



Manufacturing Insights Report

Discover how cloud ERP is transforming manufacturing, and why Epicor is the experienced partner manufacturers can rely on for a successful move to the cloud.

At Epicor we know manufacturing better than anyone. Our market-leading industry productivity solutions are built on decades of experience. We work hand-in-hand with our customers to curate solutions to meet the specific needs of manufacturers. We asked nearly 600 industry decision-makers about cloud and why manufacturing is seeing a rapid increase in cloud ERP adoption. We also explored what's important to their businesses, what challenges the cloud might solve, and what they need to make cloud adoption a success. This report brings you insights that indicate now is the time to move to the cloud.

Top Manufacturing Challenges

1. Changing technology
2. Cybersecurity
3. Market volatility

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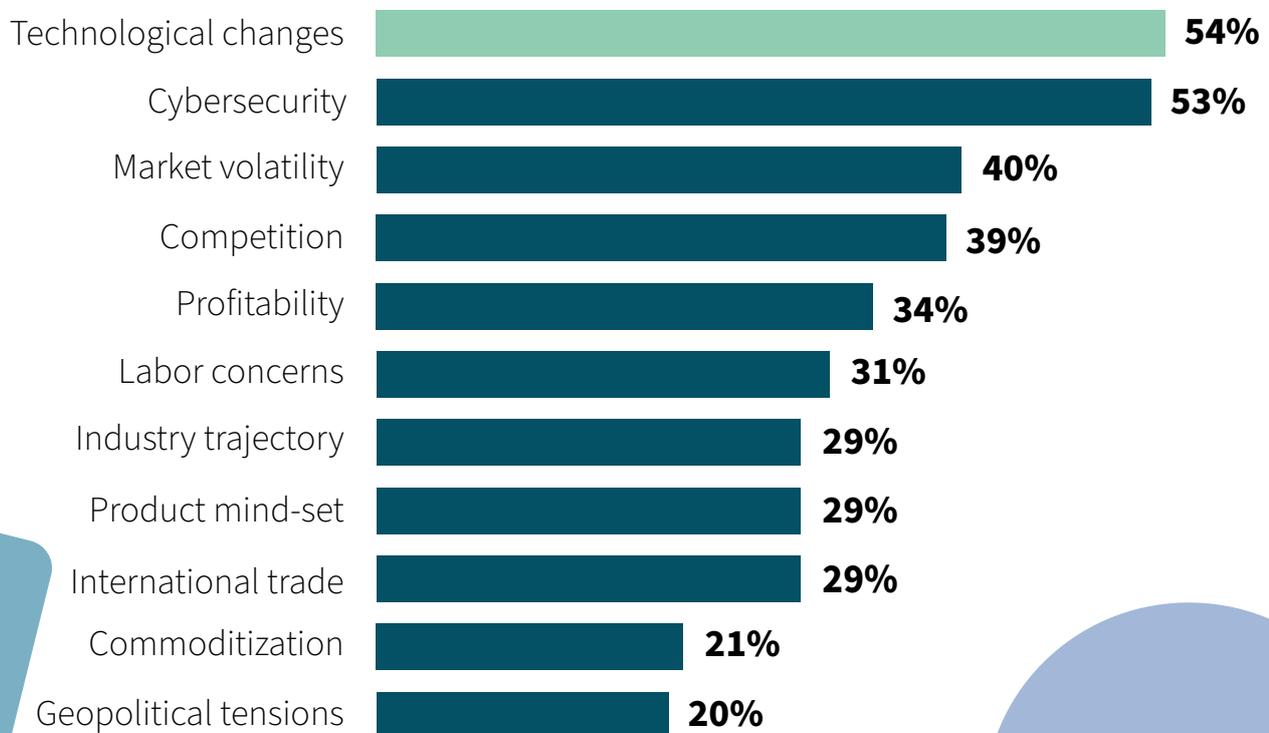
Manufacturing is Rapidly Changing

The world of manufacturing is transforming. Learn about the biggest challenges the industry is facing.

The last two years saw rapid and widespread changes within our industry. The COVID-19 pandemic delivered multiple challenges, from supply chain disruption to new ways of working, and unexpected shifts in demand. The majority of the manufacturing business leaders surveyed cited technology changes and cybersecurity as their biggest challenges. With new technology quickly proliferating, they are looking for solutions that integrate seamlessly. And with the increase in cyberthreats during the pandemic, businesses know it's crucial to protect themselves.



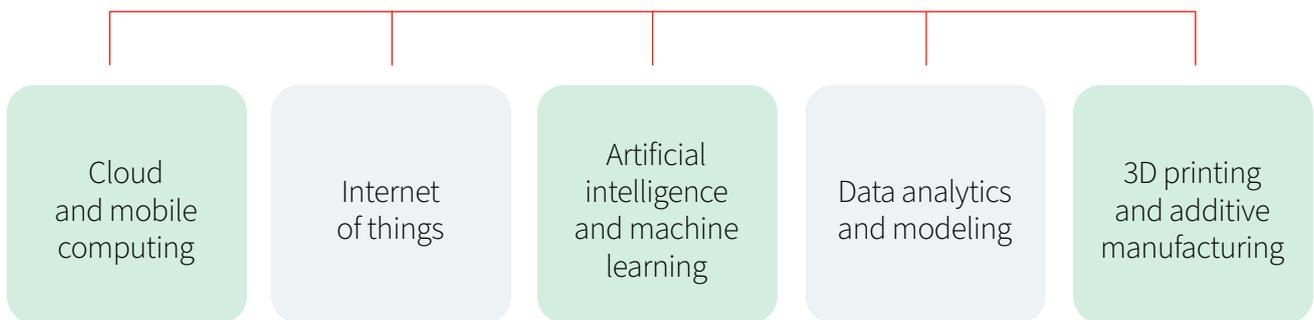
Q: What are your company's biggest current challenges?



When we asked what technology manufacturers think will significantly change their business over the next five years, cloud and mobility came out on top, followed by internet of things, artificial intelligence, and analytics. In fact, most forward-thinking companies are either already integrating these capabilities into their operations or are planning to soon.

The report revealed that 80% of manufacturers plan to shift to cloud technology.

Q: Which of these technologies do you think will significantly change businesses over the next five years?



With more demanding realities, manufacturers can turn to the new generation of cloud ERP solutions that deliver functionality, integration, and state-of-the-art security they need.

“It’s the easiest system I ever used. With Epicor, we’re able to better track sales and continue to develop into a high-performance company with a great product.”

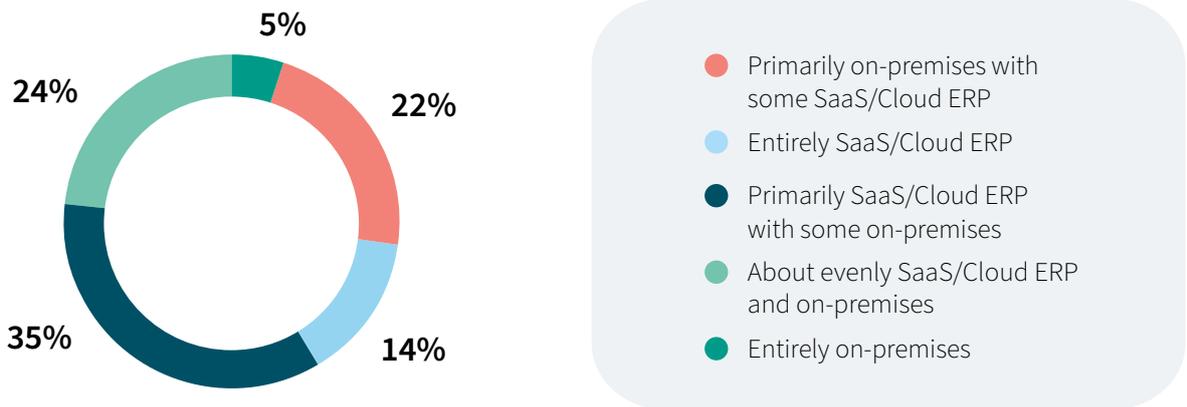
Jessica Lalich, Inside Sales Manager | Aerobiotix

Your Industry is Moving to the Cloud

Higher adoption rates show that manufacturers are increasingly shifting toward cloud-based solutions.

There's been a major acceleration in cloud ERP solution adoption in the last two years, especially for mid-market players with revenues of \$20M to \$250M. Nearly 50% of the manufacturers we surveyed have shifted to cloud for most or all their business processes. Meanwhile, 23% of manufacturers are using a balance of cloud and on-premises solutions.

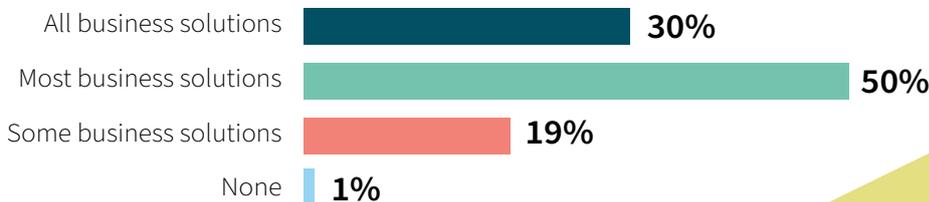
Q: Which of the following best describes your company's current ERP solution?



Manufacturers are integrating enabling technologies including IoT, cloud and analytics, and AI into their operations. They believe these capabilities will significantly change the way they work within 5 years.

The manufacturing industry was late to adopt cloud. But now, many of the latest technologies are only available via cloud software and the industry is quickly catching up. Businesses realize that cloud capabilities are essential for them to compete. A massive 80% of manufacturers plan to move all or most of their solutions to cloud in the coming year. This is especially true in the business areas of manufacturing and operations, supply chain management, and security monitoring.

Q: What proportion of solutions do you plan to migrate to cloud?

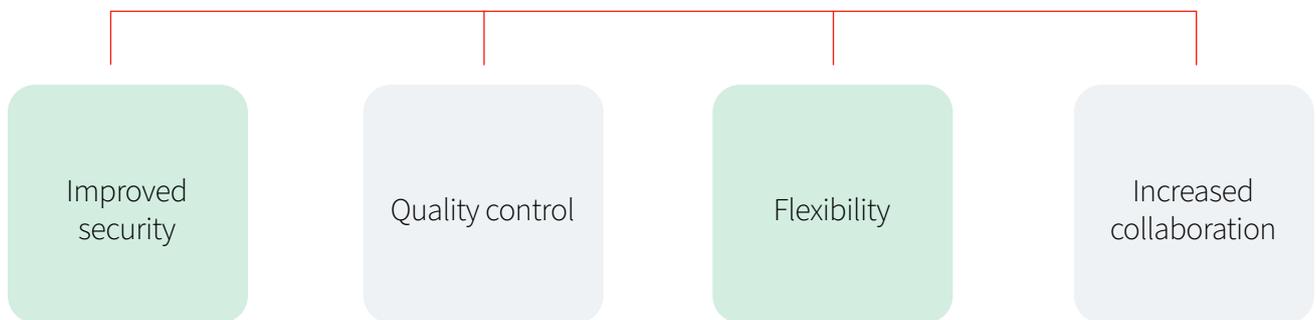


Cloud is Fast Becoming a Business Necessity

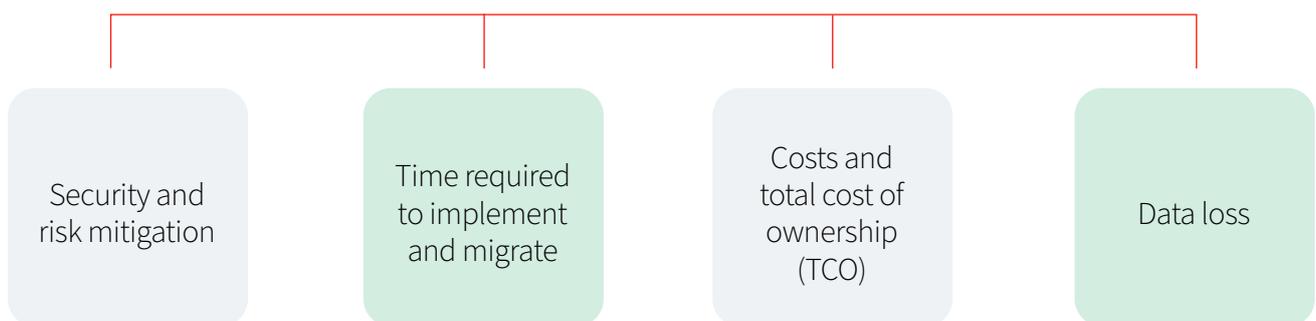
With cloud swiftly becoming essential, manufacturers are clear about the benefits, but a few concerns remain.

As cloud becomes ever more crucial to staying competitive, manufacturers consider improved security to be one of its top benefits. Our research found that quality control, flexibility, and increased collaboration are the other major drivers persuading manufacturers to make the move.

Q: What are your perceived benefits of moving to cloud?



Q: What are your concerns about moving to the cloud?



“Kinetic [cloud ERP] is far more capable than what we will need in the business for the next five years. We have a list of capabilities we’re gradually incorporating in our environment and the limiting factor is our management. I was staggered at how easy it was to move to cloud. The actual upgrade from Epicor 10 [on-premises ERP] to Epicor Kinetic cloud took only a few hours, which speaks volumes about the quality of Epicor migration tools.”

Chris Neal, Financial Controller and Company Secretary | Hael Lighting

Security is More Important Now Than Ever

Security is a top concern for manufacturers, and cloud is the best way to keep your data safe.

It's no surprise most manufacturers consider data security their top priority—it's crucial for a safe and seamless operation for every hard-working business. Companies that are thinking about a cloud-based solution for the first time might feel like they're risking their data because it's unknown territory. After all, cyberthreats are constant, persistent, and increasing. Without proper security measures in place, every business is vulnerable to cyberattack.

Thankfully, cloud ERP offers state-of-the-art security, from data encryption to firewalls and gatekeepers, and many other powerful features. In a cloud-based solution your data is backed up on servers that are continuously updated to combat the newest cyberthreats. Cloud solutions also isolate email from ERP business applications, making it much harder to infiltrate organizations through “phishing,” a common form of cyberattack. By contrast, on-premises solutions can be harder to protect, slower to respond to an attack, and more vulnerable to break-ins or natural disasters.

The good news? Manufacturing is taking action. Across all industries, almost nine in 10 businesses believe their data is safer in the cloud. Increased security in the cloud is giving leaders confidence to finally make the move and protect their businesses.

Of the 1,250 decision makers surveyed across manufacturing, distribution, and retail, nearly 9 in 10 believe their data is safer in the cloud.

“We just don't have the resources to constantly upgrade our systems every year. Epicor was the best choice in the marketplace. It's advanced but doesn't feel advanced. Security, reliability, functionality, and cost were our prime concerns. Epicor met all these criteria. We don't even have to think about it. We just know it's going to do its job.”

Caleb Wolf, IT and Plant Manager | Metal-Tech Partners

Cloud Delivers the Flexibility Manufacturers Need

With built-in scalability, simple integration, and easier compliance, cloud ERP solutions offer more flexibility so you can accelerate your ambitions.

Every manufacturer has unique needs and ever-evolving challenges. Migrating to the cloud builds flexibility into your organization improving productivity. Eighty-seven percent of business owners agree that cloud solutions have the flexibility to meet their needs. It can help you go beyond the minimum standard you need to run your business and unlocks more capabilities that can help boost your bottom line.

Running a solution with built-in flexibility and scalability lets you customize IT resources to suit your changing needs. Whether it's adding users, increasing bandwidth, or boosting storage capacity, cloud can flex with your business need and that's an ideal way for manufacturers to operate and compete.

Cloud also makes compliance with government regulations easier with 86% of businesses all or mostly on cloud agreeing. Choose a partner like Epicor that knows your industry to ensure your migration is hands-on and guided with the support you need. Once migrated, you have access to the latest technology, security patches, and updates that make compliance easier to manage.

In a fast-changing world, cloud technology helps you adapt. By enabling the shift to remote and hybrid working, the cloud alleviated COVID-19's business impact by bringing employees together through video conferencing and collaborative tools. And cloud-based business applications give you access to data whenever and wherever you need it, from office to warehouse to sales visits. With cloud, you're better prepared for whatever the future brings.

“Epicor’s new web-based Kinetic [cloud] ERP system provides an additional layer of flexibility to support our business. Application Studio is an intuitive, low code, drag and drop programming tool that allows us to quickly configure screens to fit our unique requirements. The new Kinetic platform now gives us the ability to ensure our users have access to the right information anytime, anywhere, and from any device.”

Sean Simmons, President | Tuffaloy

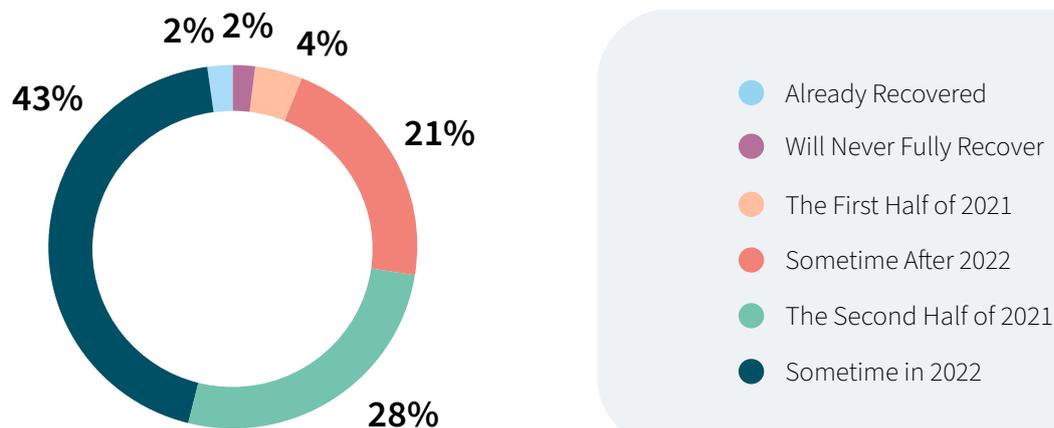


Moving to Cloud is Driving Optimism

While the pandemic was a shock to the system, most manufacturers feel optimistic about the future, especially those on cloud.

COVID-19 hit the manufacturing industry hard, with more than 40% negatively impacted. The better news is that 32% predict a full recovery by the end of 2021, while an additional 43% expect to get back on track during 2022.

Q: When do you expect your business to recover from the negative impact of COVID-19?



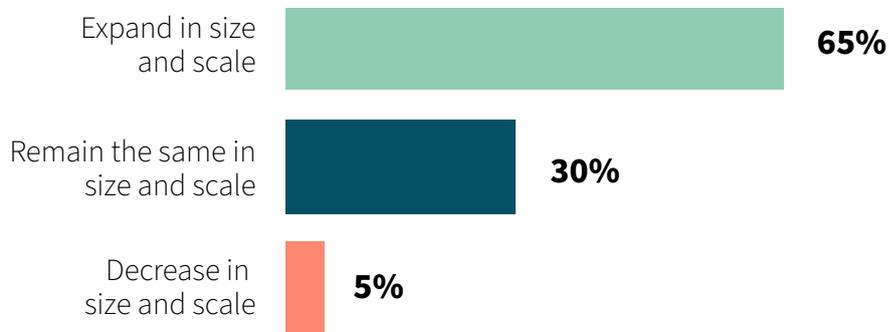
Despite the pandemic, most manufacturers feel good about the future. Sixty-five percent expect to grow and expand in the next three years. The cloud is helping fuel optimism as businesses plan to expand.

When it comes to dealing with future disruptions, 85% of the manufacturers believe cloud would have helped them deal better with the pandemic, indicating cloud may have the potential to offer businesses more confidence facing future disruption.

“Epicor Kinetic [cloud ERP] is one of the cornerstones of our digital transformation strategy. Since implementing Kinetic we have increased business efficiency and productivity.”

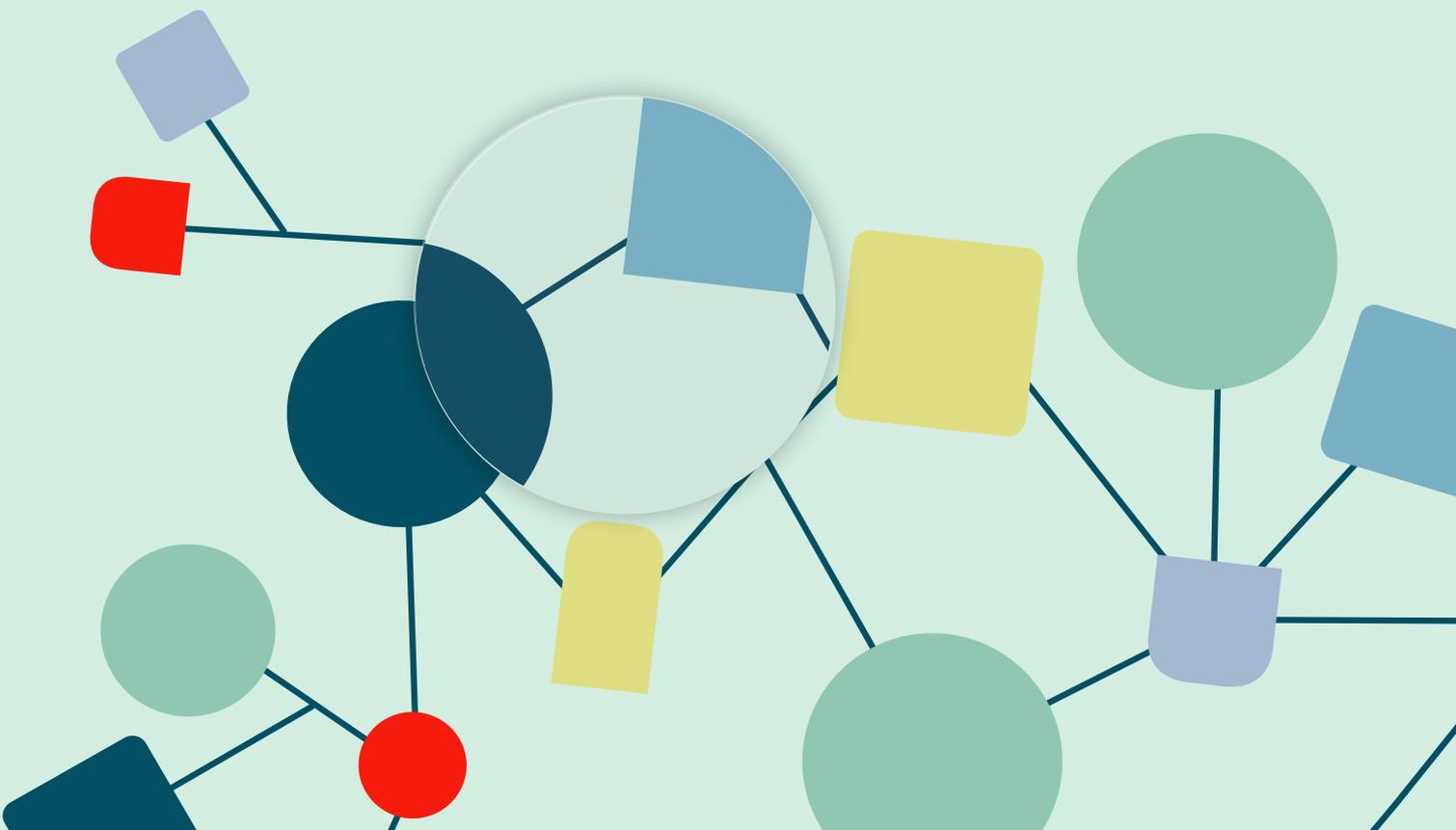
Tiefeng Guo, IT Director | OnOff Electric Co.

Q: Do you expect your business to expand or decrease in the next three years?



“The advantage was accessibility. We no longer have to manage the overhead of our databases. That’s all managed through Epicor and the transition went smoothly. We had a handful of super users, so they trained their departments. It took four to six weeks to transfer over—it was very quick.”

Kevin Eliasson, ERP Manager | Mueller Custom Cut

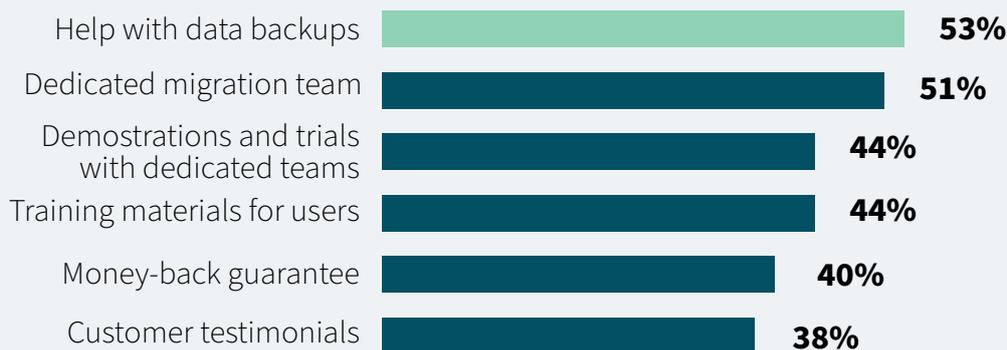


Powerful Partnerships Are Essential for Cloud Success

It's crucial to choose an ERP partner with deep industry expertise, a highly personalized approach, and complete dedication to your business.

For a successful migration to cloud, you need the support of an expert partner. One that knows your industry, understands your business, offers customer-driven products and innovation, and will guide you with solutions curated to your needs. We asked manufacturers what they needed for a successful migration and 53% said help with data backup, while 51% agreed that a dedicated migration team was crucial.

Q: Which of the following would make you feel most comfortable about the journey to cloud?



When you work with a partner that understands your business and your industry, cloud migration can go quickly and smoothly. A clear majority of the businesses we researched said integration was simple and data was easy to migrate across tech solutions. Successful partnerships are key. When you're supported by an expert provider with a solution curated for your needs, migration happens seamlessly and with no loss of business continuity. A swift and hassle-free experience means you can quickly start benefiting from new cloud capabilities.

“By moving to the cloud, we decreased time and expenses in the back-end of our IT department. We can now spend our time more efficiently in front-end activities like designing reports ... dashboards, and training users. It's like adding a third IT person to work off-hours and weekends, doing constant upgrading to keep us current.”

Patrick Winter, IT Manager | Specialty Screw Corporation

Epicor Solutions are Made With You, For You

Now is the time to move to a cloud-based solution, with our experts ready to support you at every step.

As the leader in industry productivity solutions, Epicor is already the trusted partner to thousands of manufacturers worldwide. Powered by our uniquely deep industry knowledge, our solutions are built for your specific needs. That's why we're the cloud vendor of choice for the manufacturing businesses we serve.

We encourage everyone to experience the flexibility, security, simplicity, and future-proof benefits of our cloud-based solutions. Whether you want to move your entire system to the cloud or you're looking for a hybrid solution, we'll support you through every step. Our dedicated migration teams will work closely with you to develop a solution that's carefully curated for your business—made for the cloud, and made for you.

This report reaffirms that the future of manufacturing is in the cloud. At Epicor we're leading the way, to empower a world of better business.

Learn more now about how
Epicor can help your business
with cloud capabilities at
manufacturing@epicor.com.

EPICOR

We're here for the hard-working businesses that keep the world turning. They're the companies who make, move, and sell the things we all need. They trust Epicor to help them do business better. Their industries are our industries, and we understand them better than anyone. By working hand-in-hand with our customers, we get to know their business almost as well as they do. Our innovative solution sets are carefully curated to fit their needs, and built to respond flexibly to their fast-changing reality. We accelerate every customer's ambitions, whether to grow and transform, or simply become more productive and effective. That's what makes us the essential partners for the world's most essential businesses.

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