apply this familiarity to their work.

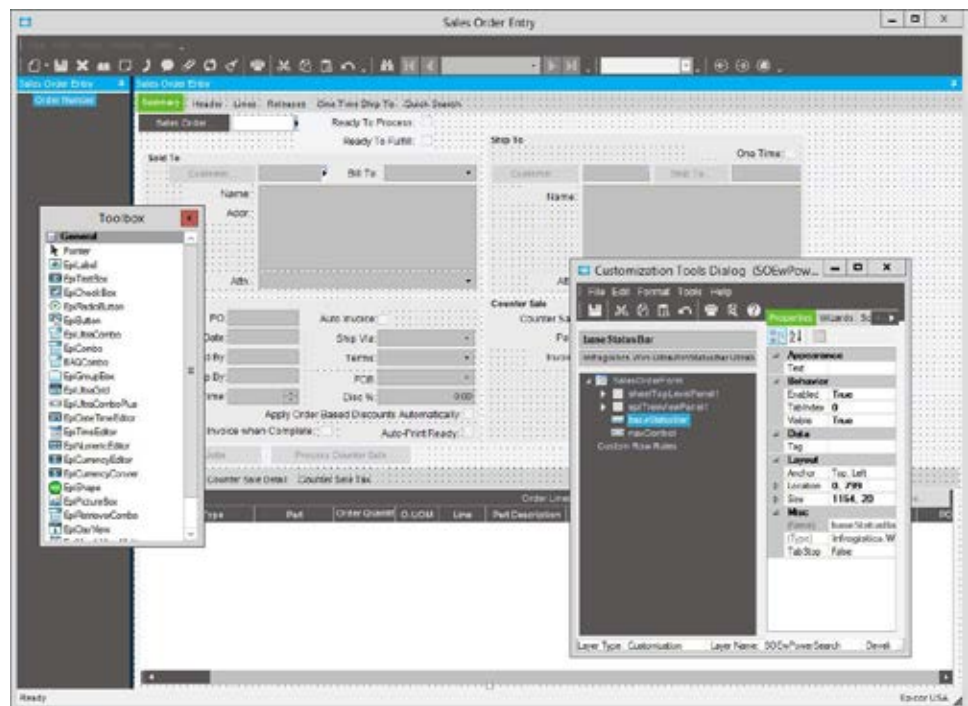


## Tailored business processes that execute your value stream Embedded customization and personalization

Each manufacturer has developed their own set of personalized business processes that make them unique and provide a competitive edge in their business. Some of these processes may be industry driven, customer driven, or driven from within the business based on the goals and strategies of your management team. For example, you might need to track on the order “special information” your customer needs and be able to include it in documentation that goes with each shipment of the order. This information can be tracked in the system alongside the other order data and used in printing, lookups, anywhere your data is accessed. In using embedded

customization to tailor the system to meet your customer's requirements, not only are you able to easily fulfill their requirements for data, you can also respond quickly when their needs change.

Another example of customization and personalization includes being able to tailor the environment your employees use on a daily basis. With so many manufacturers looking for ways to improve employee productivity and satisfaction at the same time, this is a win-win. To do this, we recognize that not every employee uses the system in the same way. Many times we see casual users who access and review information periodically and power users who spend their days in data entry. In general, it's impossible to develop an interface that pleases everyone. Some have to compromise. The compromise can be either one type of user giving up functionality to keep things simple or another user living with complexity they don't need. Customization and personalization provides a technology solution that can deliver a tailored interface that optimizes the time a user spends on the system. The user can tailor the tab stops (where the system stops as you tab through the application), make a field invisible, modify the colors and fonts of fields, even the positioning of windows so that they can maximize use of the interface to quickly see what's needed to get the job done.



Users can modify any form to optimize their day-to-day work in the software.

## Highly productive, satisfied employees

### Grid access

There really was only one thing we gave up in the move away from “the green screen” and that was speed in entering and making changes to information. Back in the day, you could bring up a list of line items, make necessary changes to each line in a single grid, and process it. You didn't need to bring up each line individually to make the change, it just worked that way.

With accessibility back in grid entry, systems give productivity power to users by enabling them to make sweeping changes across multiple records more easily. Taking grid entry to the next level, developers have enabled integration with Microsoft® Excel® to simplify bringing in multiple rows of data from Excel spread sheets by pasting them into the grid—there is no need for retyping.

Some great uses of the Microsoft® Excel® integration include bringing in a materials list on a bill of material, updating or entering a new schedule of shipments, and entering a series of closing journal entries received from your accountant.

Line	Qty	Setting Qty	UOM	Make	Buy To Order	Need By	Ready To Fulfill	Ship By	Site	Firm	Name
1	2,000.00	2,000.00	EA	✓	<input type="checkbox"/>	3/25/17	<input type="checkbox"/>	3/25/17	MfgSys	✓	Chicago
2	2,000.00	2,000.00	EA	✓	<input type="checkbox"/>	3/19/17	<input type="checkbox"/>	3/19/17	MfgSys	✓	Chicago
3	2,000.00	2,000.00	EA	✓	<input type="checkbox"/>	3/17/17	<input type="checkbox"/>	3/17/17	MfgSys	✓	Chicago
4	2,000.00	2,000.00	EA	✓	<input type="checkbox"/>	3/14/17	<input type="checkbox"/>	3/14/17	MfgSys	✓	Chicago
5	2,000.00	2,000.00	EA	✓	<input type="checkbox"/>	3/20/17	<input type="checkbox"/>	3/20/17	MfgSys	✓	Chicago

Access and update multiple ship dates with options to copy and paste directly from Microsoft® Excel®.

## Tightly manage cash—buy only what you need

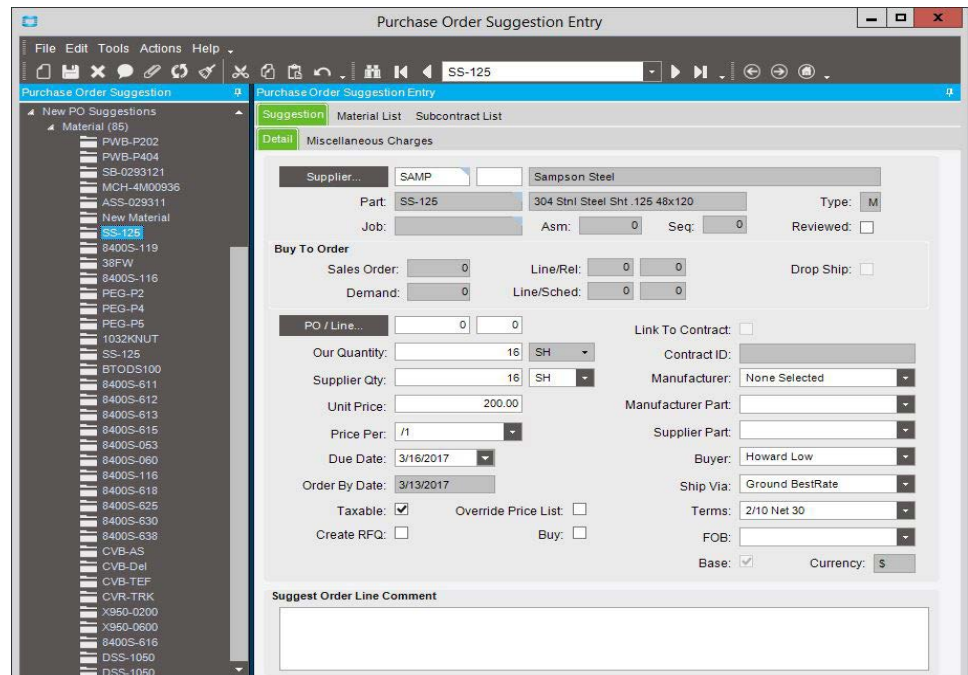
### Purchase suggestions

We all have seen the spreadsheets and slips of paper come across the purchasing manager's desk with handwritten notes to direct timely purchases. Visual cues are great, but what happens when a queue gets missed and a purchase isn't available when you need it? If your business is like many others, you make a quick purchase that ends up costing more than it should or you risk shipping to your customer late. This is compounded by the time spent in the purchasing process for these one-off purchases.

Technology exists today that works in tandem with production scheduling to help your business make just-in-time (JIT) purchases and drive buying power from suppliers on bulk purchases. The software does this by providing your purchase manager with purchase suggestions that enable



them to see what's needed when based on the latest schedule. They can even look into the future to see what demand for material exists next week, next month and potentially even further out.



*Direct your purchase manager on what to buy based on the schedule, not a handwritten note from engineering.*

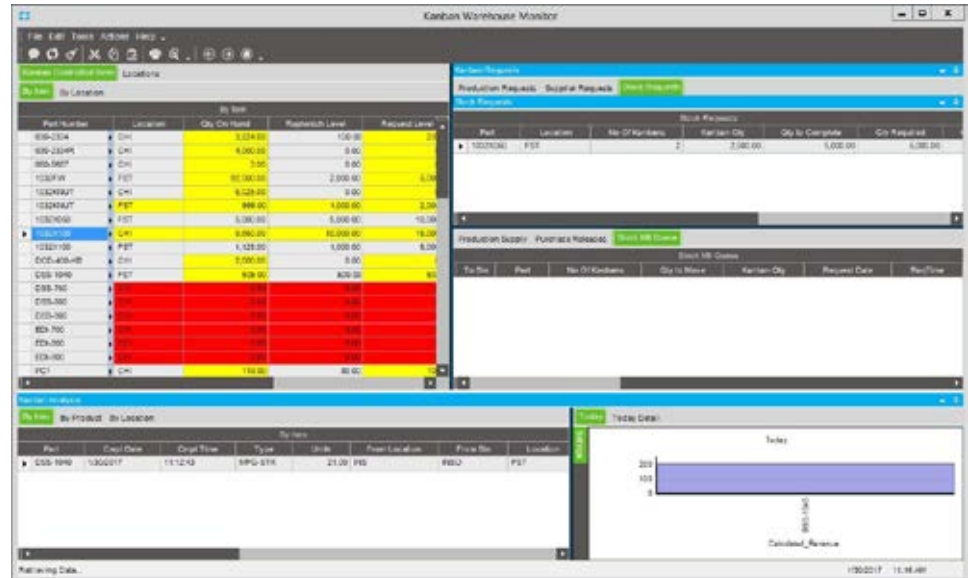
The tight tie to scheduling, down to an operational step (related operation), is important because schedules change. Whether your customer has changed their mind or you are predicting a demand change, the ability to make the schedule and material purchases align enables the business to only buy what is needed and save capital for more important initiatives.

## Execute on your lean strategy

### Lean production

Reducing waste in the shop often requires thinking outside the box and deploying new methods for production management. Many shops today are executing on this strategy using shop floor visual cues or whiteboards with 10 or 20 parts that they continually maintain at certain stocking levels. They aren't executing production orders in the system for these parts as they fall below a replenishment level—rather, when the on-hand inventory gets to a point, they just make more—without a work order.

Technologies to support these systems offer lean production capabilities and are designed to manage a work-order-less Kanban manufacturing system with electronic replenishment queues driven by customer demand or directly by the shop floor. A Kanban Monitor dashboard keeps it real time and visual so that production knows exactly what is needed to meet demand.



Electronic Kanban provides visual replenishment queues.

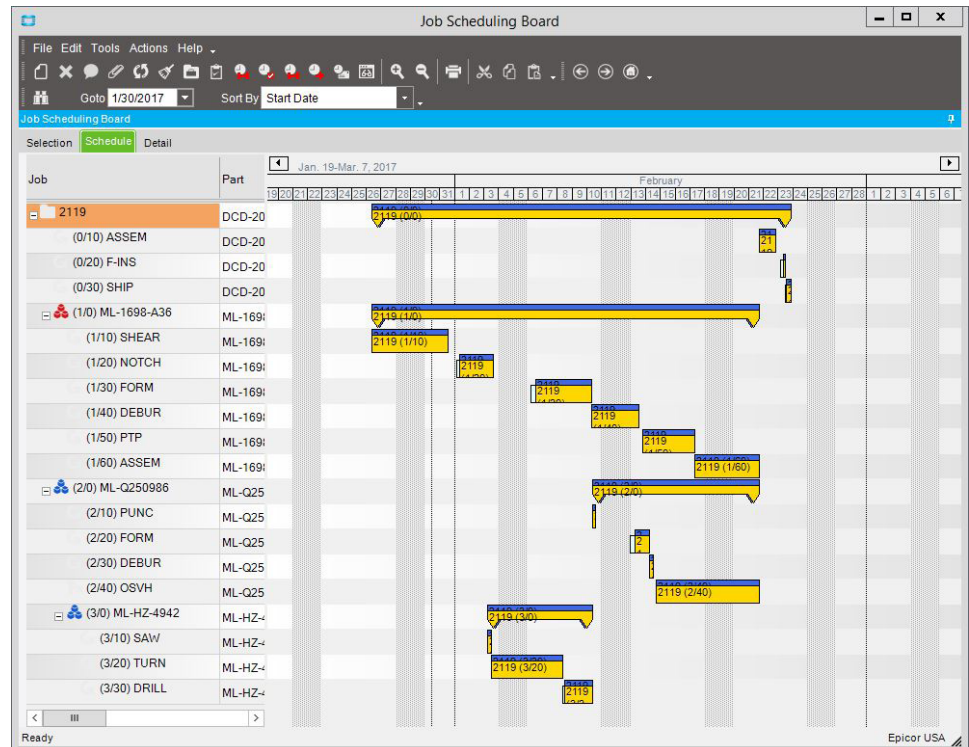
## Engineer, cost, and build complex, multilevel products True multilevel capabilities

Product complexity is exploding at the same time that many original equipment manufacturers (OEMs) and Tier 1 and Tier 2 manufacturers are reducing their supply network. As a result, more manufacturers in good standing are being asked to increase their product complexity, which is driving the need to estimate, cost, and build multilevel assemblies.

Let's start with the estimate and provide a tool for engineering and estimating to be able to quickly see the tree structure of a multilevel component and build/review the component structure all within a single view. This ensures that no assembly is missing or that no step has been omitted. In doing so, we are mistake-proofing the estimating process from potential mistakes.

In production, the multilevel assembly can be scheduled and monitored as a complete production job and costs maintained at both the final and assembly level. One of the largest benefits of having a single production job is that moving materials and components from one job to another isn't a concern—because it's all the same job.

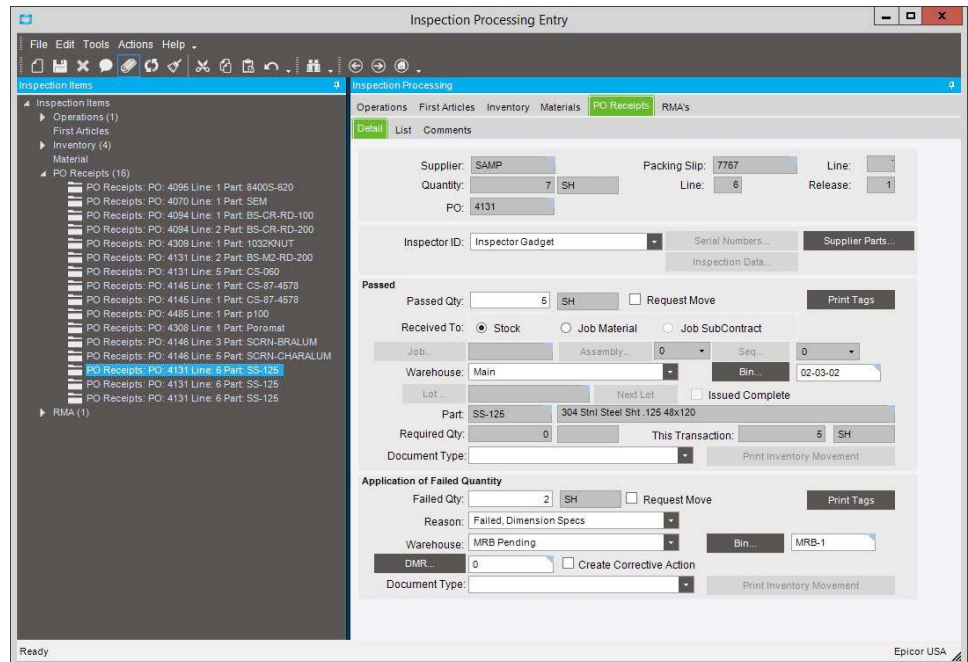
Finally, you can accurately ship from work-in-process the final assembly, updating with accuracy the cost of sales of shipping the complete assembly. If profitability of these assemblies is a concern, multi-level capabilities might be the ticket to understanding where you fall short.



*Manage and reschedule a multilevel assembly for optimum throughput.*

## Reduce cost of quality Embedded quality

Quality continues to be a key differentiator for many manufacturers—this includes managing the quality of your suppliers. As more and more manufacturers continue to focus in this area, a driving theme emerges that makes quality and continuous improvement of processes a part of the culture of the business, rather than an isolated function in the shop.



*Track results of supplier receipts with online inspection processing.*

Quality issues can happen anywhere in the business. As an example, some quality events can be traced to improper work instructions going to a supplier, missing documentation such as MSDS and other certification documentation, and engineering change orders—and that’s not even taking into account what is happening on the shop floor that affects quality.

Empowering all your employees with quality information whether they are on the shop floor or the top floor ensures everyone is involved in the quality process and is embracing strategies to improve product quality. It all starts with technology that inherently includes quality in the process flow.

The quality process on the shop floor could be as simple as inspection of material at time of receipt and recording the results. It could also mean executing on a root cause analysis for a piece of equipment that needs to be retired. Armed with information, your management teams can have the data they need to make hard decisions and feel confident with the results.

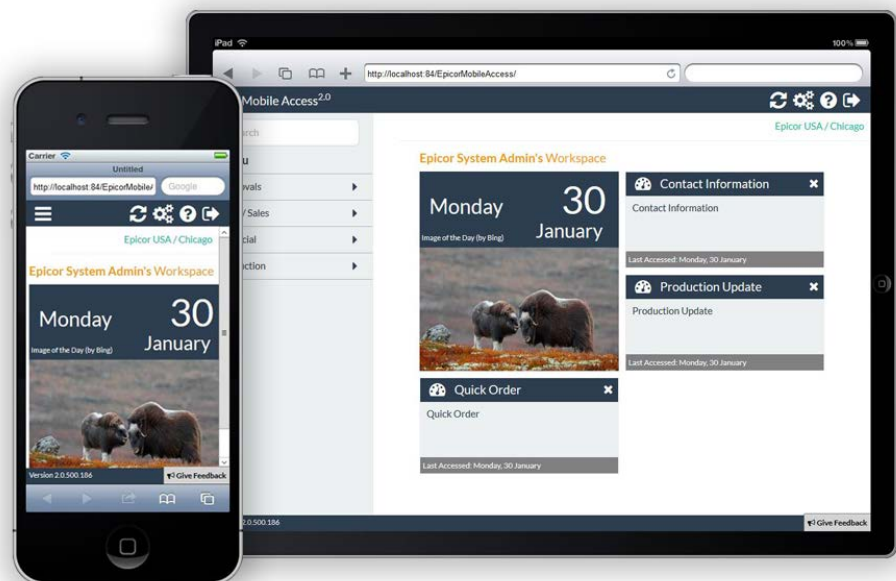
## Worker on the go, data on the go

### Access to your data anywhere

Access to your business data when you need it, where you need it, is a critical business advantage. It can help you respond quickly to business events and be able to communicate with a higher level of knowledge in front of customers and suppliers, and on the shop floor. Contrast this with "I'll get back to you on that." In addition, the young workforce coming into the business today is tuned for mobility and expects instant access to information. If you strive to create a welcoming environment for these energetic and skilled employees, you need to offer "anywhere access" to your data. Below are some of the scenarios where mobility can drive business value:

- ▶ Delivering a secure login for your accountant to review and report after hours, right from their office, when it is convenient
- ▶ Checking progress on a critical job while traveling or before you go into work for the day
- ▶ Accurately communicating up-to-date information to customers while you're on site
- ▶ Checking the status of production flow and seeing if your team is performing as expected while walking around on the shop floor
- ▶ Having the necessary information to execute a change in plans quickly
- ▶ Checking inventory status, performing cycle counts, and using mobile workers to deliver what's needed to production rather than having operators looking for material
- ▶ Keeping an eye on cash flow for the day, hour, or even minute

Epicor delivers access anywhere through Epicor Cloud ERP. In addition to this, for on-premises users you can use an HTML-based interface called Epicor Web Access or use Epicor Mobile Access with updatable dashboard capabilities. We aren't always in the office when we need access to our business data—with Epicor Web Access you can remove the tether to a stationary PC and take it with you.

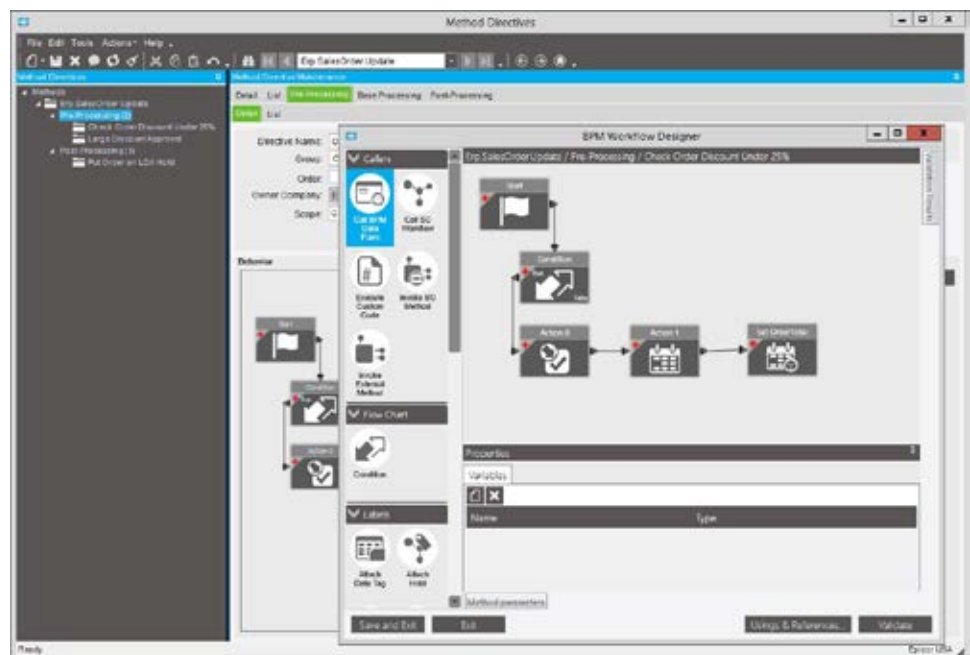




## Bowling with the bumpers up Business process management

You don't have to leave it to chance. Your sales order person has—for the fifth time now—accidentally chosen the wrong year for a release date, making you late once again. These are the types of things we can't predict, but perhaps we can control for the future. Business Process Management (BPM) allows you to put in a rule that can do one of the following things:

- ▶ Flash a warning message and ask if the operator really wants to do this
- ▶ Prevent the entry of an order release that's too far into the future
- ▶ Send an e-mail to a manager to confirm the order release date



Match your business processes with a rules-based design tool for BPM.

This is one example of using BPM to control your business processes. Anywhere within the system, when an event occurs, you can put rules around the event that do a check and have an action. Other examples of BPM include:

- ▶ Once a shipment is "shipped," the customer and salesperson are automatically sent an e-mail
- ▶ Orders over a certain dollar amount or at a high discount percentage are put on hold, pending management approval
- ▶ Jobs in production are automatically released to the floor once the material is received
- ▶ A quality non-conformance event triggers an e-mail to the production manager or quality manager

There are so many uses of BPM. This is a key feature that Epicor customers have deployed in their businesses to help to drive out wasteful processes. It is a critical tool for process automation and improved accuracy.

## Opportunities drive business growth—be ready

### Platform to support business growth

As your business grows, it's important that the technology you deploy is agile and scalable. With today's technology, you can easily transition from one level of functionality to the next and enjoy a seamless upgrade experience for end users—same interface, same terminology. Epicor accomplishes this by simplifying the choices that users make in deployment and offering Epicor Cloud ERP and Epicor ERP with the ability to change as your business needs change. Within each of the offerings is a highly configurable module set so that you can not only scale your investment in licenses, but the implementation effort can also be scaled.

In addition, many manufacturers are looking to new markets and geographies that offer enhanced profitability. Whether your business is interested in doing business in medical device, aerospace and defense, automotive, industrial machinery, fabricated metals, electronics, or other manufacturing industries, knowing the technology you deploy can help you meet the needs of the new industry is critical, and can reduce risk and increase profitability in a new venture.



Alongside this, many manufacturers are looking to geographically place themselves closer to their customer, which may require locating a plant in a new geography. This could be a scary initiative and perhaps cause anxiety over whether your technology will work in that geography, whether you will have support for employees there, and whether the software can display the same features and functionality in their native language. You may be concerned about having limited visibility to operations in an extended enterprise and wonder if the software complies with local requirements such as taxation and reporting.

Epicor supports multiple deployment methodologies from an IT perspective and can manage the processes needed to build in one plant and sell in another, and perform interplant transfers and manage inventories in multiple locations. These robust multi plant and multi company operational features mean that whether it is more cost effective to add on to your current operations, purchase a competitive shop in another location, or simply build across the street, Epicor can support your operational needs for information. In addition, Epicor has localized and translated its award-winning technologies in more than 150 countries with more than 30 different languages, and has development and support offices around the world.

## Conclusion

If your current solution isn't keeping pace with technology or if you have simply outgrown the solution, Epicor can help. Many manufacturing business like yours have partnered with Epicor as they look to leverage technology to improve profitability and serve customers better.

Our manufacturing-specific capabilities are built to make businesses like yours successful. Whether you deploy our solutions in the cloud or on premises, Epicor software can help get your business set for growth.

## 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 40 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](http://www.epicor.com).



Contact us for more information on Epicor Products and Services

+1.800.999.6995 [info@epicor.com](mailto:info@epicor.com) [www.epicor.com](http://www.epicor.com)

### 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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