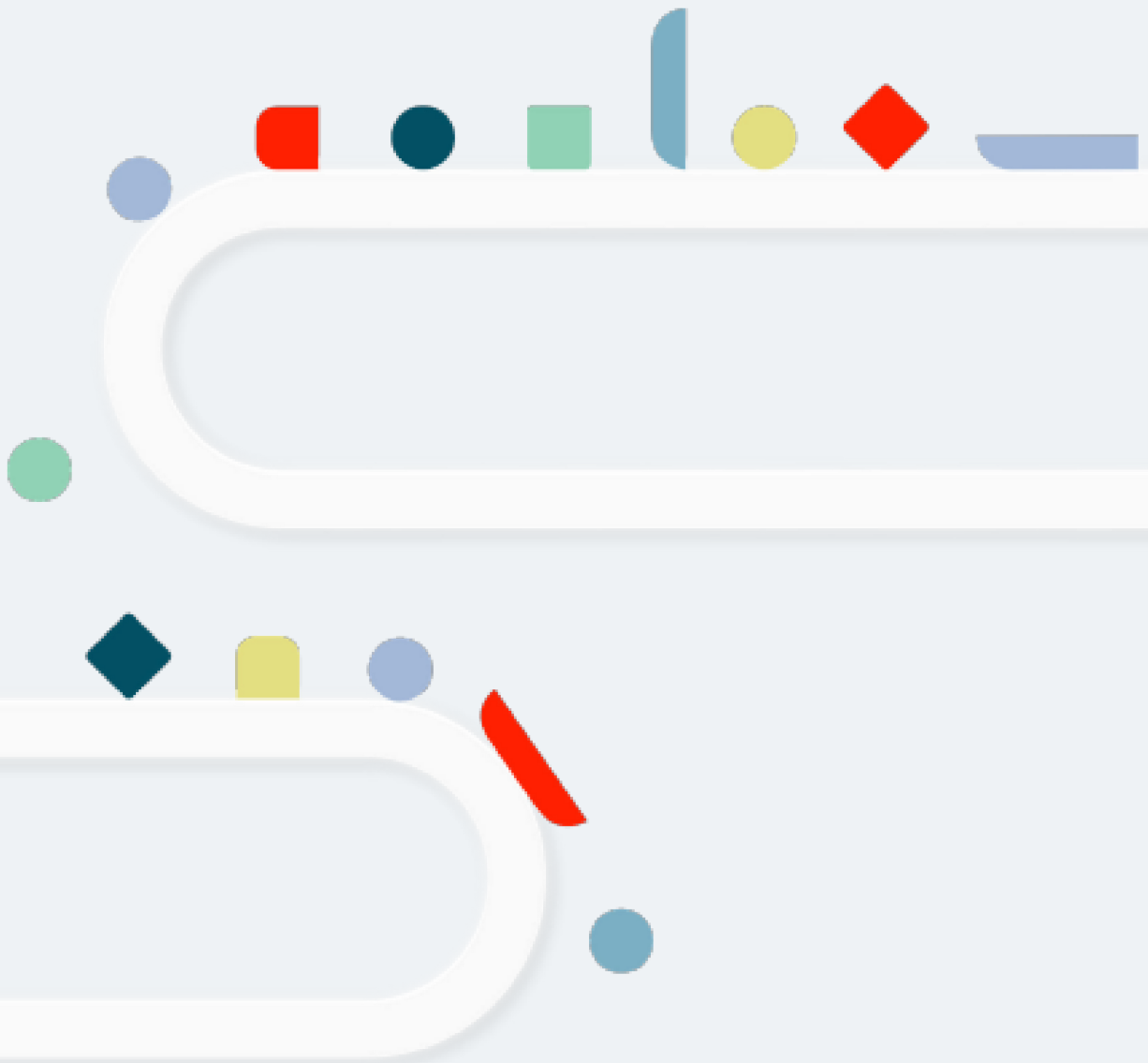**Epicor White Paper**

Are You Missing These Manufacturing Analytics That Could Increase Revenue?

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Introduction

With a popular line of wood pellet grills and barbecue accessories, Traeger Grills knew it needed to get its manufacturing analytics in order to continue its impressive growth.

Big box retailers, specialty dealers, and cooking events had helped dramatically increase awareness of Traeger products among key customer groups, from backyard barbecue enthusiasts to world-renowned chefs. But the company sensed potential challenges ahead as its monthly product requests had reached the thousands.

Since third parties fulfilled their orders, it contended with a variety of software programs and formats that weren't operating in the most optimized way possible. At that point, any inefficiencies in warehousing, inventory management, and distribution could adversely affect growth. "We're experts in grilling, not warehousing," says Dave Gebert, director of business analysis and analytics for Traeger Grills.

Traeger called in some help: namely, an ERP implementation that pumped up the company's data and analytics capabilities. With multiple warehousing facilities around the country, the ERP assesses the best locations to reduce delivery time and costs. Not only that, but it also helps the team better manage supply chains, fulfillment flows, sales orders, revenue and reporting, and more. All this lets management sidestep many of the potential pitfalls of growth and focus on their core business.

By implementing an ERP system like Traeger did, more manufacturers gain access to a set of game-changing analytics that let their businesses prosper. The right data helps IT and manufacturing leaders boost their efficiency, gain greater visibility into their processes and partners—and most importantly, sets the stage for growth.

Automating data processing can have some pretty immediate impacts.

The Benefits of Modern Manufacturing Analytics

Data analytics may sound simple but delivering the right data to the right user--at the right time--is quite complex. If done right, it can be a productivity boon. According to McKinsey, "data users can spend between 30–40% of their time searching for data if a clear inventory of available data is not available, and they can devote 20–30% of their time to data cleansing if robust data controls are not in place."

Tell that to Dubai-based General International Group, a provider of water treatment, fire safety and infrastructure management solutions. For them, stepping into better analytics and real-time reporting helped them fuel continued growth. It also meant putting away the spreadsheets that took so much time to compile and resulted in too much human error.

Sameh Awad, director at General International Group, says their previous system "just wasn't the right fit for our growing operating model.

The setup made necessary a lot of manual processing." It used to take up to five days for decision-makers to get ahold of important reports, and sometimes even longer if inter-office collaboration was required.

Unfortunately, it's a common problem, says Epicor senior product manager Elizabeth Cain. "Every static report typically run by IT is a laborious and lengthy process, and when distributed to the rest of the company, is often immediately obsolete."

For manufacturers, automating data processing can have some pretty immediately impacts. Those include increased time and resource efficiencies, reducing mistakes from human error, better turnaround time, lower overhead, and increased transparency in processes and operations. The result: more people in the organization empowered to make better business decisions.

How an ERP Helps Manage Inventory and Improve Efficiency

The kind of data analytics afforded by a modern ERP—tracking materials, orders, customers, billing, and shipping in a single system—used to only be accessible to large companies. That's no longer true, and the benefits are immediate.

If an inventory manager for a medium-sized enterprise has a goal to reduce inventory how will they know if there is dead stock out there taking up shop floor space? With the right analytics, they can understand weekly, monthly, and year-over-year inventory changes. By understanding your inventory, you can eliminate old inventory which provides valuable floor space for the inventory you do require, says Epicor senior product manager Steve Coolidge, who has implemented ERPs for many small- and medium-sized manufacturers.

Once an initial ERP integration is complete, Coolidge says SMBs can then begin to harness the power of the data being stored in their systems. Once they understand how to manage using their system data, they can extend and start analyzing how big data is impacting their business. Making a correlation between their sales and the weather or the economy, using traffic and road conditions to understand shipping times to achieve on-time deliveries, or monitoring raw materials pricing and futures to decide if buying more now will payoff later. They will start understanding how those factors impact business. "It really helps to show someone how to better manage a company - to get away from intuition and gut feel and manage by data," Coolidge says.

How Analytics Contribute to Revenue Growth

Updating business systems is integral to SMB growth and improved profitability—and improved profitability is the top priority of nearly 73% of SMBs, according to an Aberdeen Group report on ERP expectations.

The report authors recognize that economies of scale can improve margins, but to sustain growth, "it is imperative to know all product costs, to manage expenses tightly, and to control established budgets."

ERP technology is tailor-made for managing expenses and driving efficiencies, but data and analytics also helps increase new revenue. As Coolidge explains, after implementation often sales teams want access to reporting to glean analytics about their customers and invoices. Did they buy one product line last year and not another or did they discontinue purchasing on a specific product? "If the salesperson doesn't have long tenure with customer, they don't have that historical knowledge," Coolidge says. With an ERP and business intelligence (BI) tool, that kind of information is at their fingertips.

For a business operator, this "total visibility"—the aggregation of data across companies, divisions, and departments and across time periods—is the goal.

Having total visibility enables decision-makers to drill down to quickly find answers to their questions about

sales and customer performance, stock levels or supplier performance, and machine and labor performance.

Real-time visibility also enables greater agility, says Epicor senior product manager Cain. "If your revenue is falling short of your forecast, a good decision enablement solution lets you quickly change the focus of the whole dashboard to one sales rep at a time," she says. A quick glance at a declining line chart can empower a manager to react more quickly to switch course and pursue revenue opportunities.

Making Manufacturers More Proactive With Cloud-Based Analytics

With an ERP, the power of analytics increases when it becomes real time. Automatic, daily data updates give businesses the ability to see long and short-term trends quickly and easily with data that is never more than 24 hours old. That's a big advantage of cloud technology. Cloud-based ERP deployments are also quicker. Upgrades can be made remotely and require less capital and talent to manage. Additionally, users can access even the most advanced analytics from any browser on any device.

Grill maker Traeger recently added a cloud-based ERP solution to its implementation to manage orders and operations in one integrated, web-based platform. Users can add virtual services on the fly, integrate with other systems and apps, and scale up or down to accommodate seasonal demand changes. Cloud-enabled reporting on the fly helps them improve processes that are lagging more quickly. For Traeger, third parties fulfill orders within an average of seven days, requiring a high degree of coordination and transparency between parties. Communication used to be manual, costly, and time-consuming. Now it's automated, with analytics across the delivery chain visible on customizable dashboards. "Our relationship with everyone—dealers, consumers, suppliers, and vendors—has been greatly enhanced and strengthened across the board," says Traeger's Gebert.

For manufacturers, improvements in business analytics drive cost savings and revenue increases. But they also translate into the most important factor in business growth: customer relationships.

Read Epicor's eBook, "Data is the Next Frontier for Manufacturing" for a deep dive on how analytics help manufacturers streamline their operations. Learn more about how companies are driving revenues by making data-informed decisions, thanks to their ERP.

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We're here for the hard-working businesses that keep the world turning. They're the companies who make, deliver, 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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