THE FUTURE OF MANUFACTURING: **HOW INDUSTRIAL EQUIPMENT MANUFACTURERS BUILD COMPETITIVE EDGE THROUGH CLOUD ERP**

SIKICH

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For Industrial Equipment Manufacturers (IEMs), the next phase of the digital transformation has arrived. Over the past several decades, technology advances were focused on production. But forward-thinking IEMs understand that to remain competitive, the time has come to modernize the back-office. IEMs need to use their data to cut costs, control the supply chain and achieve the productivity improvements that digital transformation can deliver.

Cloud-based ERP is helping those IEMs automate the manual processes slowing down their workers. Centralizing the organization's data, cloud ERP can improve every aspect of back-office operations—from forecasting through logistics management. Through the cloud, IEMs of all sizes can take advantage of enterprise-level ERP without the infrastructure and IT support costs of the past.

In this eBook, we'll explain how IEMs, like yours, are taking the next step to build for the future of digital commerce. They are capitalizing on cloud technology to achieve significant cost savings and improve productivity. They are refocusing on the business, using technology to simplify and streamline operations—without the distractions of hardware. Read on to see how cloud ERP can help your company build competitive edge for a profitable future.

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OPTIMIZE SUPPLY CHAIN FROM **SOURCING THROUGH PRODUCT DELIVERY**

Today, companies in every industry have to take charge of the data inside and outside of the business to improve performance. For IEMs, that means using data to drive the supply chain decisions that affect customer satisfaction and profitability.

Managing your supply chain with disconnected systems simply doesn't work anymore. Customer expectations have been permanently reset by the digital revolution—they want products to meet exact specifications and want to know order status every step of the way. To be able to respond to supply chain challenges that impact your ability to deliver, you need to have unified data that provides insight into suppliers, inventory, production and logistics.

CONNECTED DATA FOR END-TO-END VISIBILITY

A modern, cloud-based ERP designed specifically for IEMs delivers real-time connected information across the supply chain to provide:

- Accurate demand forecasting, understanding data up and down the supply chain through analytics.
- Simplified purchasing and receiving processes to accelerate replenishment.
- Precise inventory from materials purchase through production and delivery, in the hands of the sales people, production managers and warehouse workers.

THE COMPETITIVE ADVANTAGE

By replacing legacy systems that don't support modern processes and create silos of data, your employees can tap into unified information to build profits. Build competitive edge with:

Purchasing based on complete data and tested forecasting algorithms.

Proactive alerts to supply chain interruptions to enable appropriate response.

Visibility across business units, warehouses and vendors to optimize inventory and production.

PROACTIVELY PROTECT MARGINS **WITH END-TO-END COST TRACKING**

As offshore competitors enter markets that IEMs serve, it is critical to quote and price products quickly and accurately. With outdated and disconnected business management systems, it's impossible to allocate and assign costs with confidence. To make informed decisions about which product lines you should pursue and which you should leave to competitors, managers need comprehensive data, tracking costs across production.

MAKE DATA-DRIVEN PRODUCTION DECISIONS

By connecting data from order entry to shipment through cloud-based ERP, IEMs can accurately track costs across production. Sharing KPIs, benchmark data and current results enables managers and workers on the floor to monitor and manage costs to:

- Improve forecasting to fine-tune purchasing and lower inventory costs.
- Analyze project costs and total order processing time to determine the optimum production flows.
- Increase asset utilization through improved product change management.
- Deliver alerts for high-risk orders at every stage of production and shipping.

THE COMPETITIVE ADVANTAGE

By replacing legacy systems with cloud-based ERP, you can take control of costs and protect margins to build competitive edge with:

Real-time actual versus estimated production costs for quick root cause analysis and problem solving.

Standardized business processes that reduce workarounds and guide employees to respond quickly to exceptions.

Improved production planning to maximize plant efficiency and reduce labor costs.

BRIDGE THE INFORMATION SILOS TO MONITOR ACTIVITY **ACROSS THE ORGANIZATION**

Without shared data and cross-functional collaboration, individual departments don't know what is going on in other areas of the organization. Reactions to order changes and disruptions in the supply chain don't flow easily. Missed change orders, production scheduling errors and delayed shipments happen too often.

BREAK DOWN THE SILOS OF INFORMATION

A fully integrated financial and operational management system designed specifically for IEMs will promote process flows and collaboration through shared information. Cloud-based ERP can reduce the departmental silos across the company that lead to production errors and lost customers. With modern ERP, you can:

- Ensure that version controlled engineering documents are available at each step in the production process.
- Deliver visibility into in-stock inventory and items on order to reduce production interruptions.
- Provide dashboards with dependency KPIs across departments to alert managers to potential problems.
- Establish a cross-functional workflow process that supports the unique requirements of each product line.

THE COMPETITIVE ADVANTAGE

Break down the silos of information within your organization to build an innovative company that can respond to change quickly. Build competitive edge with:

Centralized data to ensure that inventory and production remain aligned during times of change.

Insight into real-time inventory so salespeople can make promises the company keeps.

Lower transportation costs with visibility into inventory levels across multiple warehouses.

PROMOTE EXPANSION INTO NEW LINES **OF BUSINESS AND MARKETS**

Today's technology and connected markets open new opportunities at home and abroad for IEMs of every size. The systems you currently have in place, designed to support traditional dealer or channel outlets may be holding you back. Processes that are set up to manage large quantity orders and deliveries don't support the complexity of managing smaller volume, specialized production and shipping.

INNOVATE AND ADAPT. TO COMPETE IN THE GLOBAL MARKETPLACE, OR BUILD ON OPPORTUNITIES WITH NEW LINES OF BUSINESS, YOUR SYSTEM MUST BE FLEXIBLE ENOUGH TO MANAGE FINANCIAL OPERATIONS ACROSS PRODUCTION LINES, DISPERSED WAREHOUSE LOCATIONS AND NEW CHANNELS OF DISTRIBUTION.

Your financial management systems need to easily handle multiple currencies, tax laws and regulatory requirements. A modern, cloud-based ERP system will help you:

- Identify evolving trends by tracking customer preferences and the competitive landscape.
- Monitor operations and results closely with financial consolidations at multiple levels.
- Automate currency conversion for real-time roll-up of costs, revenues and commissions.
- Manage multinational customer relationships and new sales channels.

THE COMPETITIVE ADVANTAGE

Build competitive edge with new lines of business and in new markets with:

Proactive decisions based on data that tracks end-user preferences and monitors industry trends.

Systems that can support a great experiences through new distribution channels or direct to

customer.

Business intelligence that allows you to accurately monitor performance in new ventures and markets.

EXPAND AFTERMARKET SERVICES AND SALES TO **BUILD PROFITS**

To build additional revenue streams, forward-looking IEMs are extending customer relationships with options like warranty contracts, maintenance services and parts sales. The business management systems most IEMs depend on were designed to support manufacturing—not service-based activities. With customer expectations higher than ever before, IEMs expanding services need to implement business processes and systems that can support great customer experiences.

PREPARE TO SUPPORT NEW PROCESSES

Service delivery requires a different set of business processes and measurement than manufacturing. To ensure service lines are profitable, you need accurate measurement of all the costs of service delivery. In addition, supporting workers that are on customer sites instead of in-house means extending information to the field through mobile devices. You need systems that can:

- Identify and deliver profitable service to the right customers by providing visibility into customer and customer segment needs and trends.
- Automate the management of warranties and service contracts.
- Take full advantage of mobility solutions to empower field personnel with information.

THE COMPETITIVE ADVANTAGE

Put the tools in place to support aftermarket service delivery through cloud-based ERP to:

Differentiate products with outstanding after-sale service.

Give techs in the field access to complete customer information on mobile devices so they can answer questions and resolve issues from the site.

Accelerate billing for services delivered in the field with invoicing systems directly connected to mobile devices.

IMPLEMENT ERP QUICKLY TO **MINIMIZE DISRUPTION AND REALIZE BENEFITS**

In the past, ERP implementations were slow and expensive. Training employees on new systems was a major challenge, with each "new" system requiring different processes to accomplish the same tasks. In many cases, "workarounds" in the form of paper lists and spreadsheets were used instead of the ERP.

THE CLOUD ACCELERATES ADOPTION AND RESULTS

Modern, cloud-based ERP systems are transforming the way IEMs approach technology. With a familiar, easy-to-understand user interface, employees find using the system easier, so adoption soars. The connected data of an integrated ERP system supports automation of manual processes and workflows to deliver productivity improvements immediately through:

- Business processes and automation that take advantage of new channels, self-service and mobility to build tighter relationships with your customers and business partners.
- Increased coordination and more efficient processes from order entry through delivery.
- Improved security of your data and support for business continuity in the face of disaster.

THE COMPETITIVE ADVANTAGE

Through implementation of a modern, cloud-based ERP, you build competitive edge with:

Centralized information that puts information in the hands of your employees—wherever their work takes them.

Employees focused on their work, instead of chasing information and working around cumbersome applications.

Streamlined business processes and connected data that empowers employees to work efficiently and make informed decisions.

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PARTNER WITH THE IEM EXPERTS TO BUILD YOUR COMPETITIVE ADVANTAGE

Success for IEMs today requires leaner production, real-time order tracking and high-quality products. At Sikich, we understand the challenges that IEMs face and are dedicated to helping you build longterm success. Through Microsoft's proven, adaptable ERP solution, Microsoft Dynamics 365/AX, we'll help your organization optimize processes to improve your operations, including lean, make-to-order (MTO), configure-to-order (CTO), and engineer-to-order (ETO).

Sikich's Microsoft Dynamics 365/AX software is much more than manufacturing software, improving productivity across the organization to:

- Support new customer initiatives and meet higher customer expectations.
- Automate processes through standardized procedures and easily shared best practices to fuel efficiency.
- Improve material planning and inventory tracking across the entire network to reduce production and supply chain costs.
- Improve asset utilization and efficiency with integrated, realtime information to accurately forecast, plan for and respond to manufacturing demand.

Let's talk about building your competitive advantage. **Contact us at 1-800-968-6661 or info@sikich.com.**