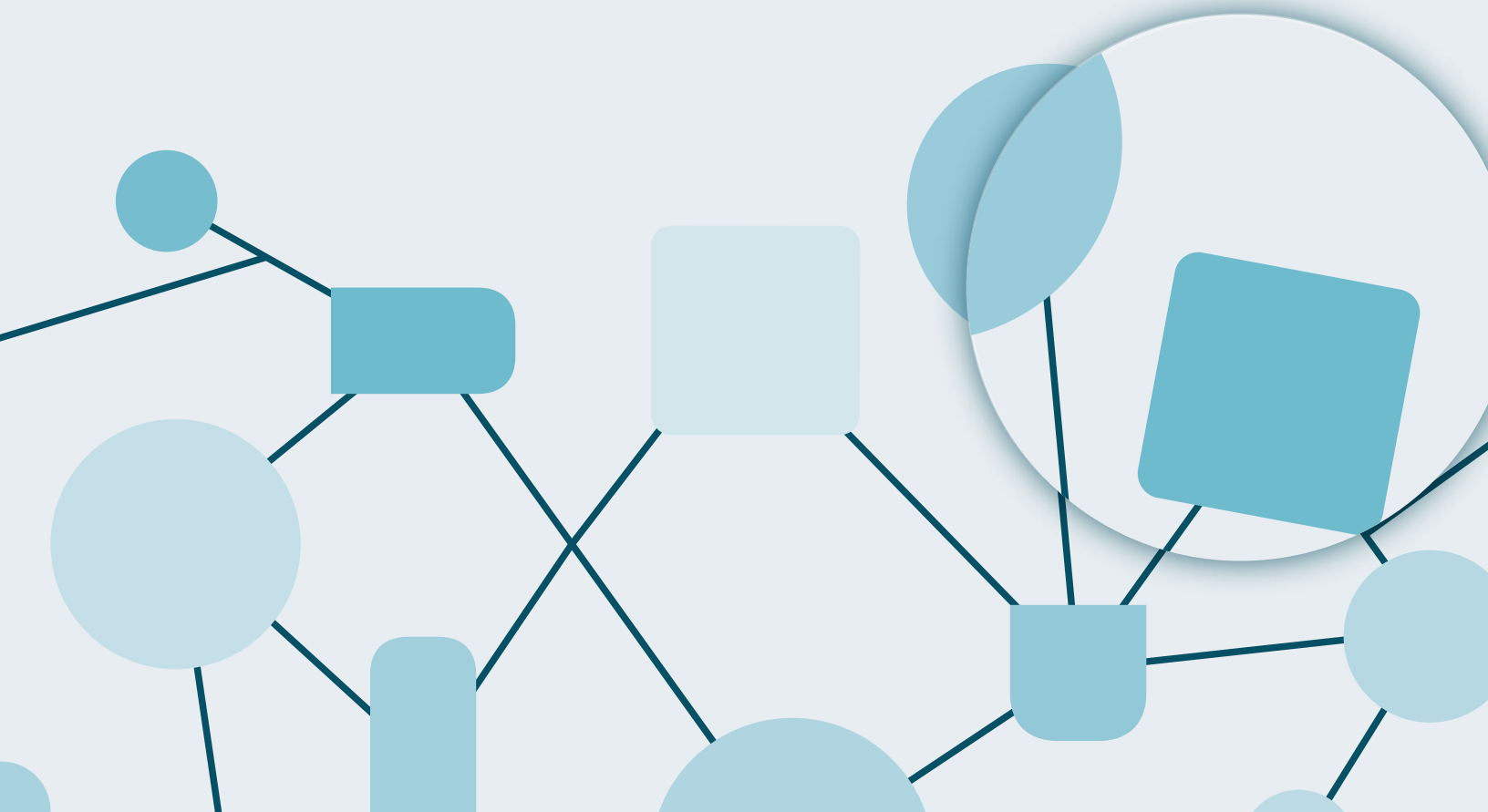


EPICOR

# Manufacturing Industry Insights Report 2022

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*Find out what hard-working manufacturers  
really need from their ERP partnerships.*



# A Deeper Look into the ERP Journey

*With most businesses now running hybrid ERP, the 2022  
Epicor Industry Insights report reveals what  
hard-working manufacturers really require from their  
ERP partners and solutions.*

This year's Industry Insights Report digs deeper into the customer journey. We asked hundreds of manufacturing decision makers how they feel about their ERP journey, what's important to them, and how their partner can accelerate value at every stage. It's packed with powerful findings about today's ERP landscape, and full of essential insights about the future of business.

At Epicor we built our reputation on knowing exactly what manufacturers need. Working hand-in-hand with you to better understand your industry and your business, we deliver market-leading industry productivity solutions supported by successful and seamless customer experiences.



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## Why Every Stage is Crucial in Your Journey to Cloud ERP

**LISA POPE**, EPICOR PRESIDENT

The last two years saw unprecedented challenges for hard-working manufacturers. From disrupted supply chains, to remote working and the need for greater flexibility, agility, and security. It was a period of huge upheaval. By some estimates, a decade's worth of change happened in just a couple of years. With this vastly transformed business landscape now fully in focus, it's clear that switching to cloud-based ERP helped thousands of manufacturers face their challenges and come out stronger. So, now's the perfect time to take stock of your ERP journey while looking towards the future.

This year's report reveals that the pre-purchase stage of the buyer journey is a positive experience for most manufacturers. But more crucially, manufacturers said they're looking for more support and better partnership, especially during the latter stages of the journey. That includes a dedicated team to support them throughout the process. They also want a partner with deep expertise, who can provide a solution curated for manufacturing and their specific business needs. The participants reported they require practical support for critical processes such as interoperability, integration, and data migration. And they want greater transparency and support and training that continues past go-live. Giving them the ability to successfully onboard staff and get the most from their solution. As the report reveals, if they are not getting all of this from their current ERP provider, they're ready to look elsewhere.

We think you'll find plenty of fascinating insights in this year's report. If there's one key take away, it's that businesses need an ERP partner committed to supporting them throughout every step of the journey.

With best wishes,

**Lisa Pope**

President, Epicor

## Who We Talked to in 2022

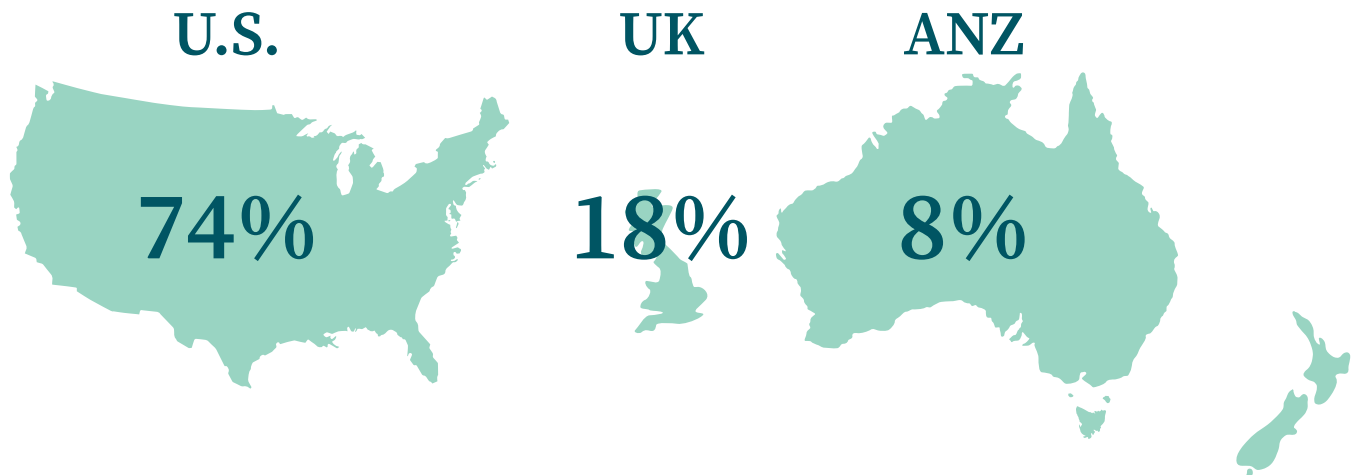
In early 2022, we contacted 630 manufacturing decision makers about their cloud ERP. We wanted to know how satisfied they are with their current situation, and what they would look for in a new solution. We talked about their customer journey, and how their experience could be improved at every stage—from first contact through evaluation, implementation, go-live, and ongoing support.

We researched manufacturing businesses across different geographies, and for all ERP deployment types, from cloud to hybrid and on-premises. Our results revealed the most up-to-date picture of where cloud-based ERP adoption is today, and where it needs to go tomorrow.

82%

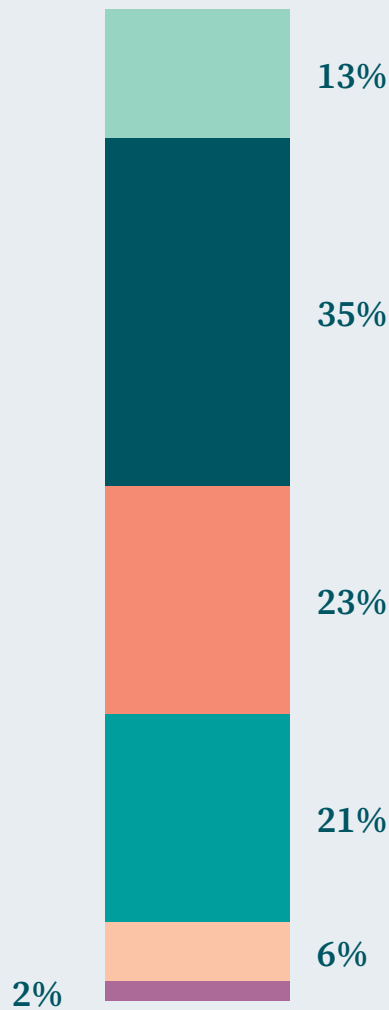
*of manufacturers have a hybrid ERP solution.*

### This year's research participants by geography



When we looked at participant ERP solution deployment type, the picture is largely unchanged from 2021. 93% of the businesses we contacted have some cloud-based solutions, with the vast majority of manufacturers operating a hybrid solution.

### Current Enterprise Resource Planning (ERP) Solution



- Entirely SaaS/cloud ERP
- Primarily SaaS/cloud ERP with some on-premises
- About evenly SaaS/cloud ERP and on-premises
- Primarily on-premises with some SaaS/cloud ERP
- Entirely on-premises
- Hosted off-site on a private server

**“We chose Epicor Kinetic [cloud ERP] because it’s easy to use, is customizable to meet the unique requirements of our different businesses, and also it made good financial sense. Unlike the other major vendors such as SAP, Microsoft, and Oracle, Epicor offers concurrent user licensing. Since our business spans the globe and time zones, this model was the most cost-effective.”**

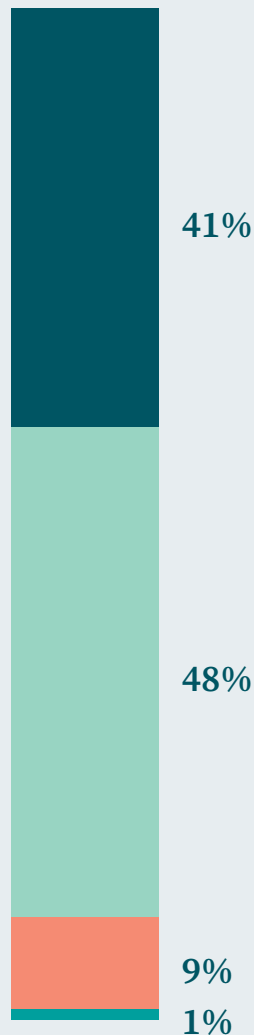
*Gilbert Sin, Chief Financial Controller | Techcomp*

# Businesses Feel Loyal Yet Still Reconsider Their Options

*90% of manufacturing businesses say they feel loyal to their current ERP provider.*

The research found that manufacturers are staying put—for now. Most businesses feel loyal to their current provider. Many of them moved to a cloud-based ERP solution recently, and they're appreciating the benefits. Yet while most feel no urgency to move to a new provider, that's only one part of the story.

## Loyalty to ERP Solution Provider



● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree

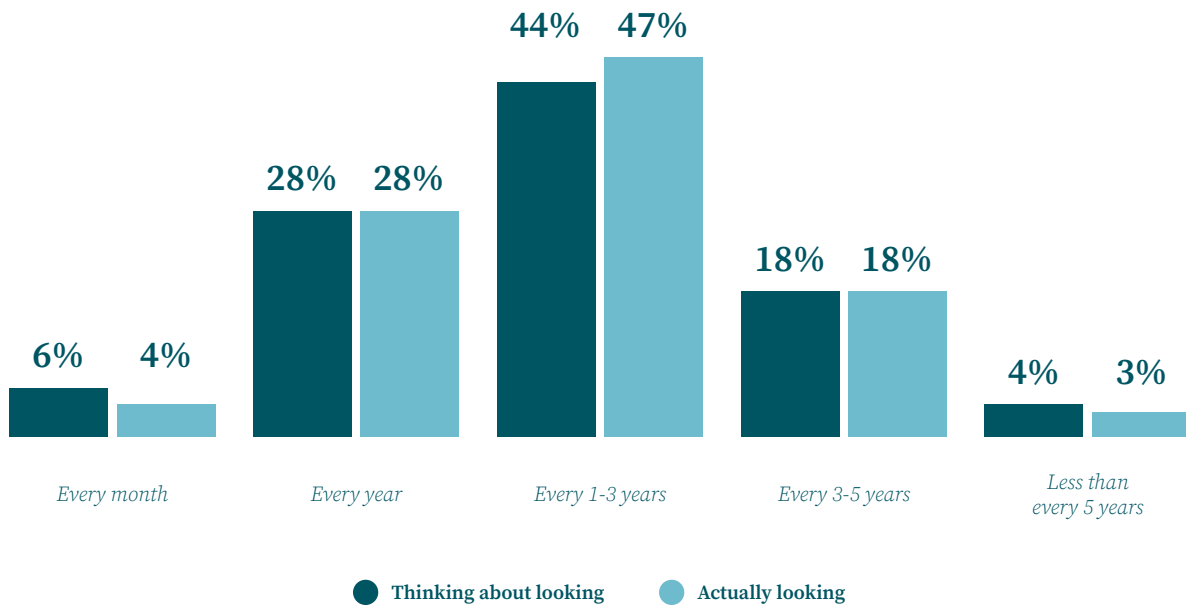


## UNDERSTANDING ERP CUSTOMERS

Most manufacturing decision makers say they actively consider moving to a new ERP solution every 1 to 3 years.

That's right—ERP providers shouldn't get too comfortable. The smartest manufacturers are always on the lookout for ways to improve their systems and boost their bottom line. They understand that cloud-based ERP is a fast-changing landscape. With rapid digital transformation delivering a proliferation of new technology, manufacturers know that new opportunities are always on the horizon.

### Frequency of Thinking vs. Actively Looking to Change ERP Solutions



**“... Epicor Kinetic [cloud ERP] was the right fit for us. It offered manufacturing expertise to handle complex processes, add-on functionality to grow with our business, and global capabilities.”**

*Vishal Barot, Chief Financial Officer | Mahansaria Group*

# Manufacturers Reconsider Their ERP Solution and Partner for Many Reasons

What makes manufacturers think about changing their ERP provider? The research shows a range of triggers that can encourage customers to contemplate switching.

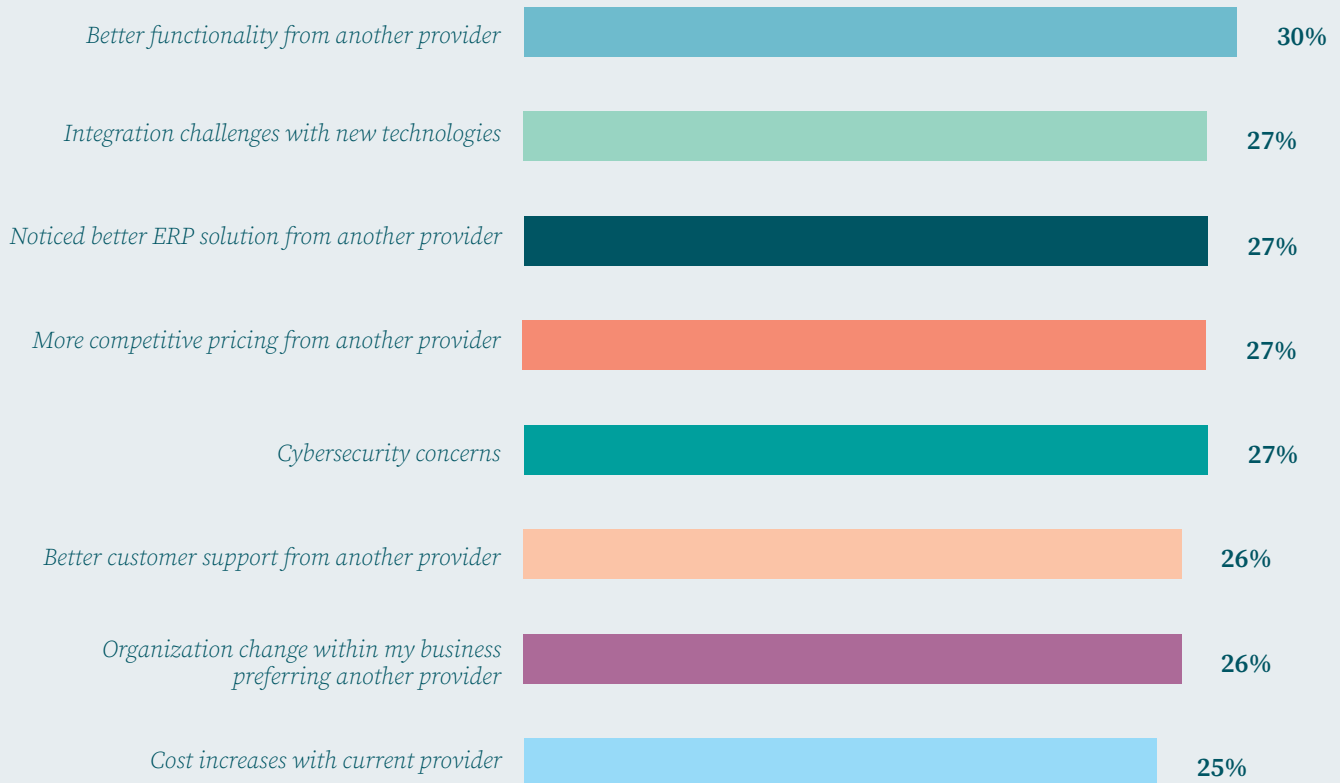
From seeing better functionality available elsewhere to discovering a potential solution that integrates rapidly emerging new technologies. Manufacturers can also feel frustrated with cost increases from their

current provider, or be tempted by more competitive pricing. Some manufacturers are searching for better ongoing support or looking for a partner that provides crucial cybersecurity protection.

While there's no single concern that stands above the rest, the general conclusion is clear: Manufacturers value support through every stage of their technology transformation.

**30%**  
*of businesses are looking for better functionality.*

## Top 8 Triggers for Re-Evaluating ERP Solution

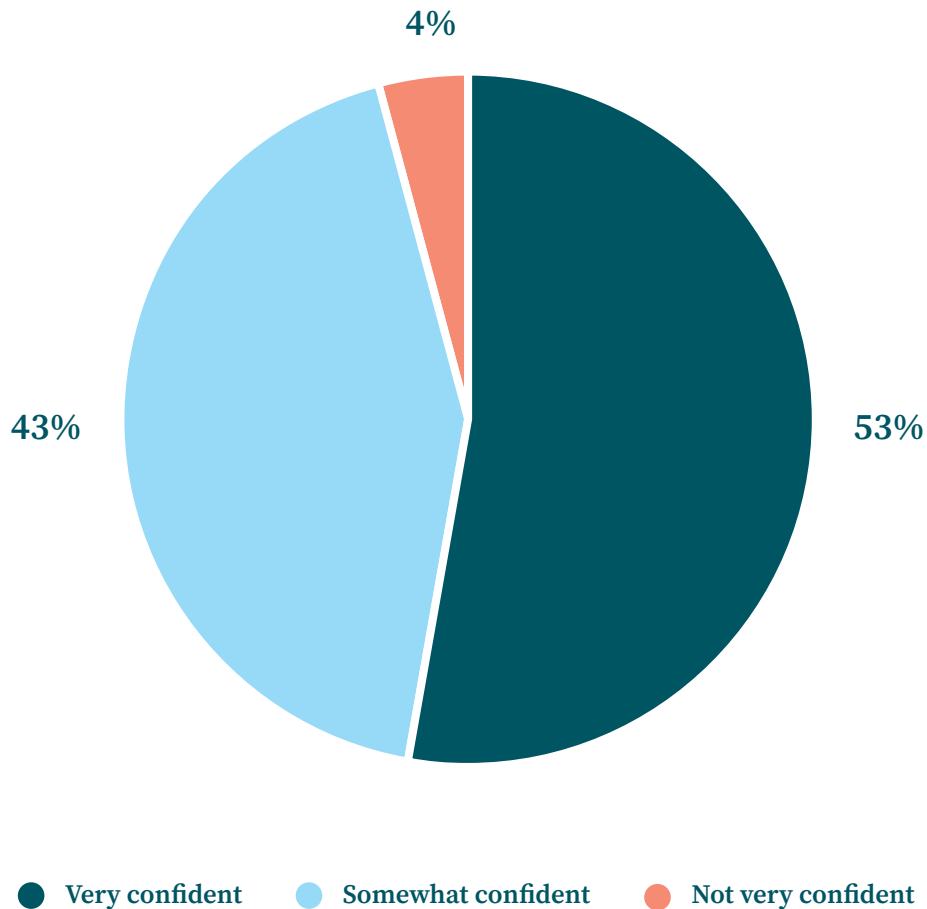


# Good Partnerships Deliver Business Confidence

*96% of manufacturers are confident in their ability to negotiate the purchase journey.*

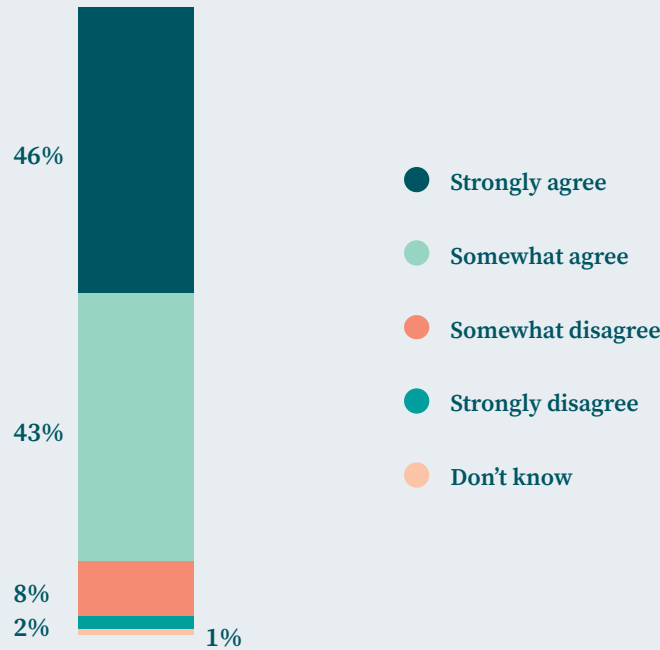
Nearly every customer feels confident navigating the ERP purchase journey. This confidence also remains consistent for different deployment types, whether cloud, hybrid, or on-premises.

Confidence in the ERP Purchasing Journey



The research revealed that 98% of manufacturers feel they are partners with their ERP provider—at least up to the go-live stage. This positively reflects customer support efforts from ERP providers up to the point of purchase. But notice the caveat, because it’s important—many manufacturers feel differently after the solution goes live. We’ll come to that shortly.

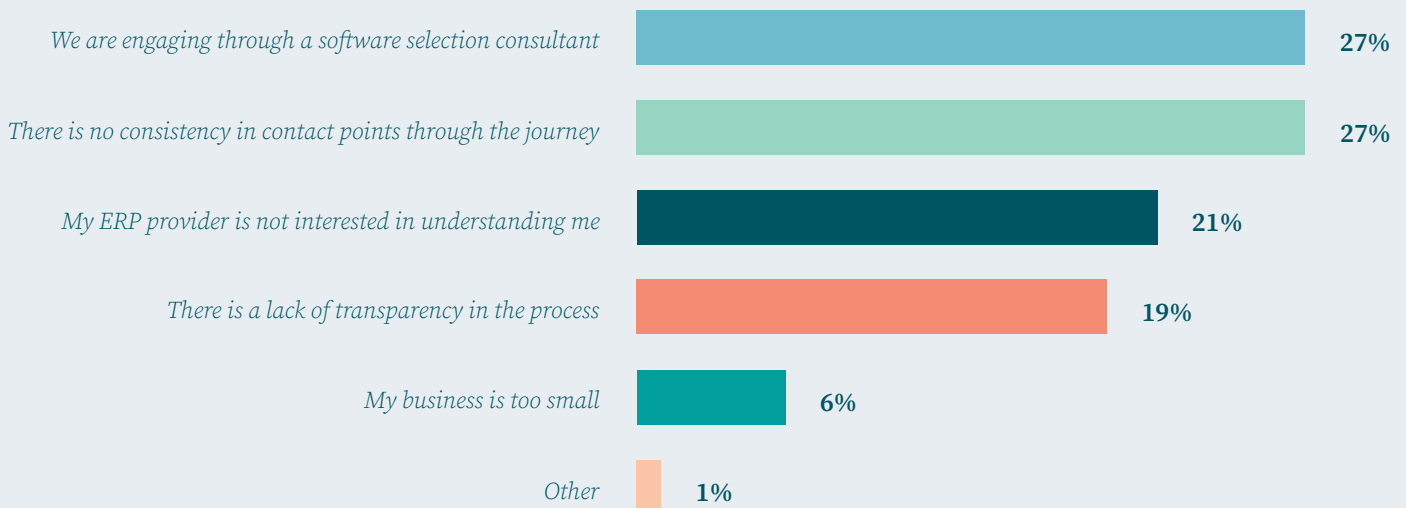
### Confidence in Initial Purchases to Go-Live



When we spoke to manufacturing decision makers who didn’t feel a sense of partnership, they cited a range of factors. The most common was the use of selection consultants, closely followed by an inconsistent point of contact. Clearly, for manufacturers using software selection consultants or intermediaries, they want them to go the extra mile to provide a consistent team that delivers dedicated partnership at every stage.

### Barriers to Partnership in the ERP Purchase Process

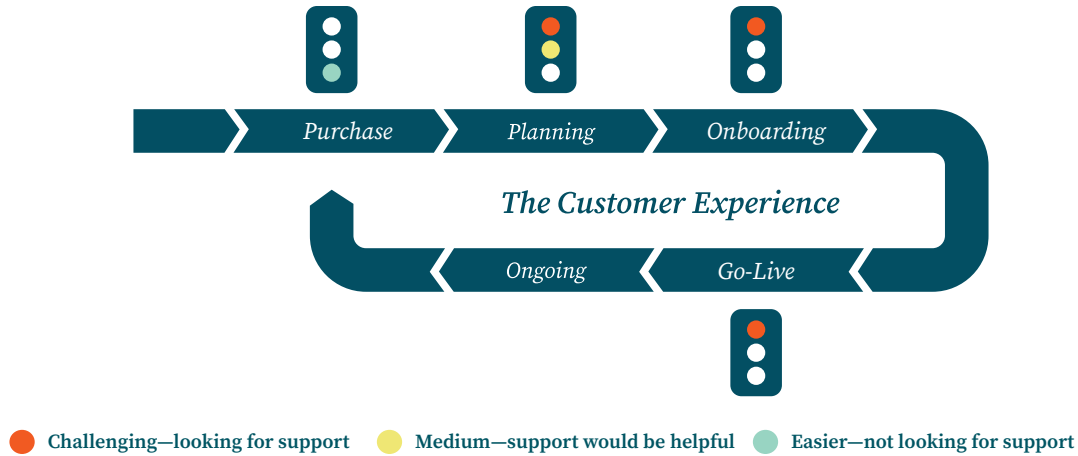
*Show of those who don't strongly agree they're a partner with their ERP throughout*



# Partnership is Crucial In The Latter Phases

*46% of manufacturers find the implementation stage difficult.*

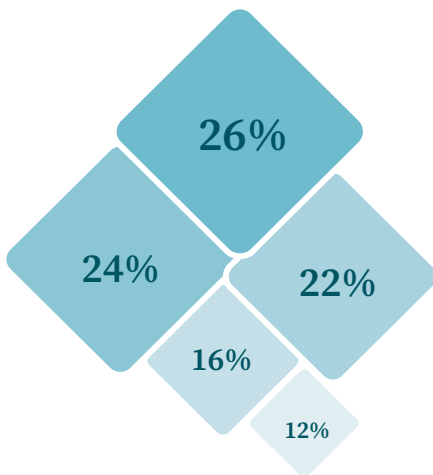
As the findings show, a strong sense of partnership helps most businesses feel confident in their ability to navigate the ERP purchase process. Yet looking at different stages of the journey provides a more nuanced picture. The research says that for many customers, difficulty increased as they progressed further along the path.



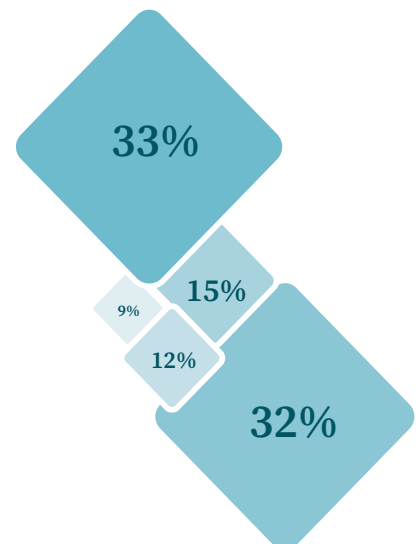
In fact, 46% of manufacturers found the implementation phase difficult, while 47% found it difficult once their ERP solution went live. Customers are clearly looking for more support and partnership during the crucial latter phases.

## The Ease and Difficulty of Each Phase of the ERP Purchase Journey

### The onboarding phase



### The go-live phase



**“The primary reason for choosing Epicor Kinetic [cloud ERP] was that the system not only meets current business needs but can flexibly scale as the business expands and changes. Epicor works on a building block approach that gives us the choice to easily add or enable modules as and when required.**

**Similarly, its concurrent licensing model enables us to operate our ERP system at a much lower cost, particularly when compared to our previous vendor.”**

*Mario Foster, Group Chief Information Officer | Al Naboodah Group Enterprises*

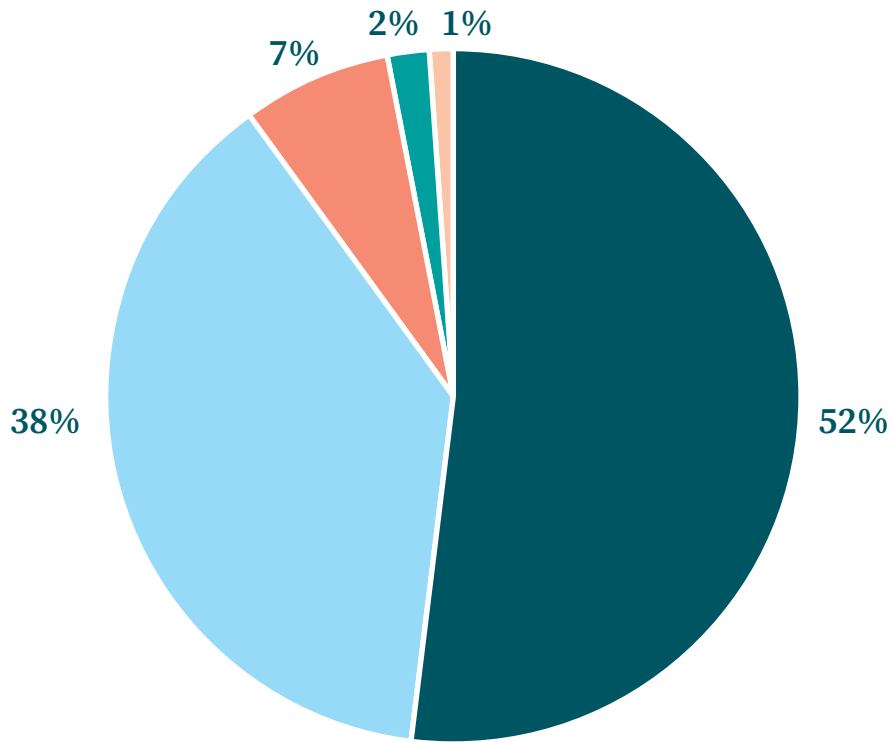
# Moving to Cloud is Worth the Effort

Cloud-based ERP is being rapidly adopted by manufacturers over the last few years, with the vast majority of businesses now convinced of its many benefits. In fact, 90% are comfortable with having cloud-based solutions.

That's because moving to cloud-based ERP is transformational for manufacturers. In the [2021 Industry Insights Report](#), businesses associated cloud ERP with growth and said it was crucial to their continuing success. Among the benefits, they value improved flexibility and adaptability, better security, simple regulatory compliance, and enhanced business resilience.

**90%**  
*of manufacturers are comfortable with having solutions in the cloud.*

Comfort With Cloud-Based Business Solutions



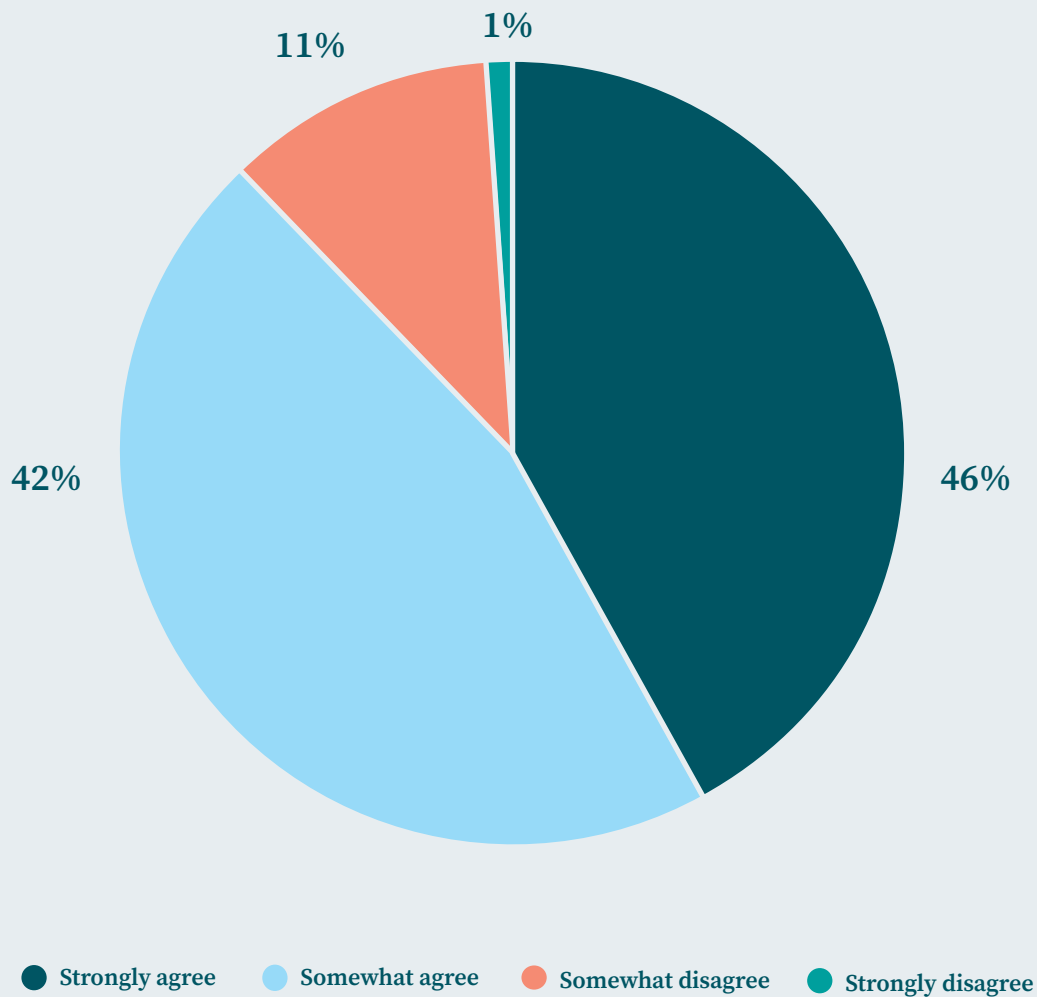
- Very comfortable
- Somewhat comfortable
- Neither comfortable nor uncomfortable
- Somewhat uncomfortable
- Very uncomfortable

# Migration is Still a Concern for Many

*88% of manufacturers see migration to cloud ERP as being disruptive.*

Although businesses are comfortable having ERP solutions in the cloud, many decision makers are concerned about business disruption during the migration process. 88% of them agreed, “there’s a great deal of business disruption when migrating.”

**Business Disruption When Migrating**





There are other concerns too, with customers across all deployment types identifying a range of perceived drawbacks when migrating to cloud. ERP buyers ranked security and integration in their top concerns.

**Drawbacks With Migrating to Cloud**  
*Showing % of a great deal and a fair amount*  
**Top 10 concerns for manufacturers**



Manufacturers expect their ERP partner to help them tackle these issues. In fact, we found that 71% of manufacturing businesses feel the responsibility to solve these challenges should sit fully or partly with their ERP provider. These concerns can be alleviated when you choose a partner that is laser focused on ensuring a safe, secure, and successful migration, as well as providing dedicated ongoing support after go-live.

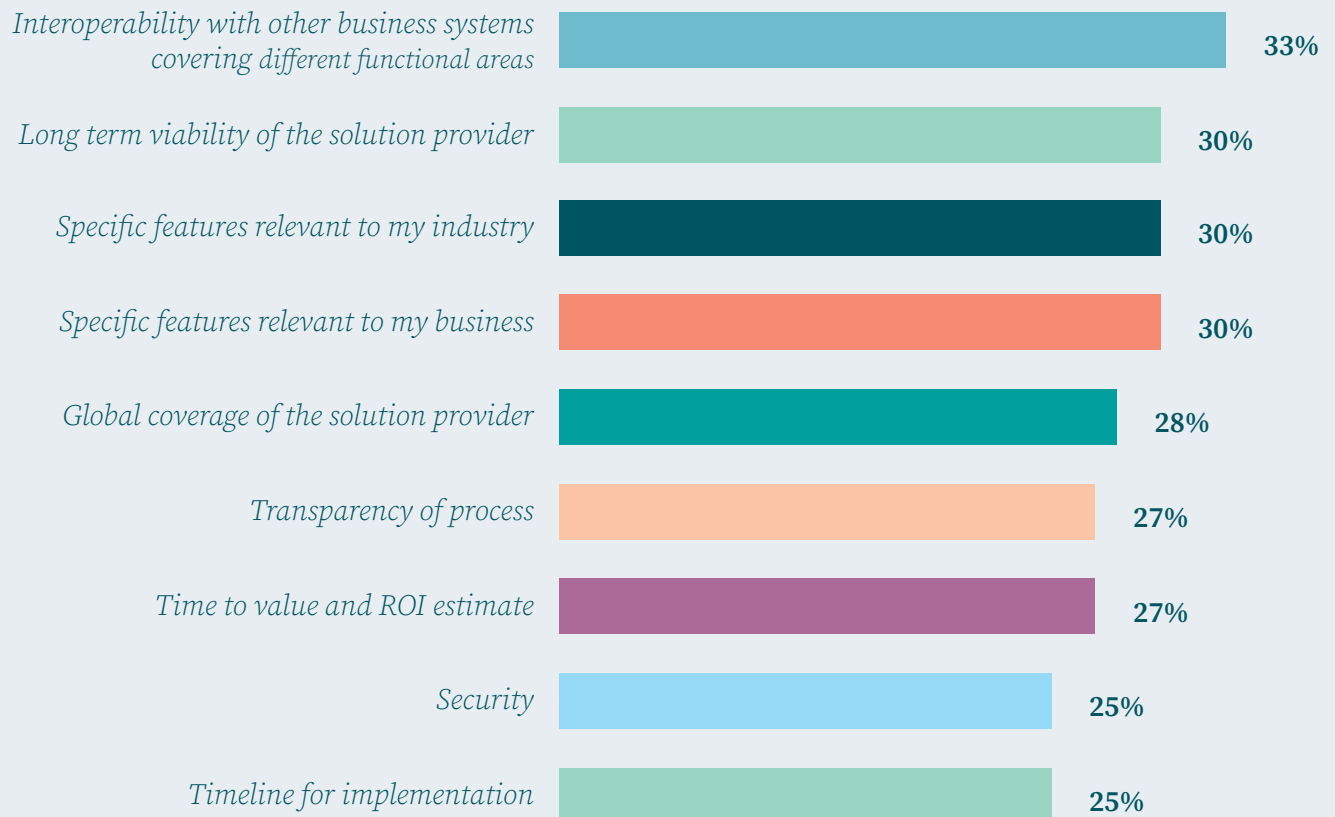
# What Customers Want From Their Partners

*Here's what manufacturers look for on their purchase journey.*

Business decision makers reported a range of areas they felt need addressing before they purchase cloud ERP. Interoperability was cited as the most crucial factor, followed by features specific to their business and industry.

## Areas to Address Before the Purchase of Cloud ERP Solutions

### *Top 9 areas*



**“Epicor assigned two consultants to work side-by-side with us, training our personnel, writing custom code, transferring the data, validating, and testing. The result was a transition that went as smoothly as I could have possibly imagined.”**

*Sean Simmons, President | Tuffaloy Products, Inc.*

# What Customers Want

*The report's collective insight shows a clear picture of what manufacturers expect from their ERP partner.*

1

## *Industry-Specific Knowledge and Guidance*

Manufacturers need to be confident that their ERP partner knows the industry and understands their business. They require guidance and solutions curated to fit specific needs, especially during the implementation and go-live phases.

2

## *Interoperability and Data Support*

For successful migration and integration, having a dedicated support team is a must-have. From supporting backup and data hygiene issues, to ensuring successful interoperability across applications, expert support delivers a better experience for manufacturers.

3

## *Staff Training and Materials*

Migrating to a new ERP solution can feel daunting, and it's essential that manufacturers get staff up to speed as quickly and seamlessly as possible. Businesses like yours need staff training and onboarding materials to help make the switch a successful and painless experience.

4

## *Greater Transparency*

Manufacturers seek transparency and clarity, especially during evaluation and planning. If there's a lack of transparency around pricing and security, or a lack of clarity around training during migration, it's a big concern for manufacturers.

5

## *Better Partnership*

Teamwork and partnership are crucial. Manufacturers need a consistent team that supports every stage. From initial contact, to on-the-ground support for go-live and beyond, they always want to feel like a priority.

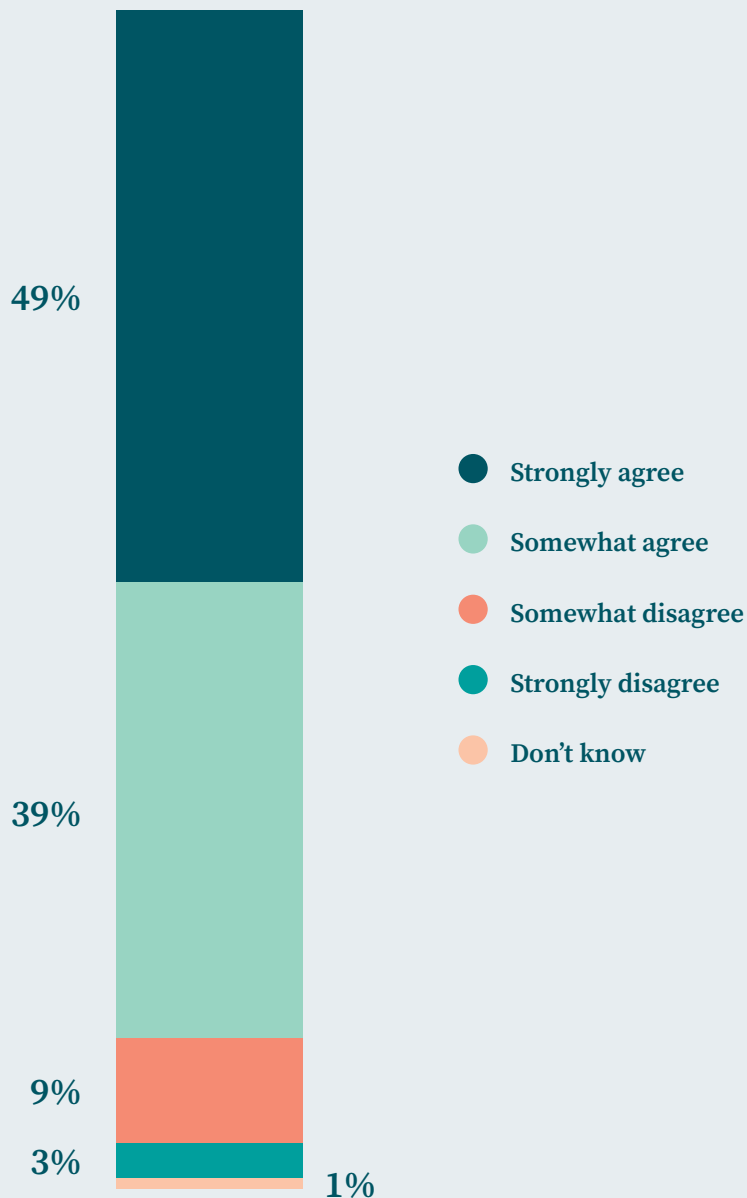
*Now let's look at some of these areas in more detail.*

# Deeper Industry Expertise Delivers More Specific Solutions

*94% of manufacturers think their ERP solution should be specific to their business.*

With myriad options to navigate, successful migration to cloud ERP requires dedicated support from genuine industry experts. 49% of manufacturers told us they need a partner with deep industry experience, who understands their specific needs, offers customer-driven products and innovation, and can guide them towards their ideal solution. Choosing the right partner is a critical decision for businesses.

## Importance of Industry Knowledge



## INDUSTRY KNOWLEDGE AND GUIDANCE

While the manufacturing industry has unique aspects, businesses also have nuances and specialties. It then follows that a company's ERP solution should be based not only on industry, but also on the specific needs of each business. The manufacturing decision makers we surveyed almost unanimously agreed on this point. In fact, 94% said they want their ERP solution to be specific to manufacturing, and the same number reported that their ERP solution should be specific to their business.

It's another area where customers want deeper industry knowledge from their ERP provider. With a knowledgeable cloud partner in place, manufacturers know their technology solution is better suited to them and designed to accelerate their ambitions within the industry.

### ERP Solutions Specific to Industry and Business

*"I want to feel that my ERP solution is specific to the industry my business is in."*



*"I want to feel that my ERP solution is specific to my business."*



● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree

**"Epicor service is simple and direct, allowing us to focus on our demanding operations more effectively and attentively."**

*Ake Karlson, Managing Director | SHL Healthcare*

# Industry Expertise is Essential at Every Stage

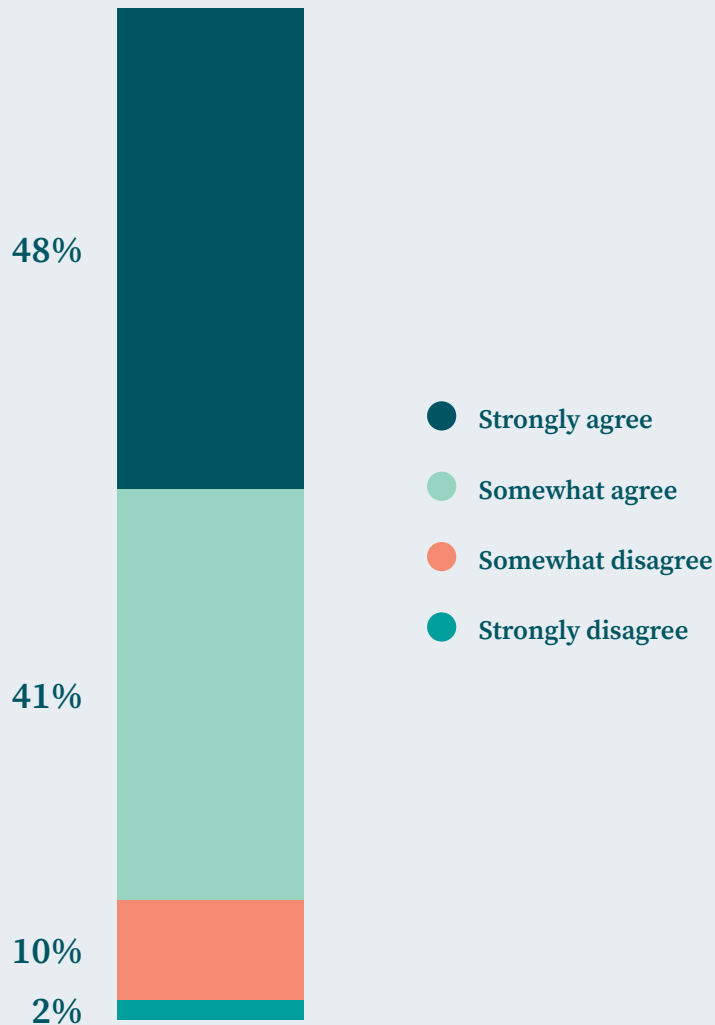
Switching an ERP solution is a major investment and preparation is fundamental. When considering a new cloud ERP solution, doing thorough research is imperative. We found a wide range of areas that customers want to address before purchase, and many of them relate

to industry knowledge capabilities. Whether looking for reassurance about interoperability, or features relevant to their specific industry and business, manufacturers need an ERP partner who knows the industry inside and out—and makes the effort to truly understand their business.

30%

*of manufacturers need to know about industry specific features before they purchase.*

## 89% of Manufacturers Say Sales Teams Understand Business Challenges

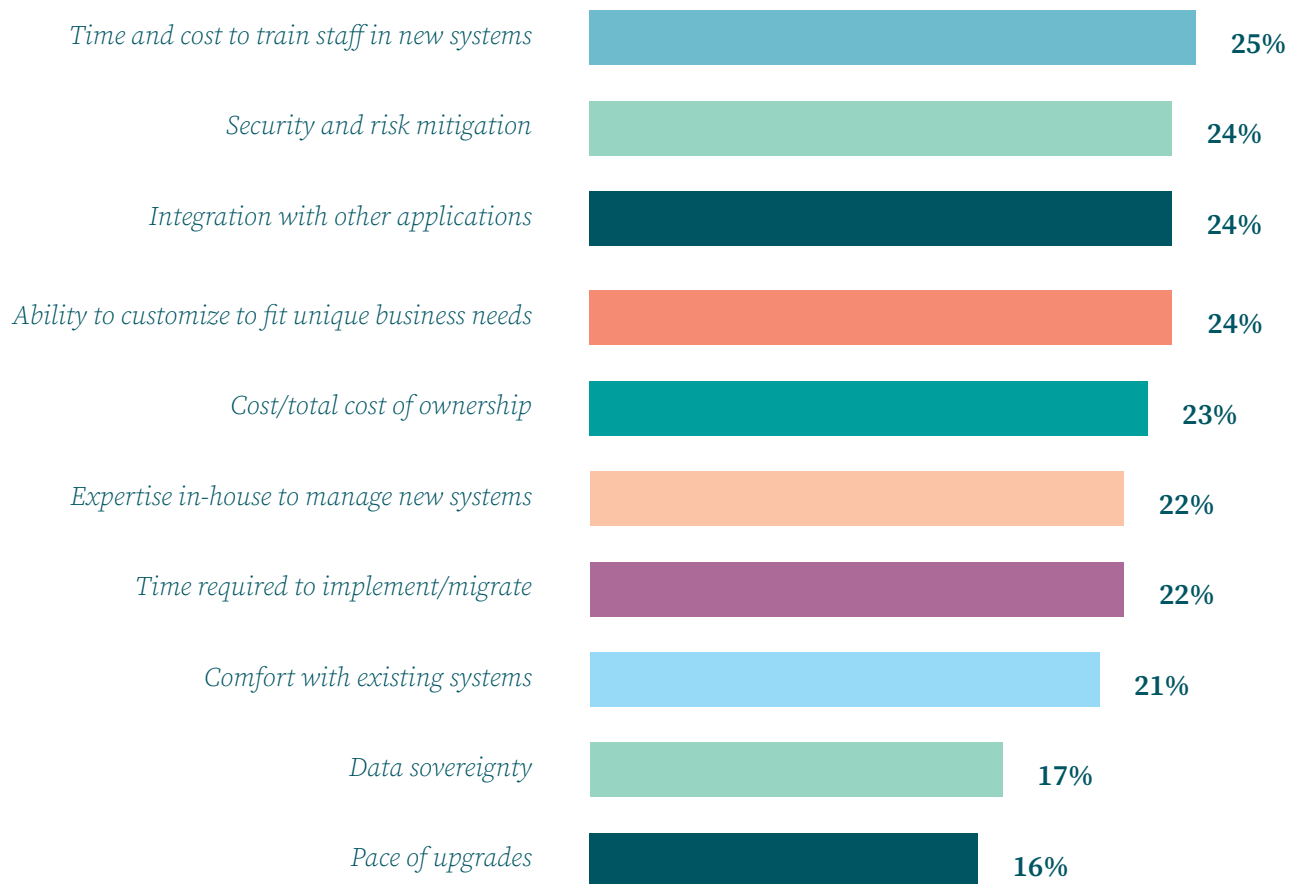


# Integrating Existing Functionality Is A Crucial Challenge

*24% said integration with other applications is their key onboarding challenge.*

With manufacturers using a large and ever-growing number of applications across their businesses, successful interoperability is crucial. They need to know that new cloud-based ERP solutions can work seamlessly with all their applications. In fact, 26% of manufacturers cited integration as their biggest onboarding concern.

## Top 10 Challenges of Onboarding Cloud Solutions



Manufacturers need access to data across many applications, so it's essential that they choose an ERP provider with integration capabilities that seamlessly connect their current business applications.

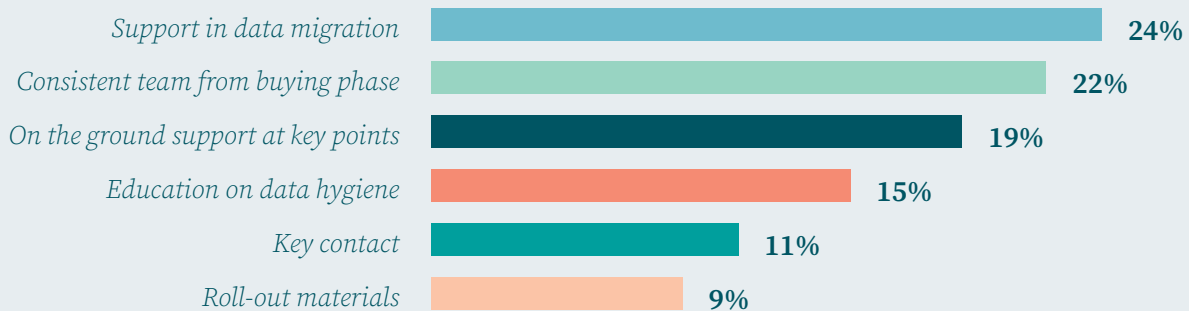
# Businesses Need Data Support During Migration

Data is at the heart of modern business. Today’s manufacturers generate huge amounts of information and rely on it to keep their business running smoothly and growing successfully. Migrating data that drives business decisions to the cloud might feel like unknown territory.

**24%**

*said data migration support would provide the most comfort during configuration and planning.*

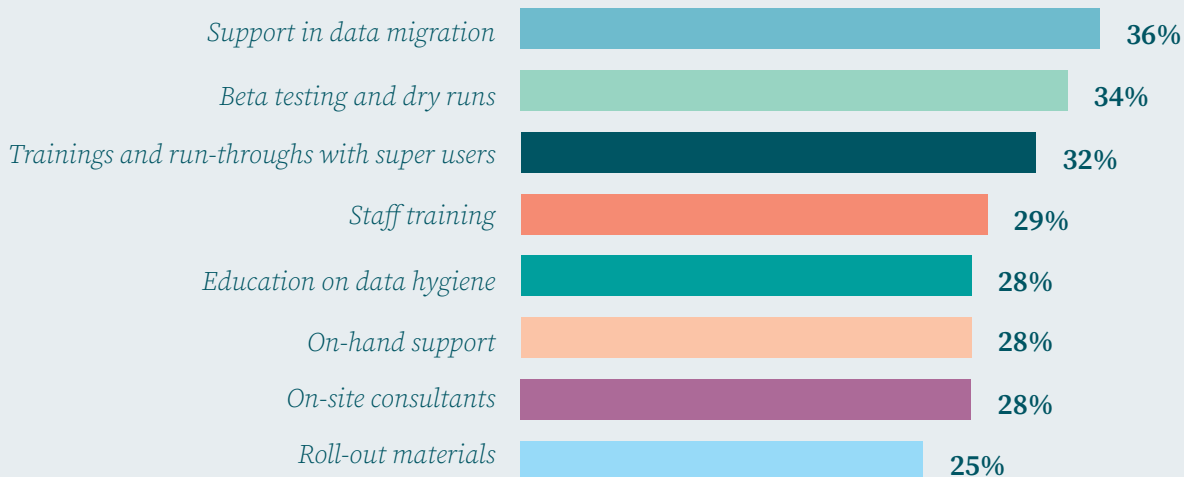
## Top 6 Areas That Increase Comfort in Configuration and Planning Phase



Interestingly, the need for data migration support is not only limited to the configuration and planning stages. 36% of manufacturing decision makers also chose it as the most useful support when onboarding and implementing their new ERP solution.

## Useful Supports When Onboarding ERP

### Top 8 areas of support



There’s a lesson here for decision makers: choose an ERP partner who takes your concerns about data migration seriously— through every phase of the journey.

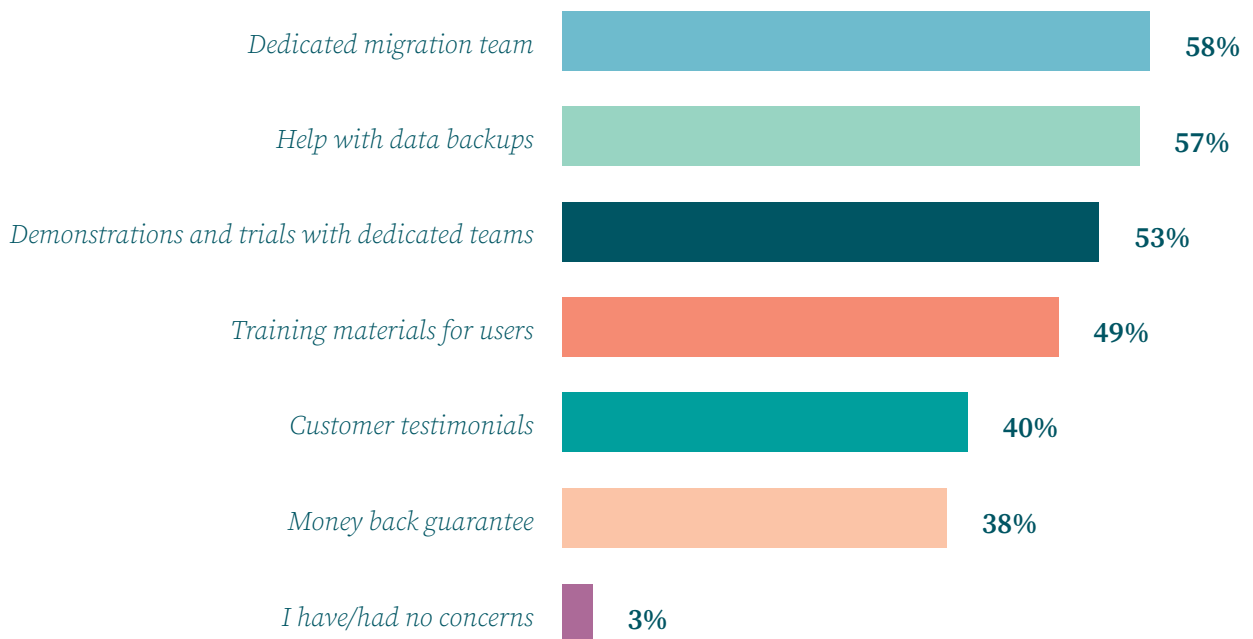


# A Dedicated Migration Team Is a Must-Have

*58% of businesses say having a dedicated migration team would ease their journey.*

Data support is a crucial component for manufacturers contemplating the move to cloud-based ERP. 58% of manufacturers want help with data backups during migration. Equally important is how they get that support; 58% of the businesses said that having a dedicated migration team would increase their comfort in the journey to cloud.

## Support That Increases Comfort in the Journey to Cloud



**“Epicor offered a great deal of support during the entire implementation phase, both on-site and online. It helped us develop and customize the solution to match our business needs, troubleshoot, and optimize the system.”**

*Tiefeng Guo, IT Director | OnOff Electric Company*

# Transparency is Crucial at Every Stage

Clarity delivers confidence. 97% of manufacturers agreed on the need for greater transparency. When asked which stage of the journey they feel transparency is most important, 34% said evaluation, while 33% cited the configuration and planning phase.

They indicated concern about a lack of transparency around pricing and security when evaluating an

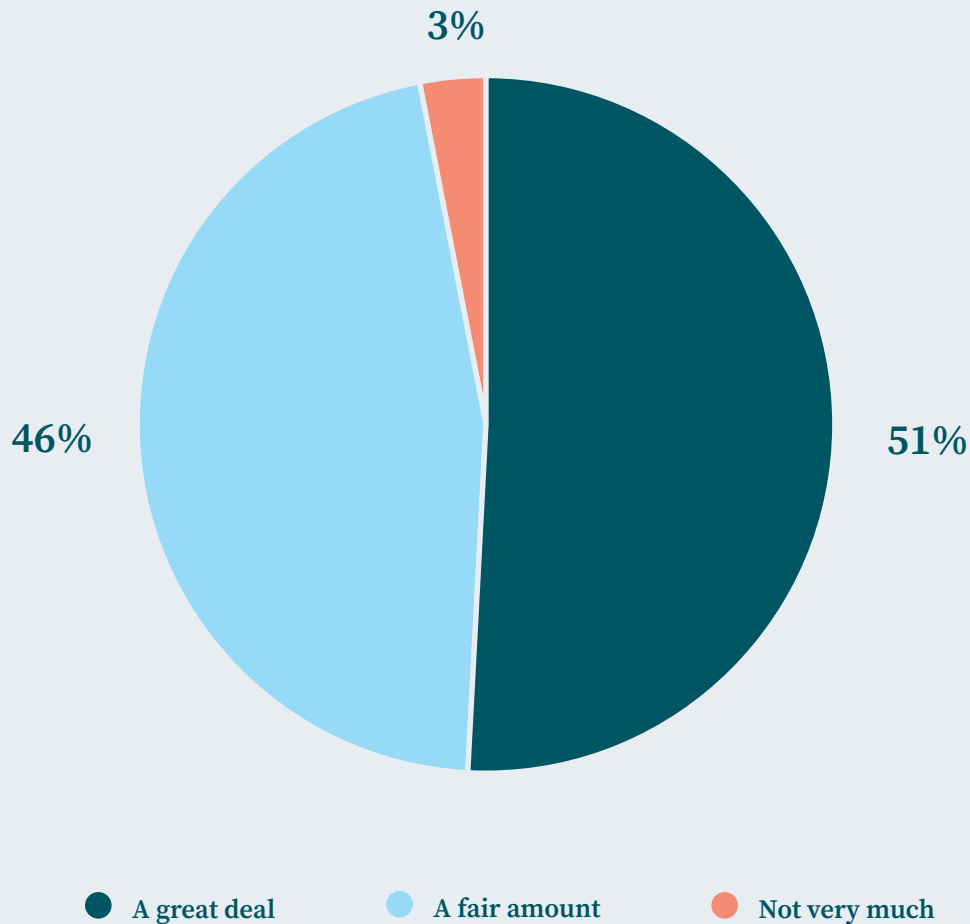
ERP provider's solution. And in the implementation phase, they worry about a lack of clarity around staff training during migration.

For manufacturers researching ERP providers, decision makers are looking for transparency on cost and security implications. And they want world-class training and support after the purchase through implementation.

97%

*say greater transparency would help them feel more confident in the journey.*

## Greater Transparency Increases Confidence in the Process



## With Better Training, Everyone Wins

*Staff training and run-throughs are perceived as useful supports during implementation.*

46% of manufacturers find the implementation stage difficult. When we asked what support would be most useful during implementation and onboarding, 32% said training and run-throughs with super users, while 29% said staff training. With 28% mentioning on-hand support, 28% citing on-site consultants, and 28% choosing education on data hygiene, the broader truth becomes more clear. Hardworking manufacturers need better training and support during the crucial implementation phase.

If employees are well-trained, they can reduce future challenges and the need for greater support further down the line.

# 32%

*said trainings and run-throughs  
during implementation would  
be most useful.*



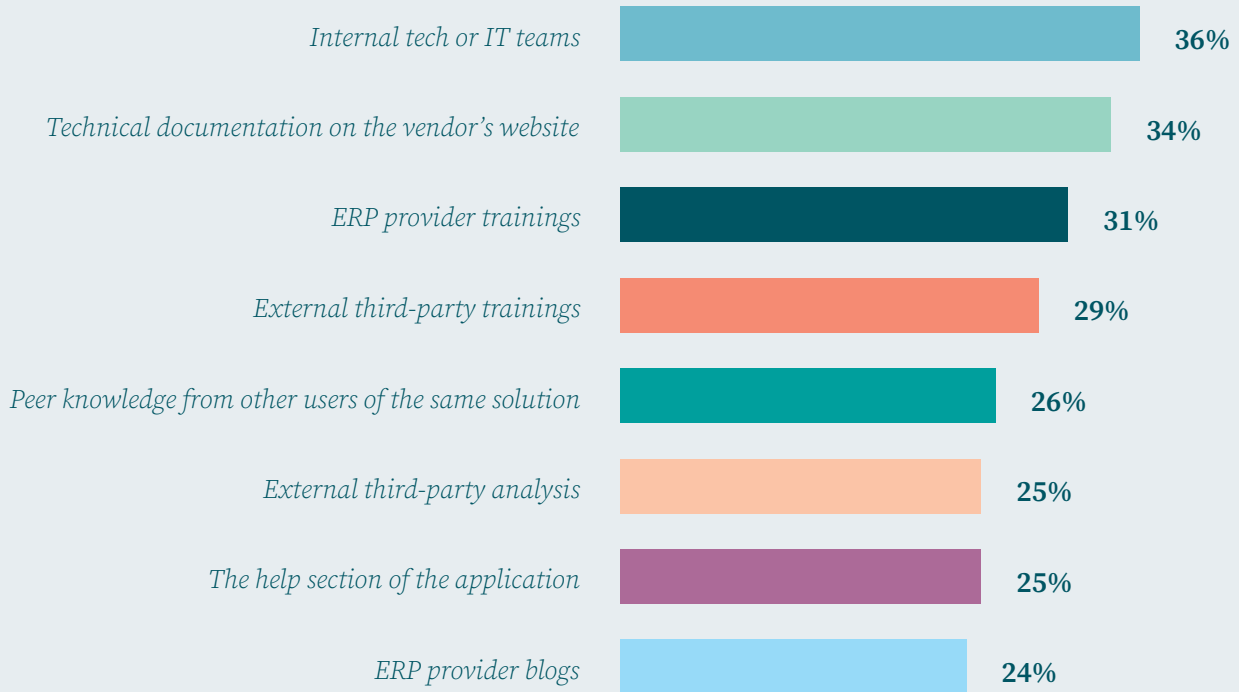
# Post Go-Live Training Materials are Essential

Even after ERP go-live, manufacturers need ongoing help. When we asked business decision makers where they look for support, they cited a range of sources. 36% cited internal tech or IT teams, while 34% mentioned technical documentation on their vendor’s website. Other useful sources of support included ERP provider training and blogs, and the application help section. Some even seek out peer knowledge from other users of the same solution.

Manufacturers that have post go-live support get more from their ERP solution and bolster partnerships and customer retention.

**34%**  
*of manufacturers look to technical documentation for ongoing support.*

## Top 8 Sources of Support When ERP is Live



# Customer Wish List for The Journey to Cloud

*This year's research underscores the importance that customers put on trusted relationships with their ERP providers. The findings indicate they want a partnership that delivers success across the entire journey.*

1

A consistent partnership through the purchase. Customers want consistency in the team supporting them from purchase through go-live.

---

2

Specific industry knowledge and guidance. Customers are looking for guidance, especially in the onboarding and go-live stages as well as industry knowledge to help them all the way through the journey.

---

3

Data support for multiple needs. Having a dedicated migration team was widely cited for help solving data backup issues, data hygiene, migration, and integrating apps.

---

4

Training materials and availability for staff training. They indicated that ERP training and materials from their ERP provider are a high priority to make the switch to cloud as painless as possible.

---

5

Greater transparency. Customers value transparency and clarity, and feel it's lacking—particularly in the evaluation and planning stages. This is linked to concerns about pricing, security, and overall training when migrating.

# Epicor Partnership: We're With You Every Step of the Way

*With expertise and support for every phase of your cloud ERP journey.*

Maximize your effectiveness across your journey to cloud, from purchase through the crucial latter phases—and long after your solution goes live. Epicor provides:

## *Industry Knowledge*

Deep knowledge and expertise. It's who we are. Our brand promise, "made with you, for you," emphasizes our commitment and focus on customers. We get to know you better than anyone else.

## *Data Support*

Migration data support is provided by a dedicated, single point of contact with online resources, chat, and by phone so you can quickly resolve issues and get back to business.

## *Seamless Interoperability*

We empower your workers with capabilities that help them effortlessly integrate and automate workflows between apps, data, and your Epicor platform. Automation Studio is an intelligent tool that features the power of machine learning. Users can act as citizen developers and integrators, saving time, eliminating manual tasks, and increasing productivity. We connect you to more than 1,000 external app connectors and transform the process of integration.

## *Transparency and Training*

You know that learning and ERP success go hand in hand. Unlock more value by developing skills and confidence that leads to deeper product adoption. Epicor Learning resources are fully integrated into every cloud ERP solution—and included in the price. There are training tools and support for role-specific tasks curated to individual learning paths. It's the foundation you need for users to stay productive and extend their knowledge.

## *A Better Partnership*

Your ERP journey doesn't end at purchase. In many ways, your go-live is just the beginning. We work with hardworking businesses to deliver operational efficiency, agility, and security with expert care and knowledge.

Epicor is the leading provider of industry productivity solutions for medium-sized businesses, and the trusted partner to 120,000 of the world's makers, movers, and sellers. We empower a world of better business.

**"Automation Studio is a game changer, we can use this tool to our advantage so we don't have write custom code, and will make upgrades so much easier."**

*Jose Gomez, Application Engineering Manager | Stephen Gould*

**“Epicor Kinetic [cloud ERP] has a more intuitive interface, which allows our skilled craftspeople on the shop floor, with varying levels of digital skills, to log data easily so they can focus on what they do best.”**

*Thea Larsen, IT Tech | Cannon Aircraft Interiors*

# GET TO KNOW EPICOR

*Talk to our experts today.*

*Find out how our leading industry productivity solutions offer a more valuable experience on your journey to cloud ERP—and beyond.*

***[Epicor.com/manufacturing](https://www.epicor.com/manufacturing)***

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