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The Top 10 Reasons Distributors Choose Epicor Prophet 21 in the Cloud

As distributors attempt to keep pace with escalating competition and demanding business environments, most realize that an ERP system can help streamline their business processes, meet trading partner requirements, and improve operational efficiency. Still, some distributors opt not to implement an ERP system due to high initial costs—including software, hardware and supporting infrastructure—a lengthy and complex implementation, and the staffing required to maintain the system.

However, implementing ERP software in the cloud can remedy many of these concerns. With traditional on-premises software implementations, customers purchase, install, manage, and maintain the software, as well as supporting infrastructure, such as hardware and networks, in house. In a cloud deployment, the software vendor hosts, manages and provides customers access to the software as a service over the Internet. Rather than pay for the software up front out of their capital budgets, cloud customers license it on a subscription basis, usually per user, per month or by number of transactions. On-going maintenance, upgrades, and support for the software and infrastructure are all the responsibility of the software vendor and are typically included in the subscription fee.

Many businesses have already adopted cloud-based human resources and payroll, travel and expense management, and customer relationship management (CRM) software. The reality is that more distributors are choosing to implement cloud-based enterprise applications, including ERP systems. Moving to the cloud means retiring your old approach to business management applications and no longer having to procure, install, maintain, and manage IT systems. It also gives your business the opportunity to redefine processes to leverage the cloud. In fact, a Nucleus Research survey of more than 100 companies revealed that "customers were able to achieve substantial benefits, including reduced IT costs, increased employee productivity, and better inventory management" with a cloud-based ERP deployment.[1]

Cloud deployment has become the new norm. This white paper will explore the top ten reasons why more than 150 Epicor Prophet 21 customers have moved to the cloud.

Reason #1

Freedom of choice

Put quite simply, not all cloud ERP systems are created equally. Specifically, very few ERP vendors respect your right to choose the deployment model that is most appropriate for you and revise that decision down the road as your business or technical needs change.

At Epicor, we recognize that the best deployment model for your business today may not be the best model in a few years, or even a few months. Our customers may change their deployment model—from single to multi-tenant, or the other way around—or they may opt to reconsider cloud deployment all together. Even the community of Epicor users that choose to deploy on premises today benefit from the confidence that comes with knowing that the technical and business processes are in place to facilitate their path to the cloud on the timeline that is right for their business.

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[1] Nucleus Research, The ROI of Cloud ERP, http://nucleusresearch.com/research/single/the-roi-of-cloud-erp-for-smbs/

Reason#2
Compelling economic benefits

Since cloud solutions are provided on a subscription basis, distributors with limited budgets can substantially reduce their initial capital costs of investing in an ERP system. Instead, the software becomes a monthly operational expense that allows customers to spread the cost over time in a pay-as-you-go manner. Businesses may also add or remove users on demand, allowing you to grow the system without the need to scale corresponding hardware and infrastructure. Additional benefits that Epicor customers receive, include:

▶ Ongoing upgrades and other administrative activities are included in your multi-tenant subscription. As an on-premises deployed customer with annual maintenance coverage, you're entitled to upgrades as they are released. However, there is a big difference between software entitlement and deployments. Most customers find the cloud auto-upgrade model preferable to managing their own upgrades or hiring professional services staff to manage every upgrade implementation. This is why many on-premises customers—despite their upgrade entitlement—aren't running the most recent version of the system: the cost to implement every upgrade under an on-premises deployment is simply too much for the perceived benefit.

▶ Lessened direct and indirect costs of your infrastructure—from server, to database systems, to the actual hardware and replacement cycle cost. Enterprise class servers and the backup systems that power modern ERP systems require a five- or six-figure investment, and generally have a three-year duty cycle before they need to be replaced with equally expensive systems. You can "future-proof" your server infrastructure investment best by eliminating the need for it entirely by deploying Prophet 21 in the cloud.

▶ Reduced deployment times (and corresponding improved ROI) are typical for cloud deployments, as all the necessary infrastructure is in place already. Generally, Epicor is ready to start your implementation within 72 hours of your decision to begin, as we aren't waiting for hardware dependencies to be addressed and systems to be optimized for pre-deployment work.

Reason #3
Better use of IT resources

Moving to the cloud does not mean that your IT department will go away. It does, however, mean that your IT department will be able to deliver higher-value activities that are better aligned with your business objectives.

Many IT departments are stretched thin and find themselves spending too much time on verifying backups, applying security updates, and upgrading the infrastructure upon which your critical systems run. There is tremendous business benefit to assigning those tasks back to your ERP vendor (who is likely in the best possible position to do the work) as part of a cloud deployment, which will free up your IT department's time to work on more strategic ERP projects such as creating executive dashboards, deploying mobile devices, and crafting helpful management reports.

Reason #4
Greater security

Where security once implied locking the server room door and forcing people to use long passwords, today it means hardened electronic operating environments. You can't claim to be secure unless you have systems and people protecting your infrastructure 24 hours a day, 365 days a year, and verifying that security updates from all vendors are thoughtfully tested and applied. Modern security and reliability means massively redundant systems, intrusion detections systems (IDS), automated backup and replication, heavily encrypted traffic for data in transit, a long list of security credentials such as SSAE, PCI, ITAR, and more. And it means hiring independent security testing experts to verify that what you think is secure really is secure.

Prophet 21 powered by Microsoft® Azure® leverages hundreds of data centers around the world and millions of servers to provide the most trusted public cloud platform for the enterprise. Microsoft Azure leads the industry in constantly evolving security best practices, privacy and data protection, and regulatory certifications.

Reason #5
Upgrades

Cloud deployment redefines the upgrade process by designing upgrades—big and small—to be deployed by the software vendor, without imposing update installations on your staff. Always being on the most current version of gives you the peace of mind that you're no longer having to decide whether to upgrade and provides you with the newest and most powerful version of Prophet 21 at all times.

Deploying in the cloud means that you never need to think about another upgrade. We take care of the heavy lifting for you.

Reason #6
Mobility and collaboration

The modern ERP deployment landscape is full of mobile professionals—including sales and service staff operating outside the four walls of your office—that expect access to the system from their handheld devices. Moving to a cloud-based system gives everyone the real-time system access they require as a routine part of their jobs, while driving out the inefficiency of paper-based processes.

Opening up your ERP system by virtue of cloud deployment allows you to retire the poorly defined ad-hoc "integration by Excel file" workflows that have cropped up across your organization, where email is the backbone for critical business

collaboration between people and systems. In their place, you can deploy real-time integration processes that link your employees, vendors, partners, and customers. Deploying in the cloud also makes it easier and more secure to collaborate and integrate across companies in real time—something that is difficult with on-premises deployment models.

Reason #7
Alignment and engagement

Increasingly, distributors have staff working across multiple locations and they aspire to provide the efficiency of a single unified ERP system across the enterprise to support them. Running different systems and processes in each corporate location complicates the end customer experience, denies financial staff the transparency they require, and prevents operational staff from peering across inventory availability. For many distributors, moving to the cloud provides the immediate opportunity to shed multiple operating ERP systems across the company, achieve instant visibility across every location, and standardize a single set of operational and administrative processes.

Deploying a single cloud ERP globally—where the only infrastructure requirement is Internet access—removes many operational obstacles in your organization, because there is no need for complicated IT infrastructure investments. The global presence of Epicor coupled with highly localized functionality means that we have the systems you need to support an additional warehouse across town, another sales team in a different state, or a new facility in another country.

	Anticipated Benefits	Benefits Actually Realized	% More Than Anticipated
Lower total cost of ownership	41%	51%	24%
Reduced cost and effort of upgrades	39%	44%	13%
Lower start-up costs	37%	40%	8%
Elimination of hardware and associated maintenance	35%	35%	9%
Ease of remote access for distributed workforce	33%	35%	6%
More innovation through more frequent updates	29%	37%	28%
Ability to treat as OpEx versus CapEx	27%	43%	59%
Ease of bringing up new remote sites	26%	26%	0%
We have substantially lowered our risk	25%	28%	12%
Speedier business innovation	13%	17%	31%
Improved IT security	9%	33%	267%
More viable business continuity plan (e.g., natural disaster)	9%	30%	233%

Source: Mint Jutras 2015 Enterprise Solution Study.

Reason #8
Greater reliability

Vendors offering cloud solutions typically offer reliability that exceeds that provided by the IT departments within most businesses. Due to the economies of scale associated with cloud solutions, vendors can make significantly greater investments in skilled staff and technology than an individual company. These investments go towards ensuring performance, reliability, and security. In addition, most cloud vendors offer service level agreements that guarantee uptime, typically 99.5%, assuring customers of system availability.

Keeping your data safe and your workloads up and running are important aspects of your cloud strategy. Epicor leverages Microsoft Azure best practices for business continuity and disaster recovery, which set industry standards and evolve with innovations in data security. Several copies of client data are replicated in near real time in primary and regional data centers. Microsoft best-practice technologies facilitate a rapid recovery in the unlikely even the primary data center is rendered inoperable. No other cloud platform provider can match this scale and sophistication to safeguard your data.

Vast global infrastructure powers Epicor Prophet 21 on Microsoft Azure for world-class performance and data resiliency. Industry-leading physical and virtual security measures make Microsoft Azure one of the most disaster-proof cloud platforms in the world. Global enterprise-grade infrastructure enables excellent up time, time to recovery, and fault tolerance.

Reason #9
Faster time to value

Since cloud solutions are hosted and managed by the vendor, distributors have no hardware to set up or software to install. The implementation is solely focused on configuring the system and, if necessary, importing data. Advanced cloud-based ERP systems come preconfigured based on best practices to further simplify and expedite the implementation process. This translates into faster, less complex implementation projects. Customers achieve a return on their investment more quickly, because implementation is faster than an on-premises solution and customers invest little up-front capital, but receive the benefits from the system as soon as they go live.

Beyond this resource savings is the obvious (but difficult to quantify) benefit of going live sooner. Because your decision to deploy a new ERP is presumably motivated by your awareness of the economic benefits of a ERP new system, bringing those benefits to your firm a month—or a quarter—sooner will drive that much more value that much sooner, and improve your corresponding return on investment.

Reason #10
Improved support

When a customer reports a problem with an on-premise solution, that problem could be related to the hardware at the customer site, interactions with other software, the network or other components that the remote support site has no visibility into, making troubleshooting difficult and time consuming. However, in a cloud environment, the vendor's development and support teams control the entire environment, which gives them a high level of visibility and enables better, faster service.

As a small company, having a top-notch software system helps us compete with the bigger companies in the marketplace. Moving to the cloud with Prophet 21 on Azure takes away the cost and burden of maintaining servers and allows us to fully focus on the business. We're now able to access the system anywhere, making things easier for our employees and enabling them to be more productive.

—Kregg Cheek, President, LH Industrial Supplies

Conclusion

Moving to the cloud presents a number of easily quantifiable benefits, and many that can be difficult to assign a value to, despite their obvious business and/or technical appeal.

Arguably, the one cost that is especially difficult to derive, but outweighs all others is the high cost of doing nothing—something we haven't addressed in this paper as it's a consideration unique to your operating environment, priorities, and objectives. How much does it cost you in efficiency, effectiveness, and lost opportunity to continue to build your future enterprise application strategy on a decades-old deployment model that has been proven to steal value from your organization? Only you can answer that question.

Remember that your migration to the cloud doesn't necessarily have to be an all-at-once strategy. We suggest prioritizing cloud deployment of enterprise workloads that provide the greatest amount of value when transitioned to the cloud (generally those that derived value through improved collaboration). Once you do that and establish a 12-, 24-, and 36-month roadmap to the cloud for your remaining enterprise workloads, you'll quickly discover for yourself the benefits of becoming a cloud-centric organization.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed to fit the precise needs of our manufacturing, distribution, retail, and service industry customers. More than 45 years of experience with our customers' unique business processes and operational requirements are built into every solution—in the cloud or on premises. With this deep understanding of your industry, Epicor solutions dramatically improve performance and profitability while easing complexity so you can focus on growth. For more information, connect with Epicor or visit www.epicor.com.

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