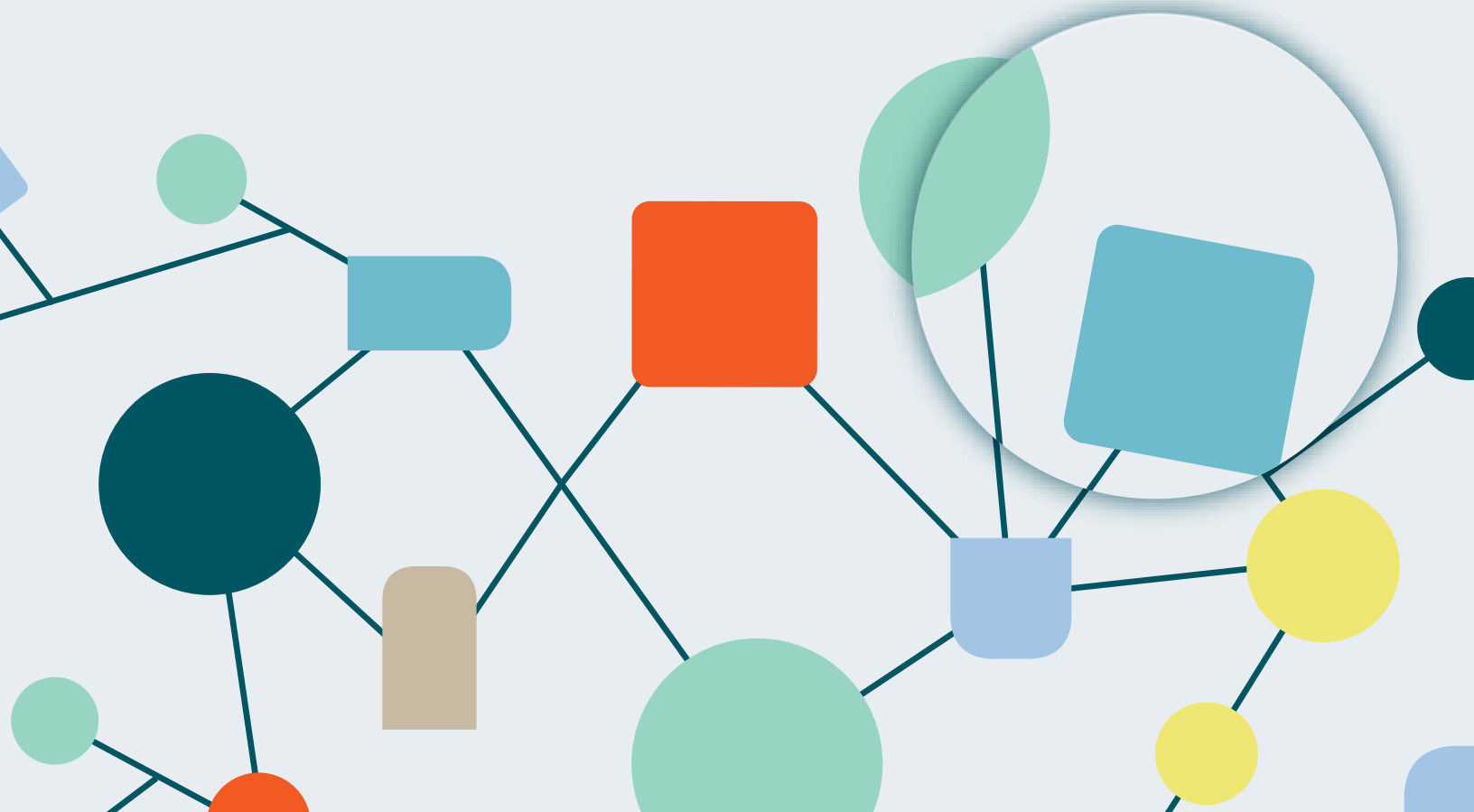


EPICOR

Industry Insights Report 2022

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





A Deeper Look Into the ERP Journey

With most businesses now running hybrid ERP, our Industry Insights Report reveals what hard-working companies really require from their partners and solutions.

At Epicor, we've built our reputation on knowing exactly what our customers need. We work hand-in-hand with them to better understand their businesses and industries, and deliver market-leading industry productivity solutions supported by successful and seamless customer experiences.

This year's Industry Insights Report digs deeper into the customer journey. We asked 1,350 technology decision makers how they feel about their ERP transition to cloud technology, what's important to them, and how their partners can accelerate value at every stage. It's packed with powerful findings about today's ERP landscape, and essential insights on preparing for the future of business.



Contents

04 Executive Summary

The biggest insights from this year's report.

07 Understanding ERP Customers

Discovering how they're always looking for a better solution.

10 The ERP Journey

Assessing why the biggest challenges often happen post purchase.

13 Easing the Move to Cloud

Revealing customers' major concerns and how ERP partners can help.

19 Industry Knowledge and Guidance

Exploring how deeper knowledge and specialty solutions are key.

22 Interoperability and Data Support

Unpacking the importance of integration and migration support.

26 Transparency and Training

Explaining how clarity and staff training are essential.

31 Conclusion

Customer wish list for the journey to the cloud.

32 About Epicor

34 Get in Touch



Why Every Stage is Crucial in the Journey to Cloud ERP

LISA POPE, EPICOR PRESIDENT

The last two years saw unprecedented challenges for hard-working businesses. 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 the vastly transformed business landscape now fully in focus, it's clear that switching to cloud-based ERP helped thousands of businesses face challenges and come out stronger. So, now's the perfect time to take stock of the ERP journey while looking towards the future.

What does this year's report reveal? One significant finding is the difference between the beginning and later stages of working on digital transformation projects with software providers. The research revealed the pre-purchase stage of the buyer journey is a positive experience for most businesses. But more crucially, customers said they're looking for more support and better partnership with providers, especially during the latter stages of the journey. Customers want a dedicated team to support them throughout the process. They also want a partner with deep expertise, who can provide a solution curated to their industry and the needs of their business. They require practical support for critical processes such as interoperability, integration, and data migration. Businesses are also looking for greater transparency. And they want support and training that continues past the go-live stage, helping them successfully onboard staff and get the most from their solution. As the report shows, if they don't get all 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

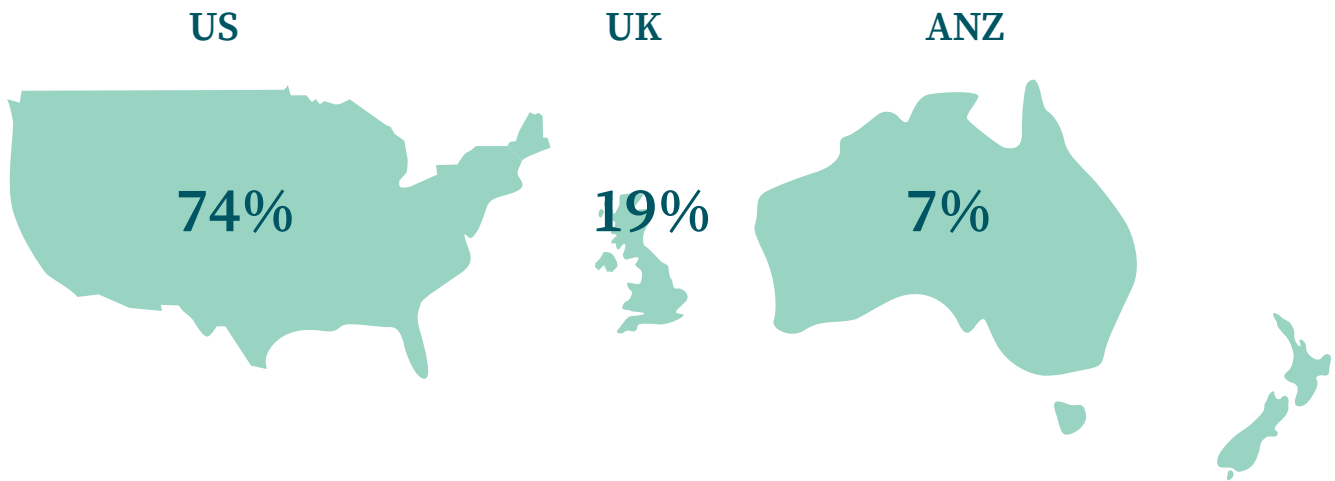
In early 2022 we asked 1,350 technology decision makers about their cloud ERP. We wanted to know how satisfied they are with their current situation, and what they would look for in a new solution. We talked about their ERP journey as customers, and how their experience could be improved at every stage—from first contact through evaluation, onboarding, go-live, and ongoing support.

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

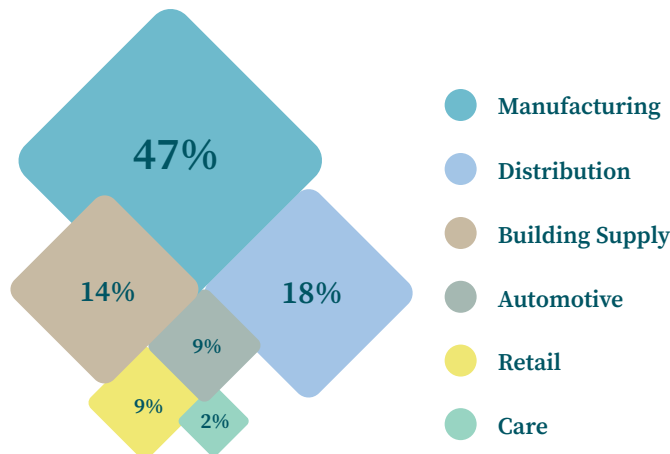
81%
of businesses have a hybrid ERP solution.

This year's research participants:

By Geography

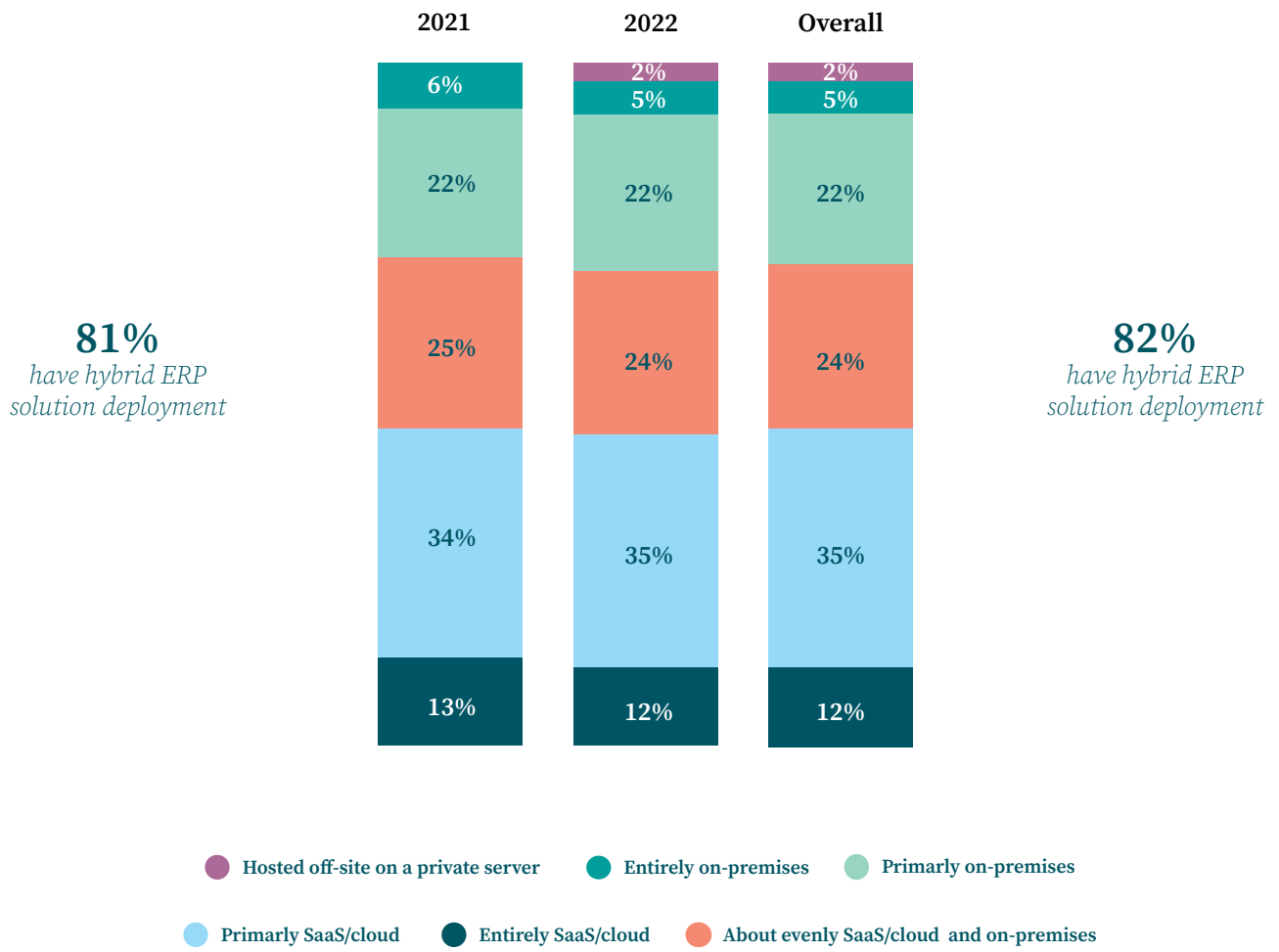


By Industry



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

Current Enterprise Resource Planning (ERP) Solution

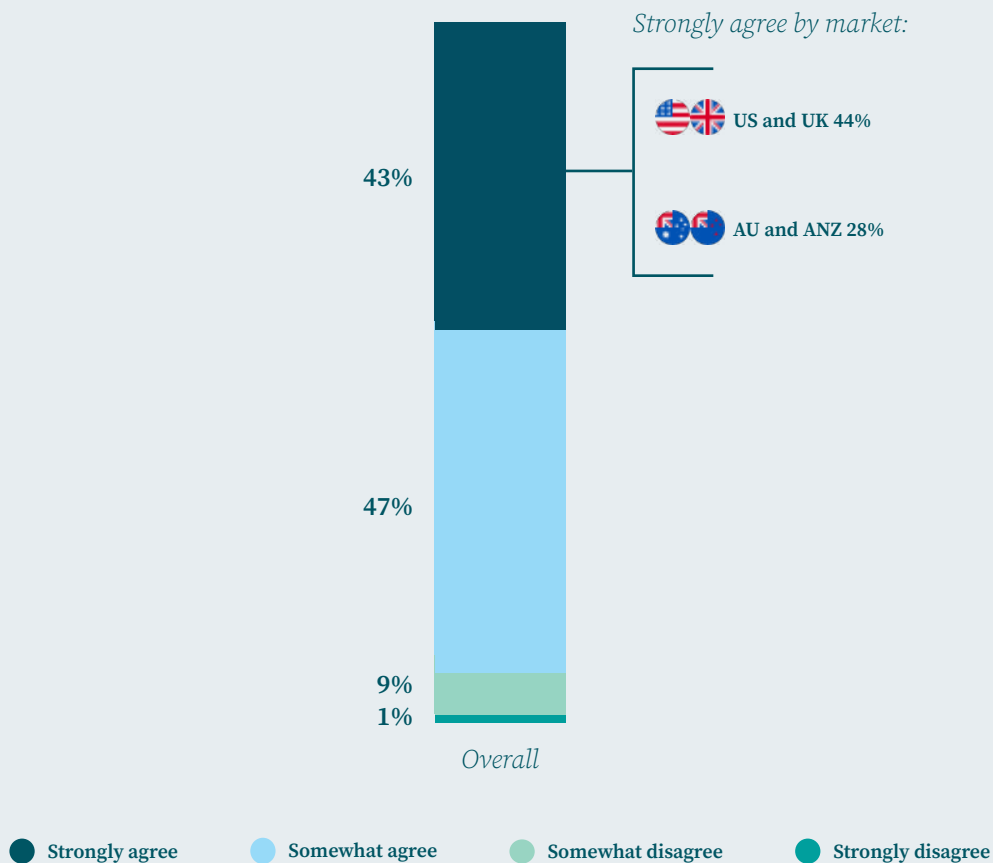


Businesses Feel Loyal Yet Still Reconsider Their Options

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

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

Loyalty to ERP Solution Provider

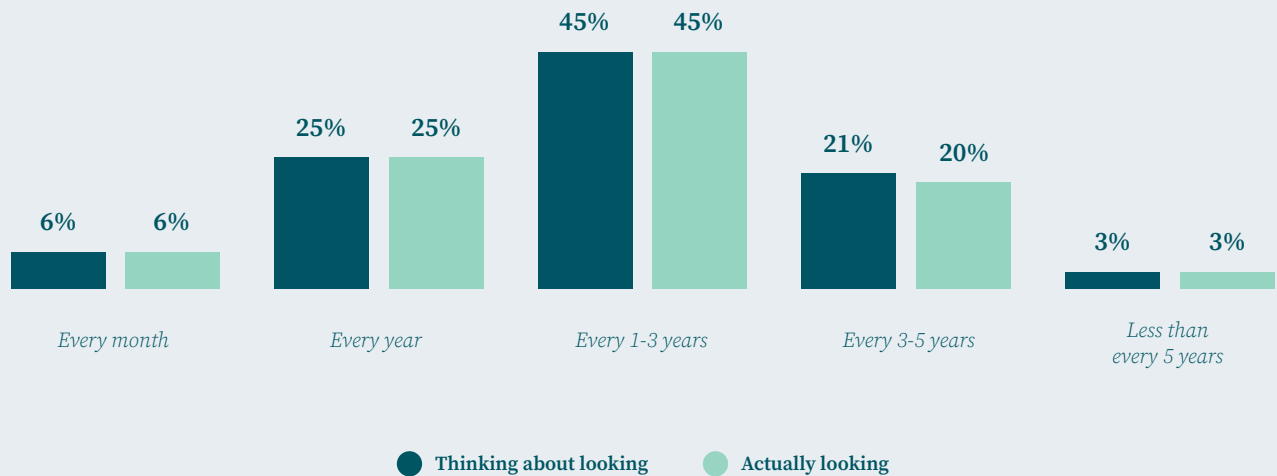


UNDERSTANDING ERP CUSTOMERS

The smartest customers 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, businesses know that new opportunities are always on the horizon.

With that in mind, most decision makers say they actively consider moving to a new ERP solution every 1 to 3 years.

Frequency of Thinking vs. Actively Looking to Change ERP Solutions



“The further we got into the assessment, the clearer it became that Epicor ... 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

Customers Reconsider Their ERP Solution And Partner for Many Reasons

What makes businesses think about changing their ERP provider? The research showed 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. Customers also can feel frustrated with cost increases from their current provider or be tempted by more competitive pricing.

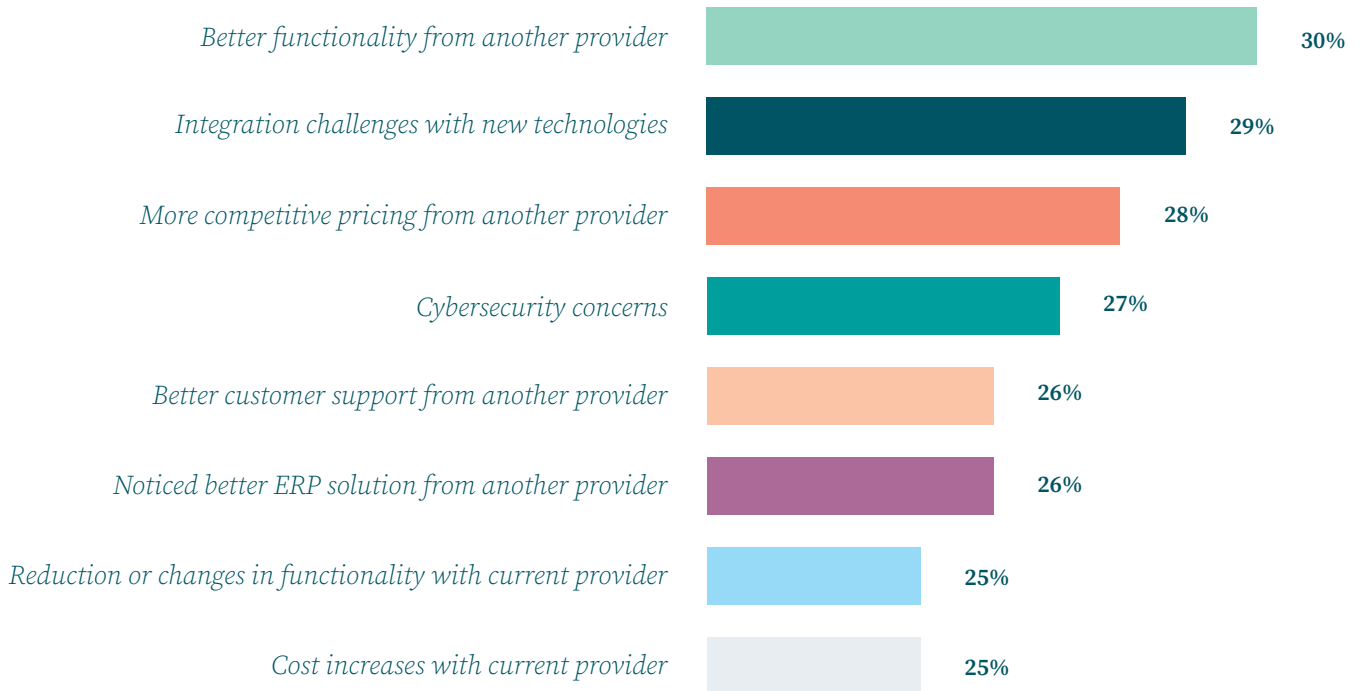
Some businesses are searching for better ongoing support or looking for a partner that provides crucial cybersecurity protection.

While there’s no single concern that stands above the rest, the general conclusion is clear: ERP providers can’t afford to take their customers’ loyalty for granted, because customers value support through every stage of their technology transformation.

30%
of businesses are looking for better functionality.

Top Triggers for Re-Evaluating ERP Solution

Top 8 triggers

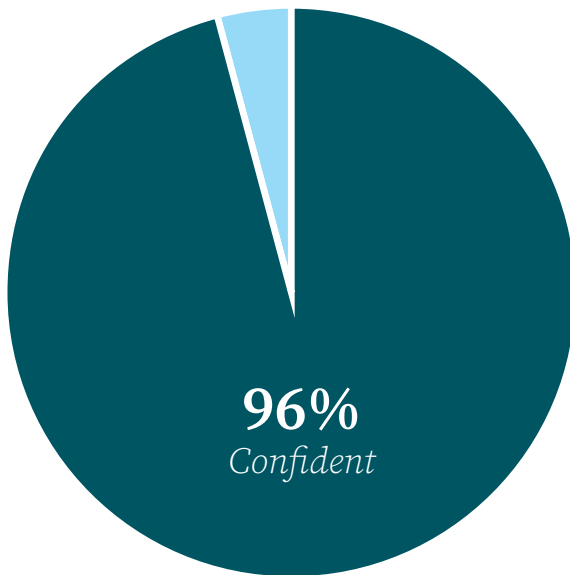


Good Partnerships Deliver Business Confidence

96% of customers are confident in their ability to navigate the purchase journey.

Almost every customer reported they feel confident successfully navigating the ERP purchase journey. It's a good sign for the ERP industry. Confidence also remains consistent for different deployment types and across the five industries surveyed.

Confidence in the ERP Purchasing Journey *Showing % very confident and somewhat confident*



Confidence by deployment

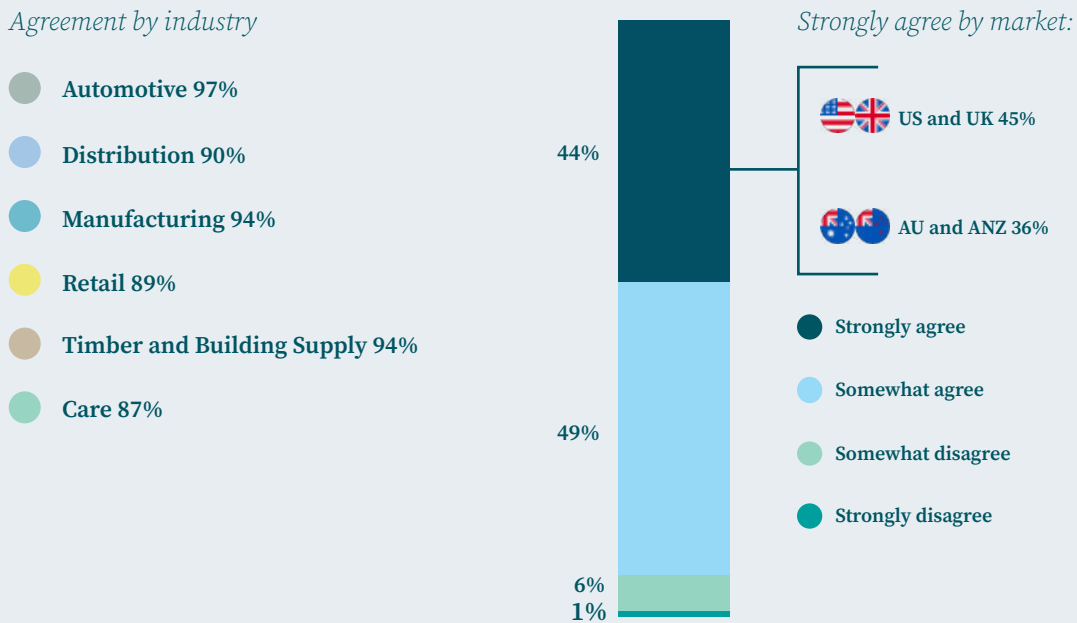
- Business mostly or all on cloud: 97%
- Business evenly on cloud and on-premises: 95%
- Business mostly or all on-premises or off-site: 95%

Confidence by industry

- Automotive 98%
- Distribution 96%
- Manufacturing 96%
- Retail 98%
- Timber and Building Supply 97%
- Care 87%

Research revealed that 93% of customers agreed they feel like partners with their ERP provider—at least up to the go-live stage. For providers, it’s a positive result that reflects the effort many put into supporting their customers up to the point of purchase. But notice the caveat, because it’s important—many businesses feel differently after the solution goes live. We’ll come to that shortly.

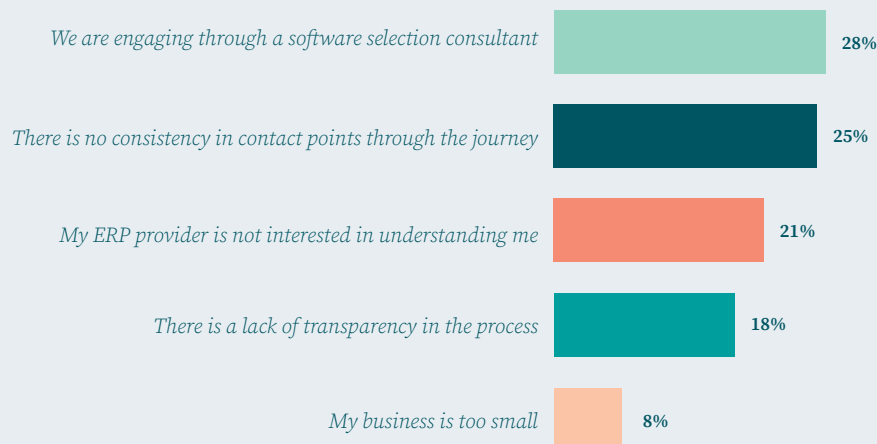
Agreement in Feeling like Partners with ERP Provider *Showing % strongly agree and somewhat agree*



When we spoke to industry 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. For businesses using software selection consultants or intermediaries, customers want them to go the extra mile. And they want a consistent team that delivers dedicated partnership at every stage.

Barriers to Partnership With ERP Providers

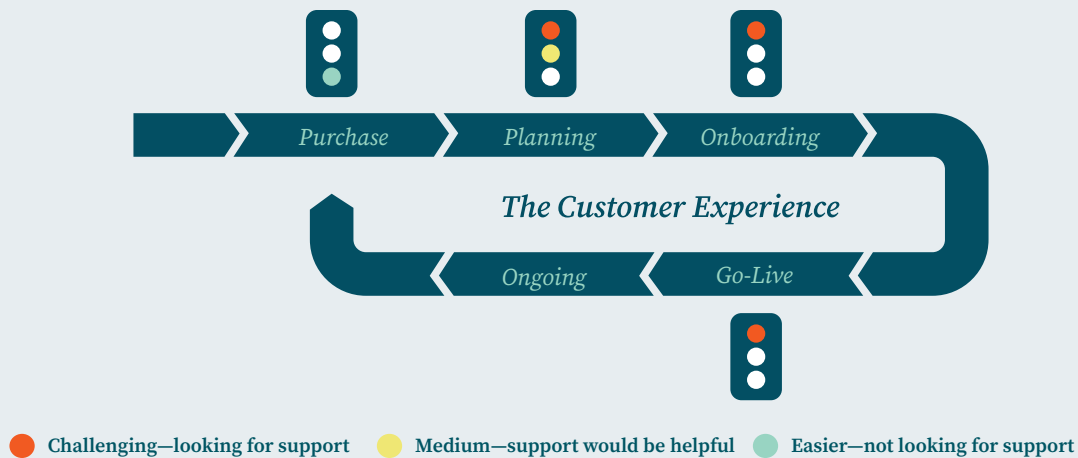
Show of those who don’t strongly agree that they are a partner with their ERP throughout



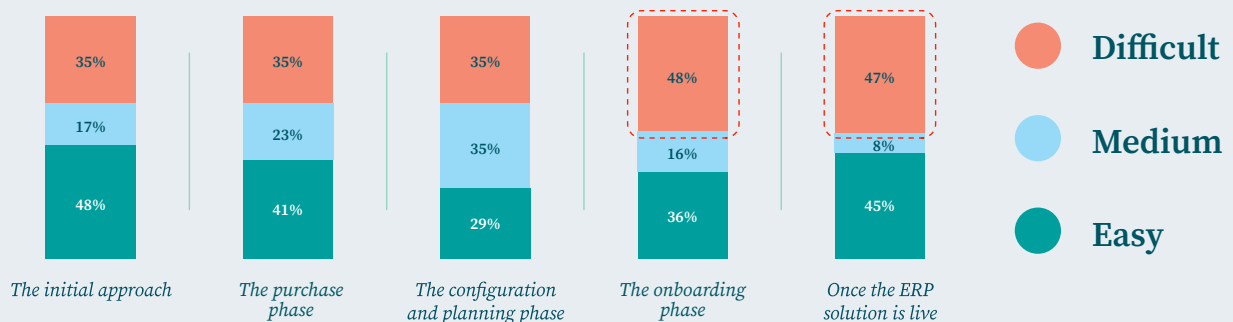
Partnership is Crucial In The Latter Phases

48% of customers 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.



Ease and Difficulty of the ERP Purchase Journey



In fact, 48% of customers found the onboarding phase difficult, while 47% found it difficult once their ERP solution went live. Customers are looking for more support and partnership during the crucial latter phases.

Moving to Cloud Is Worth the Effort

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

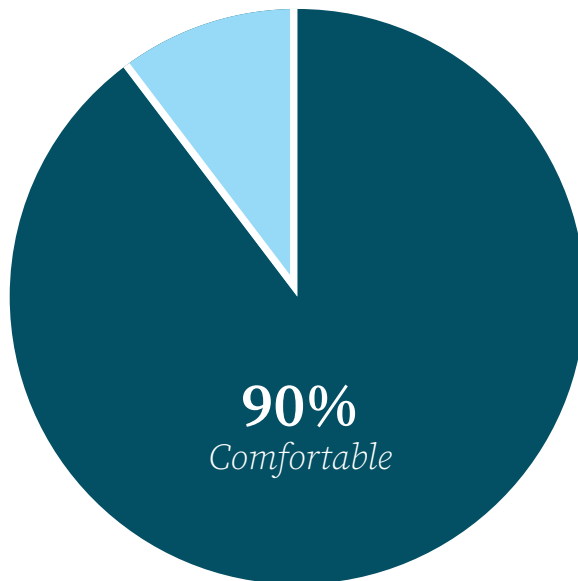
That's because moving to cloud-based ERP is transformational for

most companies. 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 customers are comfortable with having solutions in the cloud.

Comfort With Cloud-Based Business Solutions Showing % very comfortable and somewhat comfortable



Comfort by IT solution

- Business mostly or all on cloud: 93%
- Business evenly on cloud and on-premises: 89%
- Business mostly or all on-premises or off-site: 84%

“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.”

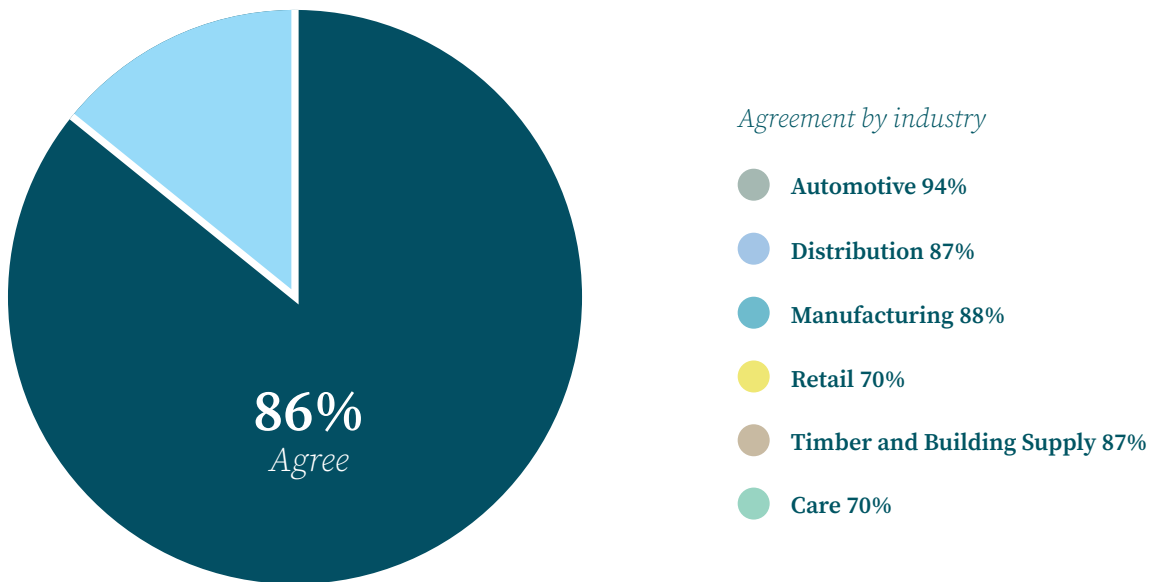
Mario Foster, Group Chief Information Officer | Al Naboodah Group Enterprises

Migration is Still a Concern for Many

86% of businesses see the migration to cloud ERP as being disruptive.

Although businesses are comfortable having ERP solutions on the cloud, many decision makers are concerned about business disruption during the migration process. 86% of those we surveyed in 2022 said that there's a great deal of business disruption when migrating.

Business Disruption When Migrating: *Showing % strongly agree and somewhat agree*



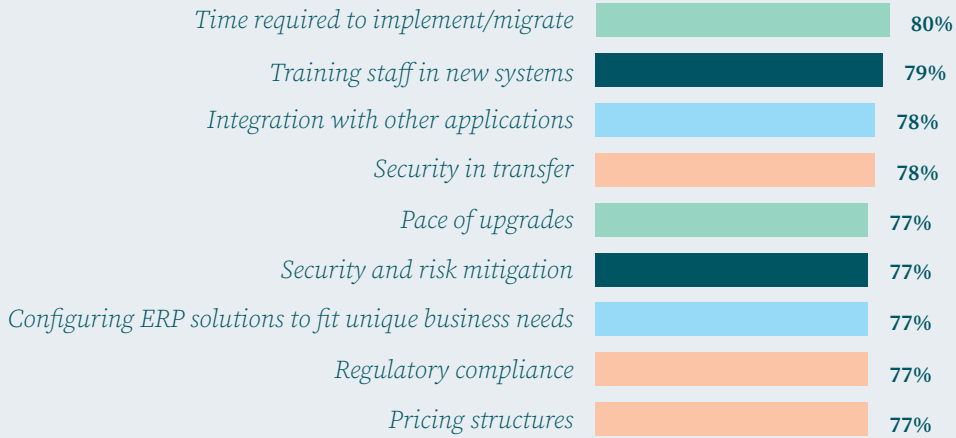
“... We not only have a very rich solution for both plant operations and corporate, but we also have the backing of an entire Epicor cloud infrastructure, which makes us very comfortable about the availability and security of our cloud ERP system. It also allows us to be automatically current on the latest software updates without needing to plan and spend our budgets on upgrades every year.”

Jose Manuel Ibarra, Operations Manager | Sheló NABEL

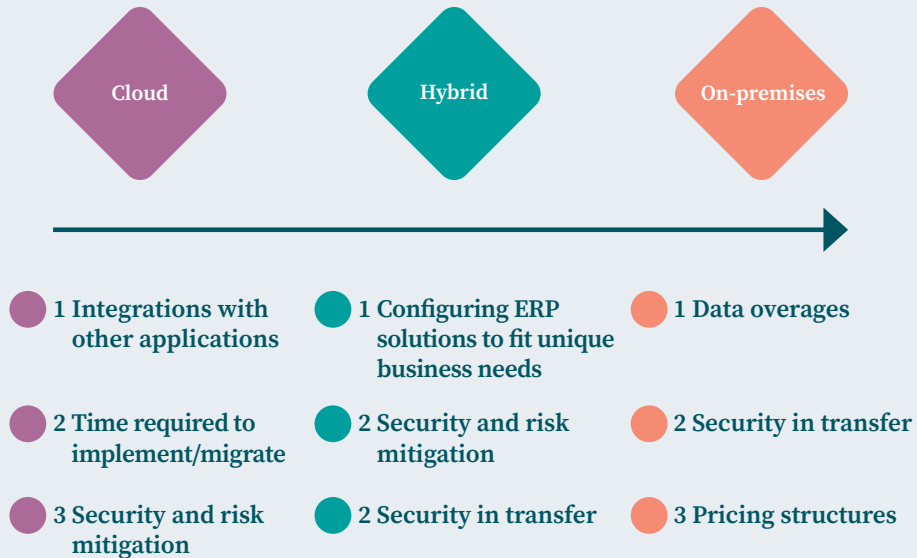
Customers also identified some drawbacks when migrating to cloud. 78% of them are worried about successful integration with other applications, while 78% are also worried about security during the migration process.

Drawbacks with Migrating to Cloud
Showing % a great deal and a fair amount

Top 8 concerns



Top 3 concerns by deployment



Customers expect their ERP partner to help them tackle these issues. In fact, we found that 71% of businesses feel that the responsibility to solve these challenges should sit fully or partly with the ERP provider. Evidently these concerns can be alleviated by choosing a partner that is laser focused on helping ensure a safe, secure, and successful migration, as well as dedicated ongoing support after the solution goes live.

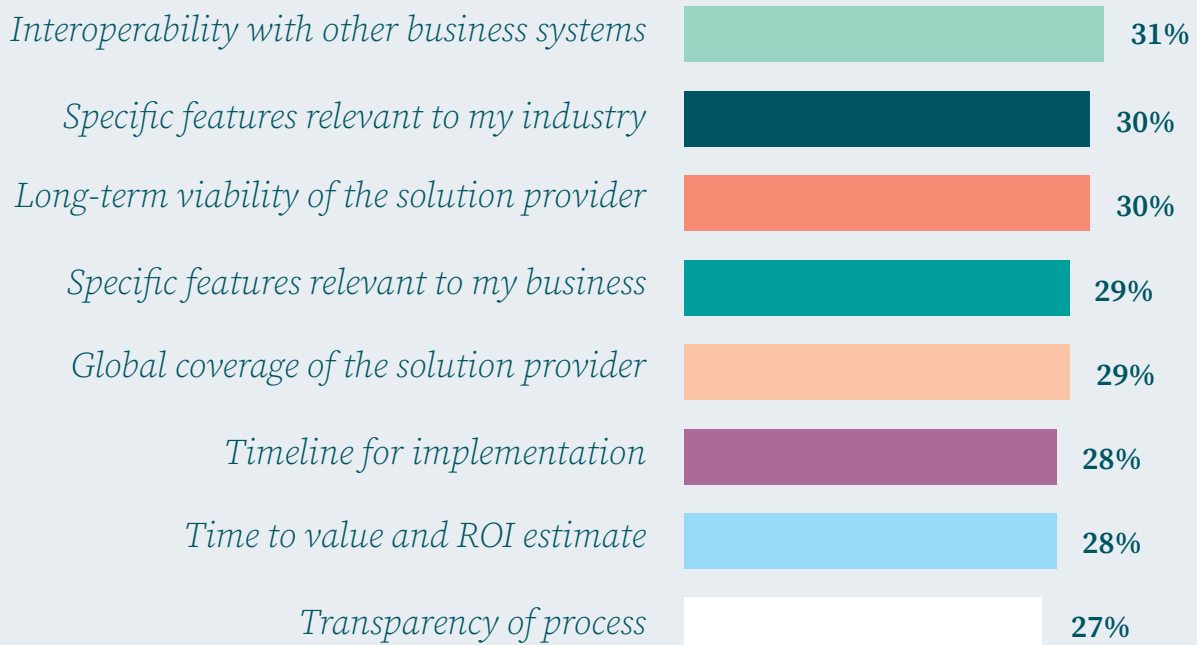
What Customers Want From Their Partners

Here's what businesses look for on their purchase journey.

Business decision makers reported a range of areas they felt need addressing before they purchase cloud ERP. 31% mentioned interoperability with other business systems, while 30% said they looked for specific features relevant to their industry.

Areas to Address Before the Purchase of Cloud ERP Solutions

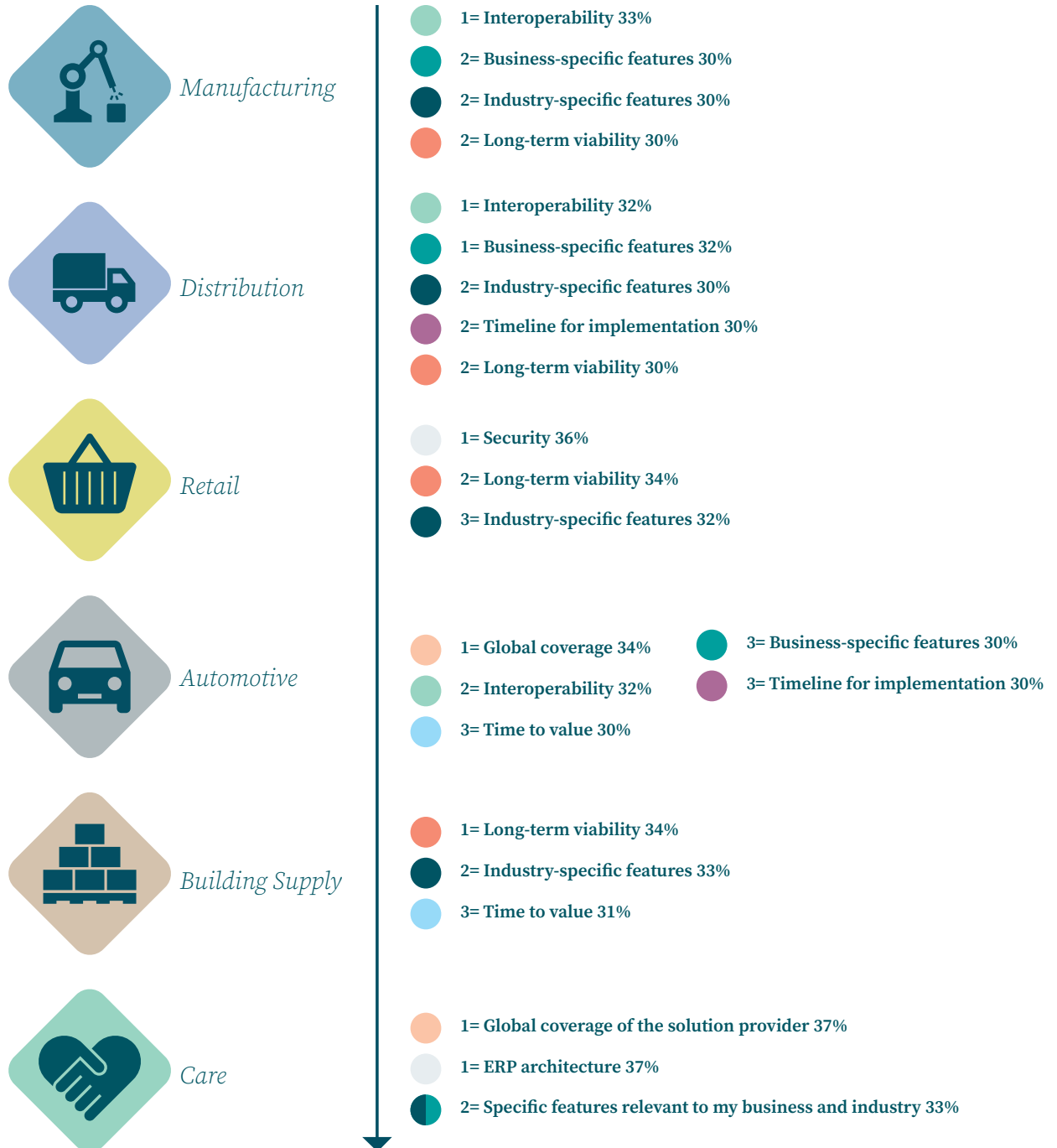
Top 8 areas



These areas differ by industry, reflecting the specific priorities of each sector. Interoperability is the most crucial factor for manufacturers. For the distribution industry, having business specific features was a key area. And for retail businesses, security was at the top of the list.

Areas to Address Before the Purchase of Cloud ERP Solutions

Top 3 areas by industry



What Customers Want

So how do customers find ERP providers that can ease the move to cloud and accelerate value at every stage of the journey? Our collective insights paint a picture of what customers are really looking for from their ERP partner.

1

Industry-Specific Knowledge and Guidance

Customers need to be confident that their ERP partner knows their industry and understands their business. They want guidance and solutions that are curated to their specific needs, especially during the implementation and go-live phases of the journey.

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 allowing successful interoperability across applications, expert support delivers a better experience for customers.

3

Staff Training and Materials

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

4

Greater Transparency

Businesses really value transparency and clarity, especially during evaluation and planning. They are concerned by a lack of transparency around pricing and security, and worried by a lack of clarity around training during migration.

5

Better Partnership

Teamwork and partnership are crucial. Businesses want a consistent team that supports them at every stage. From initial contact to “on the ground” support for go-live and beyond, they need to know they're a priority.

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

Deeper Industry Expertise Delivers More Specific Solutions

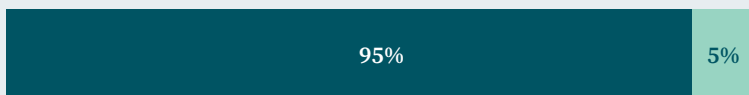
95% of businesses think their ERP solution should be specific to their business.

With myriad options to navigate, successful migration to cloud ERP requires dedicated support from genuine industry experts. 92% of businesses 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 customers.

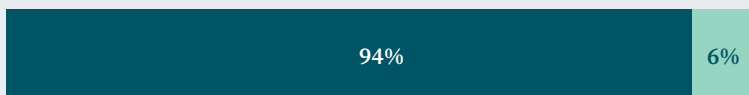
ERP Solutions Specific to Industry and Business

Showing % strongly agree and somewhat agree

I want to feel that my ERP solution is specific to my business



I want to feel that my ERP solution is specific to my industry



● Agree ● Disagree

While every industry has unique aspects, each individual business also has its own nuances and specialties. It follows then that a company's ERP solution should be based not only on their industry, but also their specific needs as a business. The decision makers we surveyed almost unanimously agreed that an ERP solution should address both industry and specific business needs. In fact, 94% said they want their ERP solution to be specific to their industry, and 95% reported it should also be specific to their business.

With a knowledgeable cloud partner in place, businesses know their technology solution is better suited to them and designed to accelerate their ambitions within their industry.

Industry Expertise is Essential At Every Stage

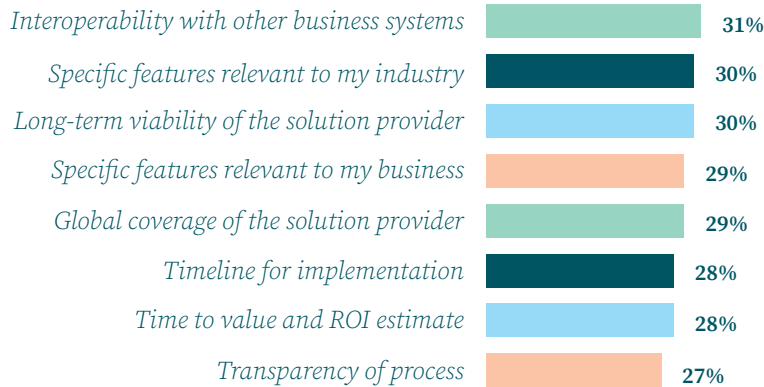
Switching an ERP solution is a major investment, and preparation is fundamental. When considering a new cloud ERP solution, doing thorough research is imperative. We found a wide range of areas that customers want to address before purchase, and many of them relate

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

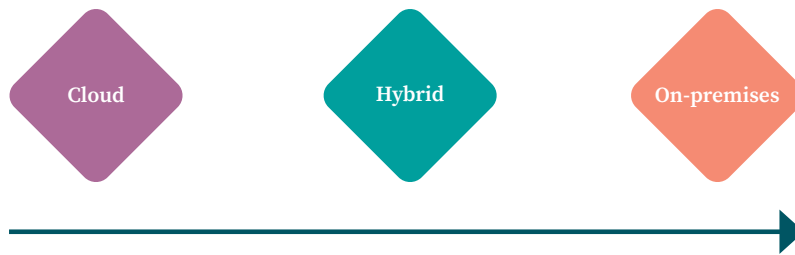
30%
of customers need to know about industry-specific features before they purchase.

Areas to Address Before the Purchase of Cloud ERP Solutions

Top 8 areas



Top 3 areas by deployment



- | | | |
|--|---|--|
| ● 1 Interoperability with other business systems covering different functional areas | ● 1 Timeline for implementation | ● 1 Interoperability with other business systems covering different functional areas |
| ● 1 Specific features relevant to my industry | ● 2 Global coverage of the solution provider | ● 2 Long-term viability of the solution provider |
| ● 2 Global coverage of the solution provider | ● 2 Time to value and ROI estimate | ● 3 Specific features relevant to my business |
| ● 2 Time to value and ROI estimate | ● 2 Specific features relevant to my industry | |
| ● 2 Long-term viability of the solution provider | | |

“On the shop floor, machine operators can check material queues, current schedule, and job requirements. Thanks to an integration with WCI’s PLCs, using Epicor functions and REST, supervisors can observe machine speeds, run times, and quality of output in real-time. They can monitor downtime and move people to another machine if needed.

Using BAQ dashboards, managers can easily check hours planned for a job versus actual time associated with that job, which tells us how efficiently we’re running.”

Joshua Giese, Director of IT | WCI

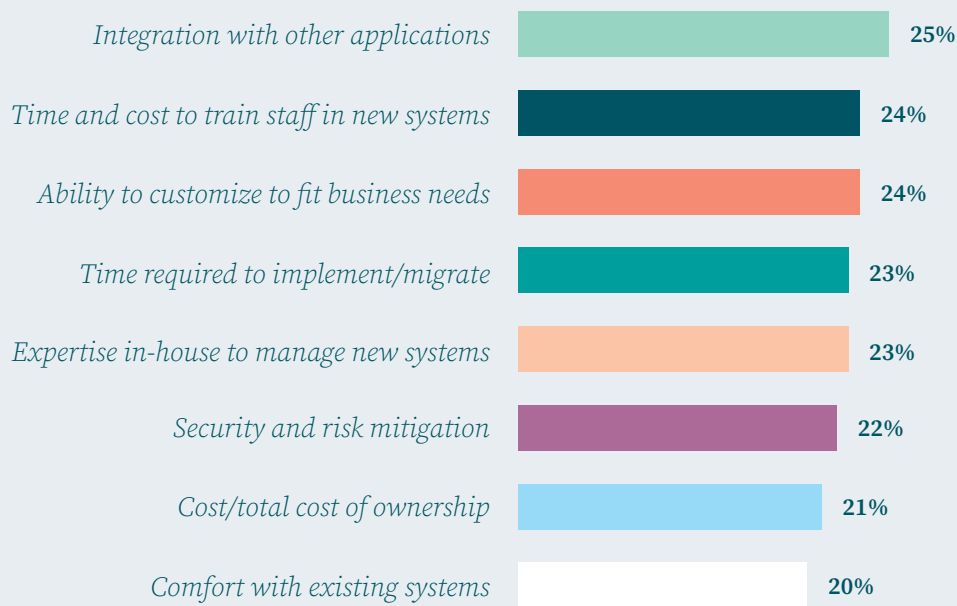
Integrating Existing Functionality is A Crucial Challenge

With companies using a large and ever-growing number of applications across their businesses, successful interoperability is crucial. Potential customers need to know that their new cloud-based ERP solution can work seamlessly with other applications. In fact, 25% cited integration as their biggest onboarding concern.

25%

said integration with other applications is their key onboarding challenge.

Challenges of Onboarding Cloud Solutions Top 8 challenges



For businesses that need access to their data across many applications, integration capabilities that seamlessly connect them is critical for customers.

“Our leadership is continuously looking at how we can improve. Standardizing on Epicor, centralizing processes, and moving to the cloud have made us more agile, proactive, and reliable.”

Nicholas Mueller, Director of ERP Systems | Enjet Aero

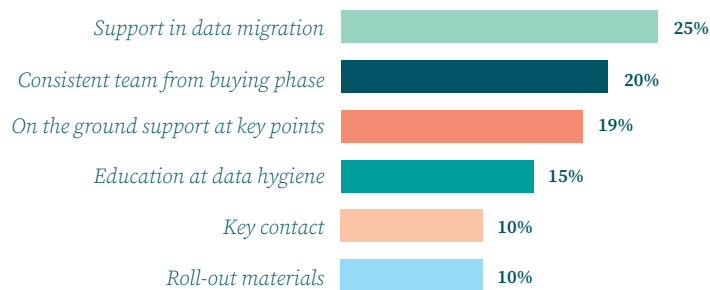
Businesses Need Data Support During Migration

25% said it would permit the most comfort during configuration and planning.

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

Areas That Increase Comfort in Configuration and Planning Phase

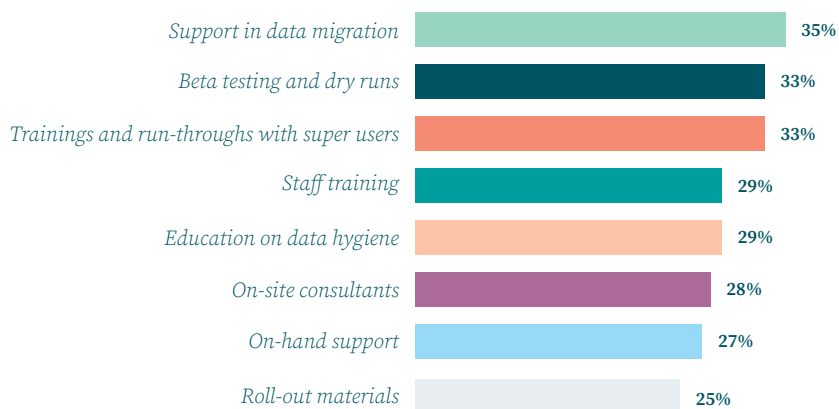
Top 3 areas by deployment



The need for data migration support grows after the configuration and planning stage. 35% of business decision makers said it’s the most useful type of support during onboarding and implementing a new ERP solution.

Useful Supports When Onboarding ERP

Top 8 areas of support



Customers want cloud ERP solutions that take data migration seriously—through every phase of the journey.

“I was staggered at how easy it was to move to cloud. The actual upgrade ... took only a few hours, which speaks volumes about the quality of Epicor migration tools.”

*Chris Neal, Financial Controller and Company Secretary
Hacel Lighting*

A Dedicated Migration Team Is a Must-Have

Data support is a crucial component for businesses contemplating the move to cloud ERP. 59% of participants 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.

58%

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

Support That Increases Comfort in the Journey to Cloud



“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.

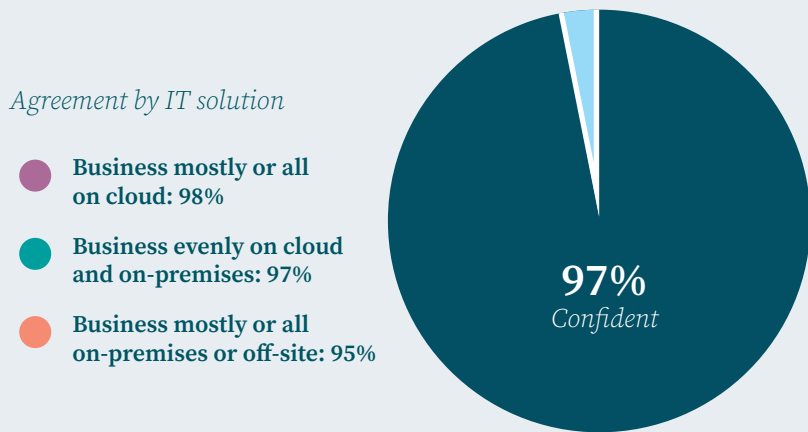
Customers Value Transparency at Every Stage

Clarity delivers confidence. 97% of customers across industries and deployment types agreed on the need for greater transparency. When asked which stage of the journey they feel transparency is most important, 32% said evaluation, while 35% 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 onboarding phase, they worry about a lack of clarity for staff training during migration.

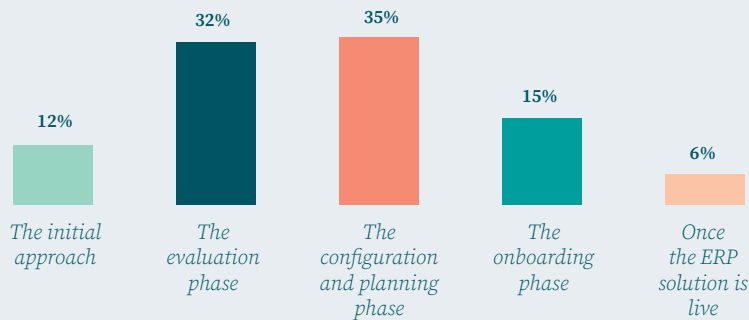
97%
said greater transparency would help them feel more confident in the purchasing journey.

For customers 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.

Greater Transparency Increases Confidence in the Process Showing % a great deal and a fair amount



Phase Where Transparency is Most Important



**“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, BAQs,
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 | Speciality Screw Corp.

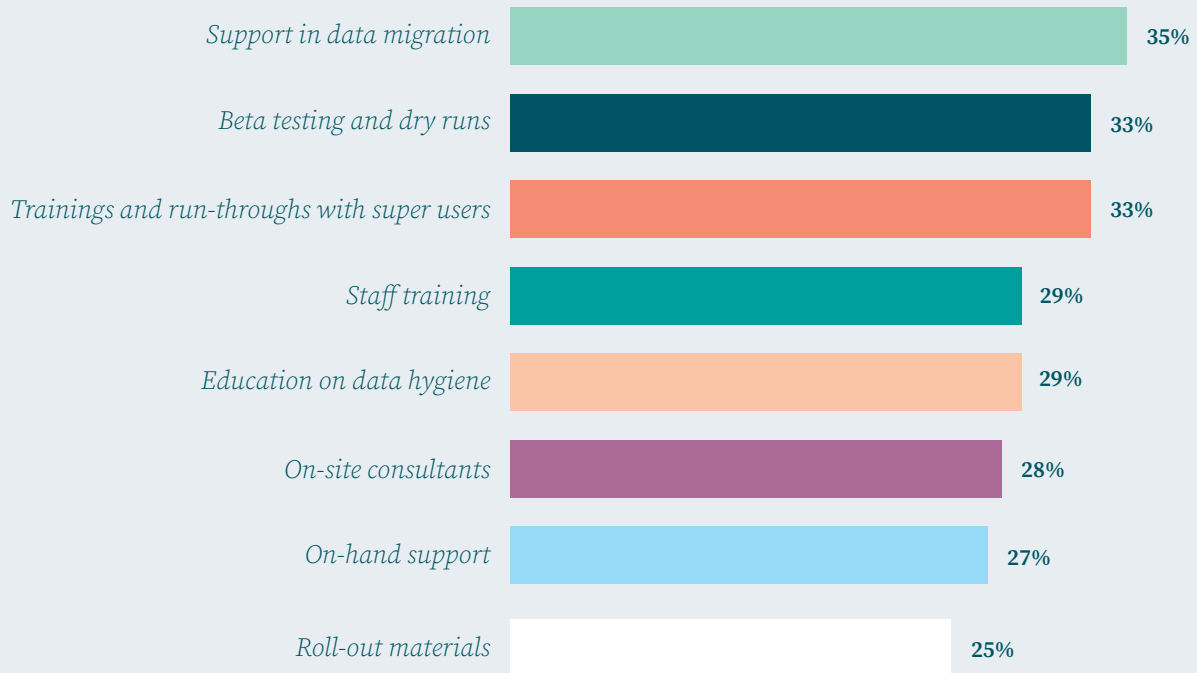
With Better Training, Everyone Wins

Staff training and run-throughs were perceived as useful support during onboarding.

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

Useful Support When Onboarding and Implementing ERP

Top 8 areas of support



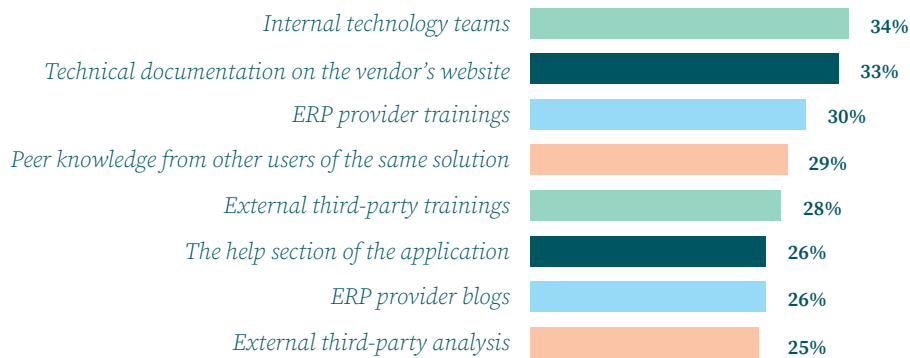
Post Go-Live Training Materials are Essential

Even after ERP go-live, customers need ongoing support. When we asked business decision makers where they look for support, they cited a range of sources, from technical documentation to trainings and blogs. Some customers even explore peer knowledge from other ERP users and user groups.

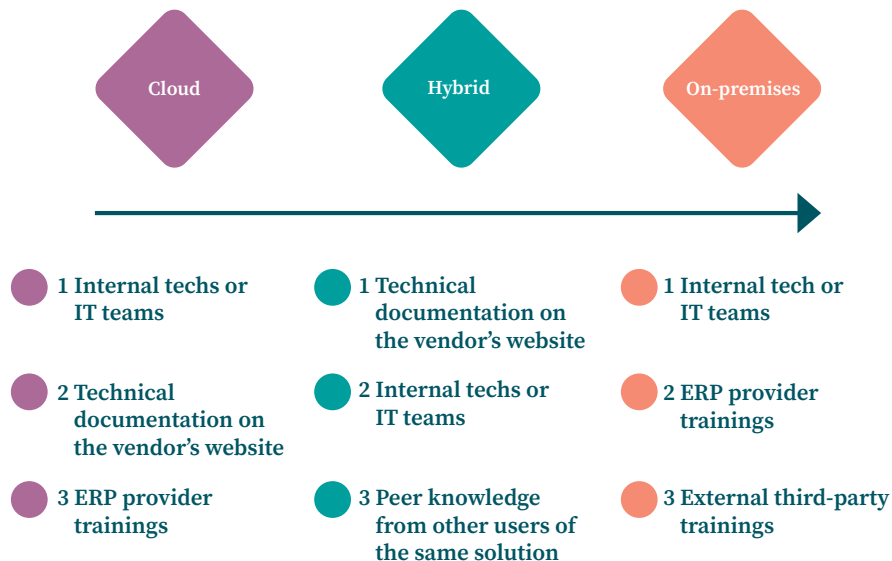
Customers that acquire post-go-live support get more from their ERP solution, bolstering partnerships and customer retention.

33%
of customers look to technical documentation for ongoing support.

Sources of Support When ERP is Live Top 8 sources of support



Top 3 sources by deployment



“ERP systems are invariably very complicated. They can seem intimidating and become overwhelming really quickly, especially in a smaller company like ours where we don’t have a dedicated ERP team. Epicor Kinetic 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

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

“The move to the cloud has been a game-changer for us. Within two days, I can have a new company set up and give it immediate access to everything Enjet. We can share data freely and get it up and running as a supplier to our other sites, which has alleviated supply chain issues. In addition, all sites are automatically updated to the latest version at the same time.”

Nicholas Mueller, Director of ERP Systems | Enjet Aero

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/cloud](https://www.epicor.com/cloud)

EPICOR

The contents of this document are for informational purposes only and are subject to change without notice. Epicor Software Corporation makes no guarantee, representations, or warranties with regard to the enclosed information and specifically disclaims, to the full extent of the law, any applicable implied warranties, such as fitness for a particular purpose, merchantability, satisfactory quality, or reasonable skill and care. The results represented in this testimonial may be unique to the particular customer as each user's experience will vary. This document and its contents, including the viewpoints, testimonials, dates, and functional content expressed herein are believed to be accurate as of its date of publication, July, 2022. Use of Epicor products and services are subject to a master customer or similar agreement. Usage of the solution(s) described in this document with other Epicor software or third-party products may require the purchase of licenses for such other products. Epicor and the Epicor logo are registered trademarks of Epicor Software Corporation in the United States, and in certain other countries and/or the EU. Copyright © 2022 Epicor Software Corporation. All rights reserved.