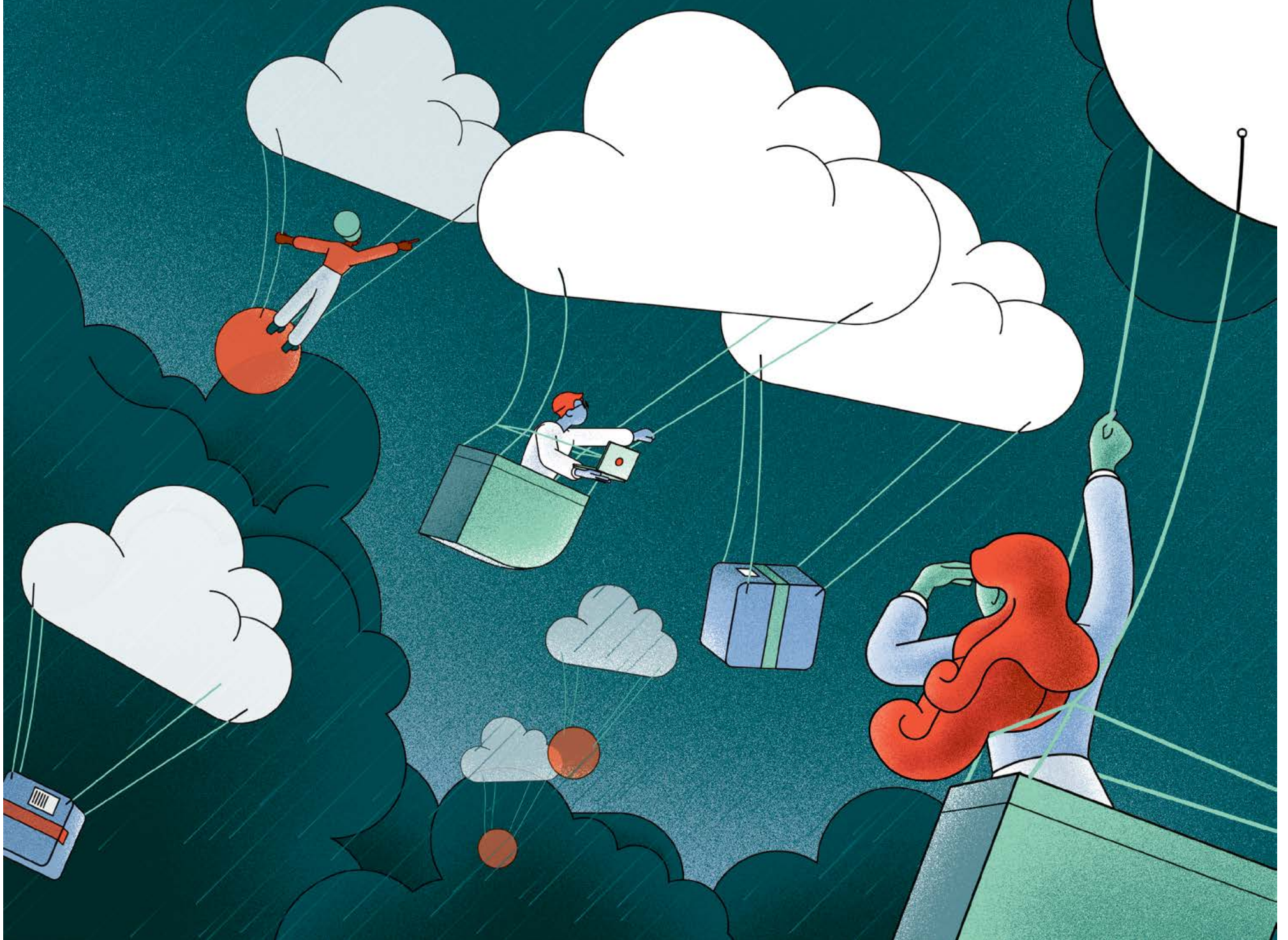


# NAVIGATING CLOUD ADOPTION

**04** CHOOSING THE RIGHT CLOUD STRATEGY

**10** CAN THE CLOUD PROTECT YOUR BUSINESS?

**11** STRONGER SUPPLY CHAINS THROUGH DATA



**EPICOR**

**Discover What Hard-Working Businesses Really Need from their ERP Solutions and Partner**

Epicor 2022 Industry Insights Report

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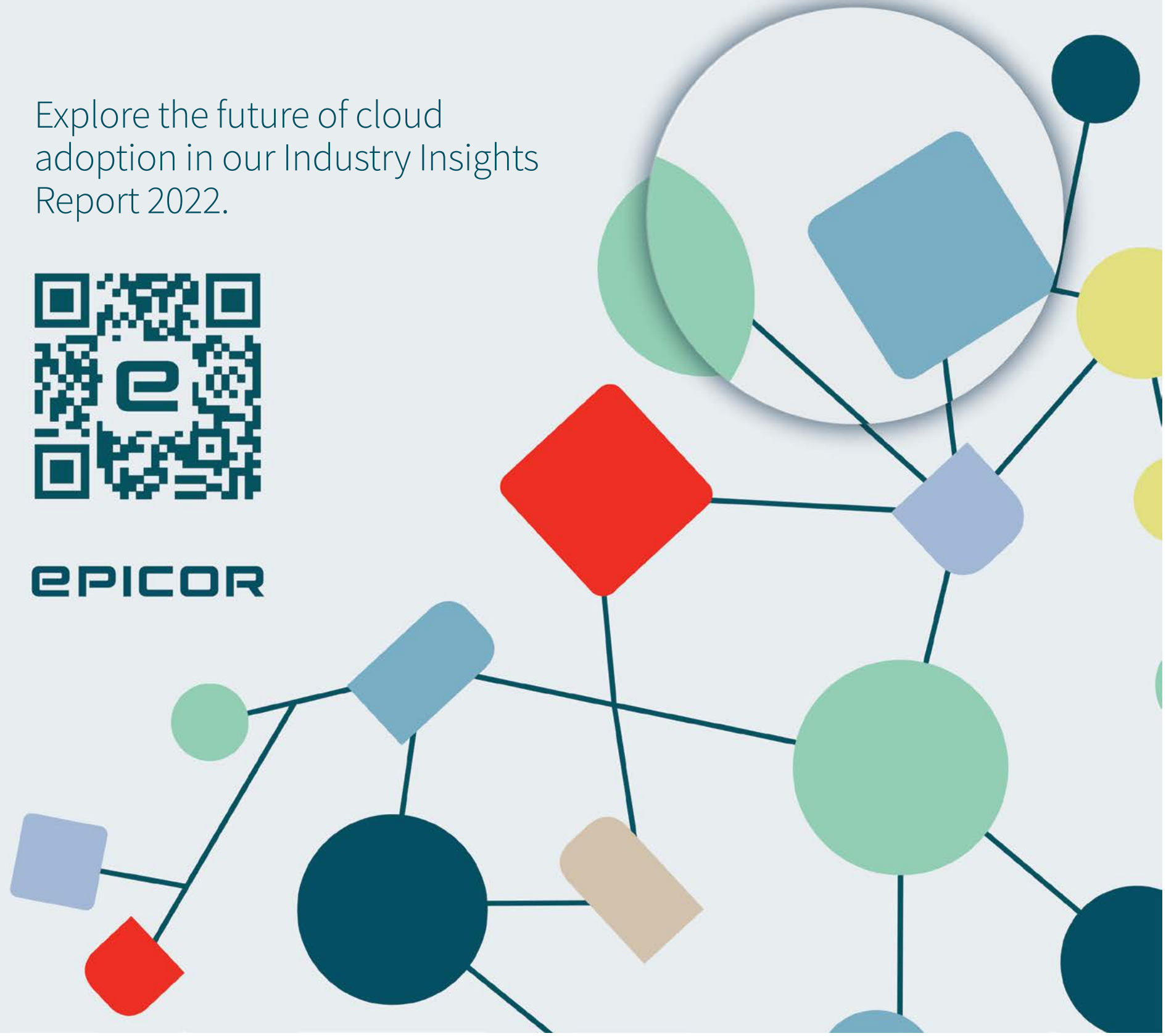


# What Do Hard-Working Businesses Really Need from their ERP Solutions and Partner?

Explore the future of cloud adoption in our Industry Insights Report 2022.



EPICOR



## NAVIGATING CLOUD ADOPTION

Distributed in THE TIMES

A publication sponsored by EPICOR

### Contributors

**David Benady**  
Writer, editor, content creator and analyst based in London, who specialises in media, marketing, retail and IT. His work appears in *The Guardian*, on *Bloomberg.com* and *NYTimes.com*.

**Andy Jones**  
Experienced journalist and broadcaster who has written across every major national newspaper and glossy title, plus produced business packages for *BBC World Service* and TV for *BBC1/2 & C4*.

**Rich McEachran**  
Freelance journalist covering the intersection of business, technology and sustainability for publications including *The Guardian* and *Wired*, as well as B2B titles.

### raconteur reports

Campaign manager  
**Dave Kells**  
Editor  
**Sarah Vizard**  
Deputy editor  
**Francesca Cassidy**  
Reports editor  
**Ian Deering**  
Deputy reports editor  
**James Sutton**  
Chief sub-editor  
**Neil Cole**  
Sub-editor  
**Christina Ryder**  
Commercial content editors  
**Laura Bithell**  
**Brittany Golob**  
Associate commercial editor  
**Phoebe Borwell**

Head of production  
**Justyna O'Connell**  
Design/production assistant  
**Louis Nassé**  
Design  
**Kellie Jerrard**  
**Harry Lewis-Irlam**  
**Celina Lucey**  
**Colm McDermott**  
**Sean Wyatt-Livesley**  
Illustration  
**Samuele Motta**  
Design director  
**Tim Whitlock**

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### CHANGE MANAGEMENT

# From crowd to cloud: how IT teams can be transformative

Many in-house IT departments, particularly in supply chain businesses, are still grappling with legacy on-premises tech. How can they manage the switch to modern cloud-based systems while keeping everyone on board?

Andy Jones

The days of the IT team that sits in the basement advising people to switch their PCs off and on again are long gone. Modern IT functions are expected to enable supply chain businesses to provide next-day delivery services, introduce robots to warehouses and even unlock the power of big data. But to do this effectively, they must be free of the legacy tech that serves only to reduce their impact across their organisations. That's the view of Mat Rule, founder and CEO of Toca, which provides a low-code app development platform.

He stresses that cloud-based systems enable IT teams to keep their "ear to the ground, leaving them better placed to anticipate business needs and be proactive in solving problems, rather than just reacting to requests". He continues: "The function must be at the heart of the business. It cannot be an island. If IT is not woven into the fabric of the organisation, it can't support day-to-day operations, let alone help the business to achieve its wider goals."

Although the function is key to successful business transformations, there is a global dearth of IT skills. A survey of CIOs by Gartner last year, for instance, found that 64% considered the talent shortage the most significant barrier to their adoption of the emerging technologies available to them, compared with only 4% in 2020.

This isn't helped by the fact that firms are leaving their IT teams almost entirely responsible for data extraction and tech use. Research published by Ricoh Europe this August reveals that only 11% of office workers have been granted access to workflow automation tools.

But adopting cloud technology can help to solve such problems by removing the walls between the IT teams and staff on the ground, providing transparency from the factory floor to the boardroom. So says Halit Develioglu, founder and CEO of Oplog, a provider of supply chain software enabling SMEs to offer Amazon-like delivery options.

"Swift adaptation has become a matter of life and death for most companies," he says. "While on-premises systems fail to adapt to new circumstances, cloud technologies can, in a matter of clicks, get rid of all the scalability problems you'd normally spend weeks and hundreds of thousands of pounds to solve. It's a simple solution to all



the problems that IT professionals are facing."

Even organisations that seem truly committed to on-premises IT solutions can switch to the cloud. Local authorities have a reputation for being wedded to their legacy tech, but one council recently collated more than 100 large data sets, empowering its non-data and strategy teams to cooperate closely on a major scenario-planning exercise.

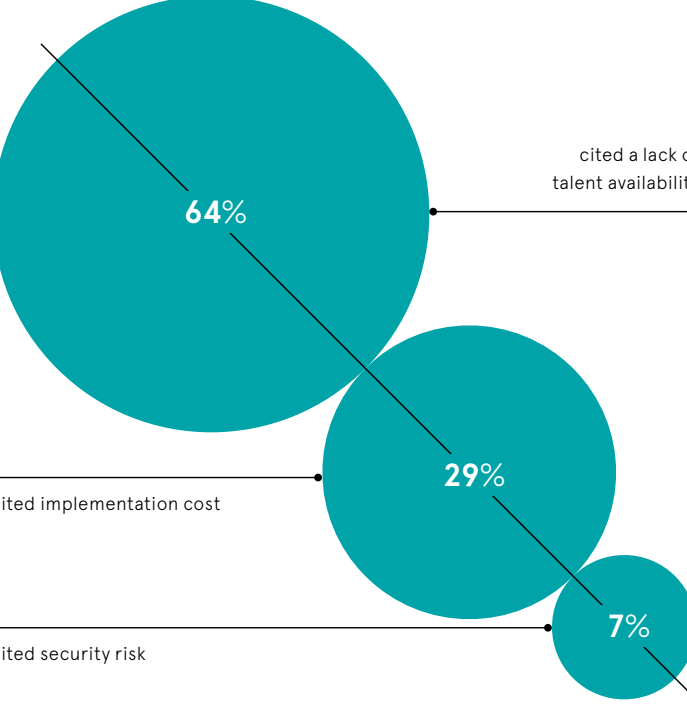
The whole exercise was enabled by cloud technology. This helped the council master huge volumes of data and overcome challenges including a lack of universal data literacy, according to Robert Harwood, COO at Slingshot Simulations, which helped to manage the process.

"Seven out of every 10 digital transformation initiatives fail," he says. "This typically has little to do with technology. The causes tend to

### CIOs CONSIDER THE TALENT SHORTAGE TO BE THE MOST SIGNIFICANT BARRIER TO TECH ADOPTION

Gartner, 2021

Adoption barriers to emerging technologies ranked



stem from the processes and the people involved."

Paul Anderson, cloud services business manager for Ricoh Europe in EMEA, agrees that there is a significant human element to any digital transformation. Winning hearts and minds throughout the organisation is therefore crucial.

"When employees feel that they are involved in the decision, you are more likely to succeed," stresses Anderson, who advises organisations to demonstrate to all staff how the cloud can "automate the mundane and laborious tasks that IT staff have traditionally faced".

Showing everyone the capabilities of the new tech is one of the keys to gaining cultural acceptance and pushing through a digital transformation. Harwood advises using cutting-edge cloud-native data science to transform data into digestible insights. Providing this functionality in a no-code environment means that even staff with few data-handling skills can use it and make their jobs easier in the process.

Building trust across departments is also key. IT teams in some organisations have burnt their bridges with other functions – or never had them in the first place. According to Rule, it's therefore vital to give everyone the sense that they're working towards shared goals.

"The best way to get everyone onside is to get some quick wins under your belt," he says. "For instance, an IT team at a retailer might design an app that enables staff on the shop floor to know what is and isn't in stock, which saves them from having to constantly traipse up and downstairs to check. Or, at a utility company, IT could develop a portal that gives customers real-time updates on their accounts, saving both them and the company's representatives from constant phone calls and emails. Key to enabling this is giving IT the ability to develop and launch such apps quickly using low-code development platforms."

Celebrating IT professionals' problem-solving skills at the centre of the operation is another vital part in ensuring that they remain happy and engaged in their work, adds Develioglu.

"Keep in mind that, generally speaking, IT staff have virtually zero risk of unemployment," he says. "It's therefore important to keep them fulfilled with processes that help them to realise the positive impact they're having."





Cloud technology offers an open, connected experience for businesses and their customers. But how can you tell if the technology is necessary for your organisation?

David Benady

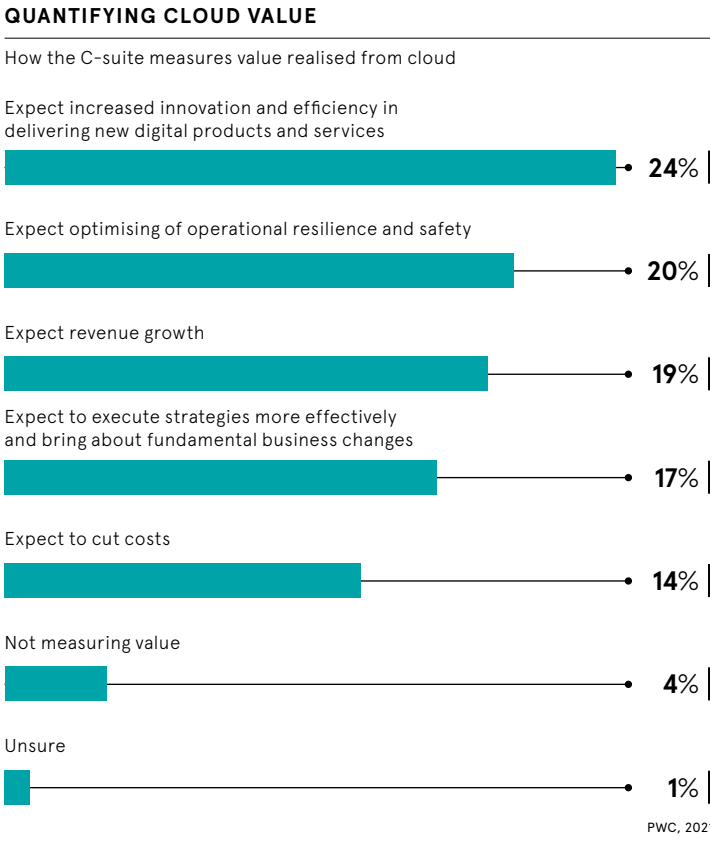
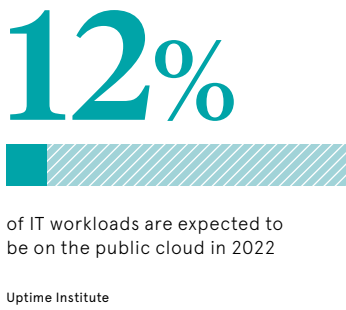
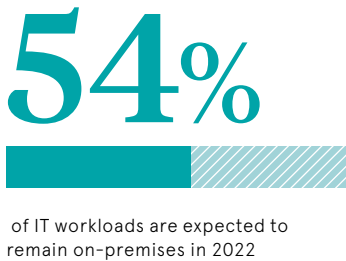
Businesses are learning to love the cloud, but the move can still be disruptive. They must prepare thoroughly first – and then decide if it's truly the right answer for their needs. There are numerous recent examples of manufacturers and distribution firms discovering the benefits of the public cloud. Volkswagen has launched an 'industrial cloud', connecting data from 124 factories. SKF, a Swedish ball bearing company, uses a cloud connection to time when lubricants should be added to its products. It's easy to see the attraction. The cloud offers easily accessible data storage and computing power that can be quickly scaled up or scaled back. This offers potential cost savings and improved productivity. However, the transition can be challenging, sparking a whole new set of worries for managers about costs, security and efficiency. Many enterprises are still wedded to running their services through on-premises data centres, or renting servers in a managed data centre. Adoption of the cloud is certainly

accelerating, but more than half of IT workloads are expected to remain on-premises in 2022, according to a survey by the Uptime Institute. There are several factors to consider before making the move to cloud. To begin with, companies need to determine the optimum time to shift services away from on-premises servers to the cloud. Ilja Summala, chief technology officer (CTO) at cloud services provider Nordcloud, says that once software becomes an essential part of a company's business strategy, "this is the time that they should consider moving to the cloud if they have not already done so." At this point, the enterprise will need the ability to instantly ramp up its software capabilities and digital solutions, which it can do with a cloud provider. This helps to reduce the cost of developing software in the cloud, although Summala notes that it "doesn't always mean that the software is cheaper to run in the cloud, but it's definitely cheaper to develop". Carla Arend, senior programme director for software at research company IDC, says the cloud's

flexibility is ideal for businesses looking to speed up their innovation and new product development. "If you want to create a prototype, test it and get users to interact with it, the cloud can provide the IT resources to do so almost instantly, and then you can shut those resources down once you've done your test," she says. "You have much greater flexibility and a much lower cost profile in this experimentation phase. So it's very good for rapid innovation cycles." Nonetheless, some firms have struggled to make a good fist of shifting to the cloud. If they fail to create a consistent strategy, they may struggle to get good value for money from the move. "Wasted cloud spend is still a major issue for many enterprises," says Rob Robinson, head of Telstra Purple EMEA, which provides technology services to enterprises. "To mitigate against spiralling costs, organisations must recognise that reducing cloud costs is not a one-time, tick-box task. It requires continuous assessment to identify precisely where overspend occurs."

While the cloud's speed, scale, innovation and productivity benefits boost business opportunities, tunnel vision can stop companies from achieving the best value. "CIOs and CTOs need to have a coherent and sustainable roadmap in place that captures continuous value from their multi-cloud investment. Without these, enterprises will be continually disappointed by their cloud results," says Robinson. Once an enterprise decides to create a cloud strategy, it should first migrate the applications that take the least effort: the "low-hanging fruit", says Sascha Giese, head geek for technical product marketing at Solar Winds. "Probably the most obvious one is a mail server – there's little reason to keep a mail server on-premises these days," says Giese. "Databases are next, as it's relatively easy to migrate data from an on-premises database to a cloud-hosted, maybe even a cloud-managed, one." He adds that human resources, customer relationship management and data warehousing are all easy wins when it comes to transferring functions to the cloud. Persuading supply chain-based industries such as manufacturing, distribution and building supply to shift to the cloud has been a work in progress since the middle of the last decade. There is considerable activity in this area. Volkswagen Group last year announced it was working with AWS to launch the industrial cloud, bringing together production data from 124 factories on a single digital platform. The aim is to use the data in real time to improve

productivity by 30%, for instance by optimising the use of machinery and the flow of materials. A long-term aim is to use the cloud platform to create an open marketplace for industrial applications. "On that kind of platform, everyone involved would be able to swap, acquire and use each other's applications. It would be a place open to all companies in principle, from suppliers through technology partners to other car manufacturers," says Nihar Patel, Volkswagen AG's executive vice-president for new business development. However, some of the most important processes in manufacturing systems are "literally bolted to the



factory floor," says Summala. Manufacturing execution systems (MES), which control production processes, are unlikely ever to make the jump to the cloud, he says. "It's those MES systems that I suspect will stay inside the factories for a long time, because if there were a network breakage, it might mean that you could not manufacture anything. That's not a risk worth taking, even if the cloud is cheaper and better."

One benefit of moving manufacturing processes to the cloud lies in predictive maintenance of machinery, says Tobi Knaup, chief executive of D2iQ, which advises businesses on their journey to the cloud. For instance, a paper mill will have massive paper-producing machines costing millions of dollars that need to run continuously. If they break down at any point and parts need replacing, this creates lost revenue. A D2iQ customer is currently deploying 80,000 sensors across its factories to ingest sensor data in real time. The data is stored in the cloud and runs through machine learning software to analyse unusual vibrations. The system can then predict which parts need replacing in the next maintenance cycle. This minimises disruptive breakdowns. "The old-school way of avoiding unscheduled maintenance is having experts physically listen out for unusual vibrations in the machinery that suggests something might break," says Knaup. "The new and far more efficient method is to put cloud-based sensors everywhere in the machines." Some think a cloud-first strategy – in which cloud solutions are looked at first when considering new or existing processes – is not always the best way ahead. Many large companies are happy running some applications in their data centres, as they have developed stable applications over time which are customised to their needs. They know the workload so they can easily procure

CIOs and CTOs need to have a coherent and sustainable roadmap in place that captures continuous value from their multi-cloud investment

and provision the right hardware and infrastructure. "In these cases, businesses might find it attractive to do it themselves through a capital expenditure model, where they can purchase the hardware and write it down over three or five years. This financial model makes sense in certain situations," says Arend. Raj Sukumar is head of Europe at Persistent Systems, an Indian technology services company. He says there's a "common misunderstanding that moving to the cloud means every single organisation moving all their data to the cloud". Depending on individual business requirements, that is not always needed. This view is echoed by Álvaro Verdeja, chief operating officer at Making Science, who says moving away from legacy systems should not be a single step but managed in stages. "Businesses should tailor their cloud implementation and consider the most effective strategy, whether a combination of cloud and on-premises, cloud as a sole solution or multi-cloud usage – to deliver optimised results." A carefully considered cloud strategy, then, can potentially provide huge benefits. But enterprises must have a clear idea of the most appropriate services to migrate and keep a watchful eye on the costs. ●

## Q&A

# Using cloud partnerships to improve supply chain resilience



Cloud technology enables businesses to maximise visibility of their entire supply chains, make swift decisions in real time to minimise disruption and empower staff to access accurate, real-time data remotely. Epicor's SVP & head of international, **Andy Coussins**, explains how cloud tech can boost supply chain resilience

- Q Historically, how have businesses managed and gained visibility of their supply chains?**
- A** ERP solutions have been around for decades, but many companies still use spreadsheets to gain visibility. This is not necessarily a bad thing if the data in the spreadsheets is live, accurate and valid, but this data is often siloed and stale. At Epicor we are unlocking the siloed data and making it frictionless to connect. We do this using the latest electronic data interchange (EDI) capabilities. EDI allows industries to decrease delays in business processes and increase supply chain visibility.
- Q Have the events of the last two years accelerated the demand and need for cloud technology?**
- A** Covid-19, fluctuating variables such as supply chain and

distribution challenges, heightened demand and labour shortages, as well as the soaring cost of energy and raw materials have dramatically accelerated the demand and need for real time data, and this is enabled by cloud technology. In 2020, Epicor found that 25% of businesses saw cloud as a strategic priority for the year, with this number rocketing to 94% in 2021. Cloud technology allows businesses to gain insights into the future supply chain to future-proof and stress test supply chain resiliency. Additionally, in a post-pandemic, hybrid-working world, cloud-based technologies are enabling staff to work more efficiently, whenever and wherever they're based.

**Q Why is cloud technology a better solution for businesses and is it essential for the long-term success of businesses with complex supply chains?**

**A** Cloud ERP enables businesses to focus on their specific needs and not the nurturing of the system to run the digital core of their business. Our team of experts and developers takes care of maintaining security updates, backups, and upgrades and also modify the solution on an ongoing basis. While your internal team may have done this a few times, ERP vendors typically have hundreds of thousands of customers deployed across geographies and teams on rotation 24/7. Cloud tech also enables businesses to closely track a product throughout its lifecycle, allowing employees to access real-time information at any time and any place for more

accurate decision making, ultimately resulting in a more resilient business.

- Q Can Epicor integrate its cloud technology within a business's existing systems?**
- A** Yes. Epicor's Industry ERP Cloud solutions are tailored to make integration as seamless as possible. Key to this is Epicor Automation Studio, a pioneering low-code integration platform-as-a-service which allows companies to integrate and automate activities and processes between previously siloed applications data and platforms. Automation Studio empowers workers to effortlessly integrate and automate scheduled or event triggered workflows, offering a flexible solution with access to a marketplace of over 1,000 popular application connectors where businesses can modify and implement the workflow integrations that they need.
- Q How does ERP technology help to facilitate businesses' digital transformation in the supply chain?**
- A** Cloud-based ERP solutions are fundamental to supply chain digital transformation as they act as the 'digital core' that forms a basis from which more and more parts of a business can be digitised and integrated. Formula One racing team Scuderia AlphaTauri uses Epicor Kinetic to centrally manage all processes and data across its operations, optimising every aspect of the team's production, inventory, component testing and financials with greater speed, accuracy, and visibility. As a racing car is made up of more than 14,000 precision components that are custom-made onsite, Kinetic allows Scuderia AlphaTauri to automate the job creation process for every part, minimising data entry, speeding up productivity, and managing and understanding the lifespan of every unique part in the supply chain.

For more, please visit [epicor.com/IIR](https://epicor.com/IIR)

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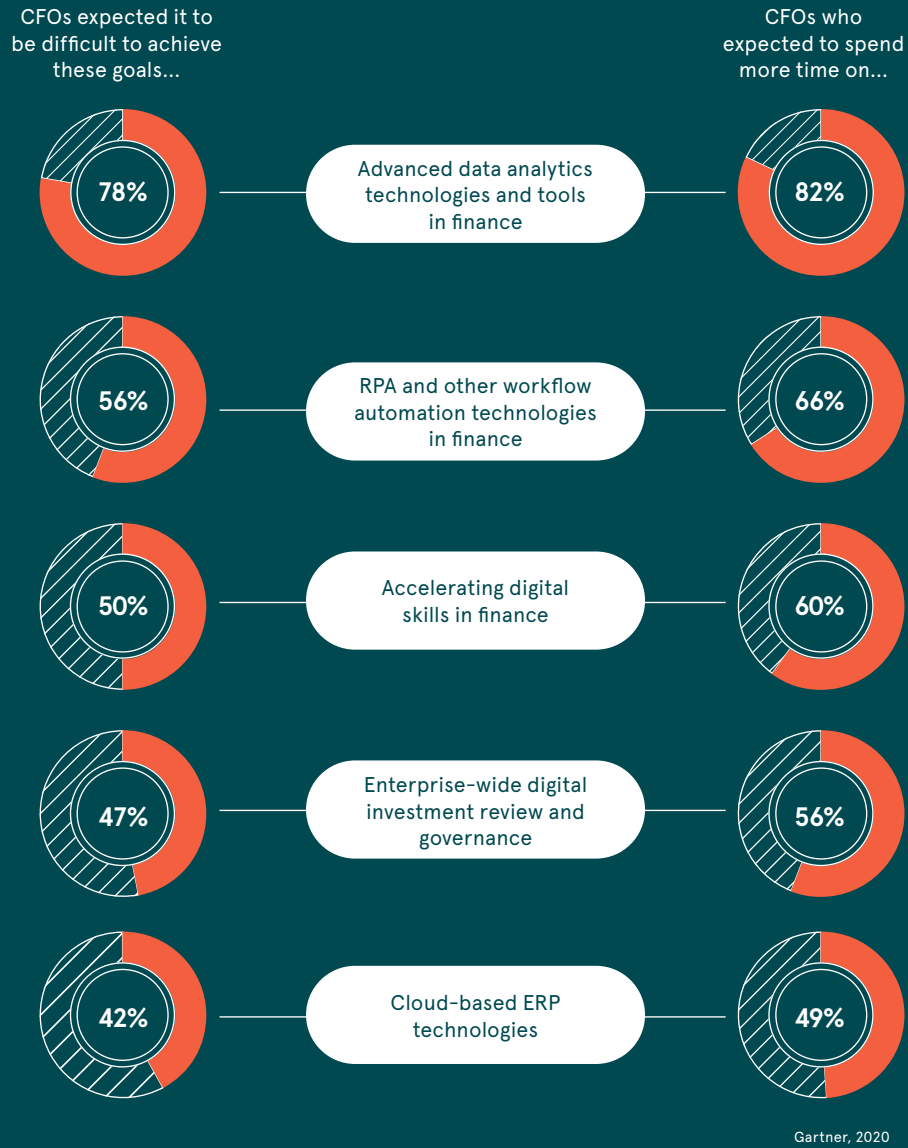


# MAKING THE MOVE TO THE CLOUD

For businesses in the distribution, manufacturing and building supply industries, moving to the cloud can be a decision that helps streamline their operations, improve security and increase the functionality of their technology systems. What factors influence the decision to move to the cloud?

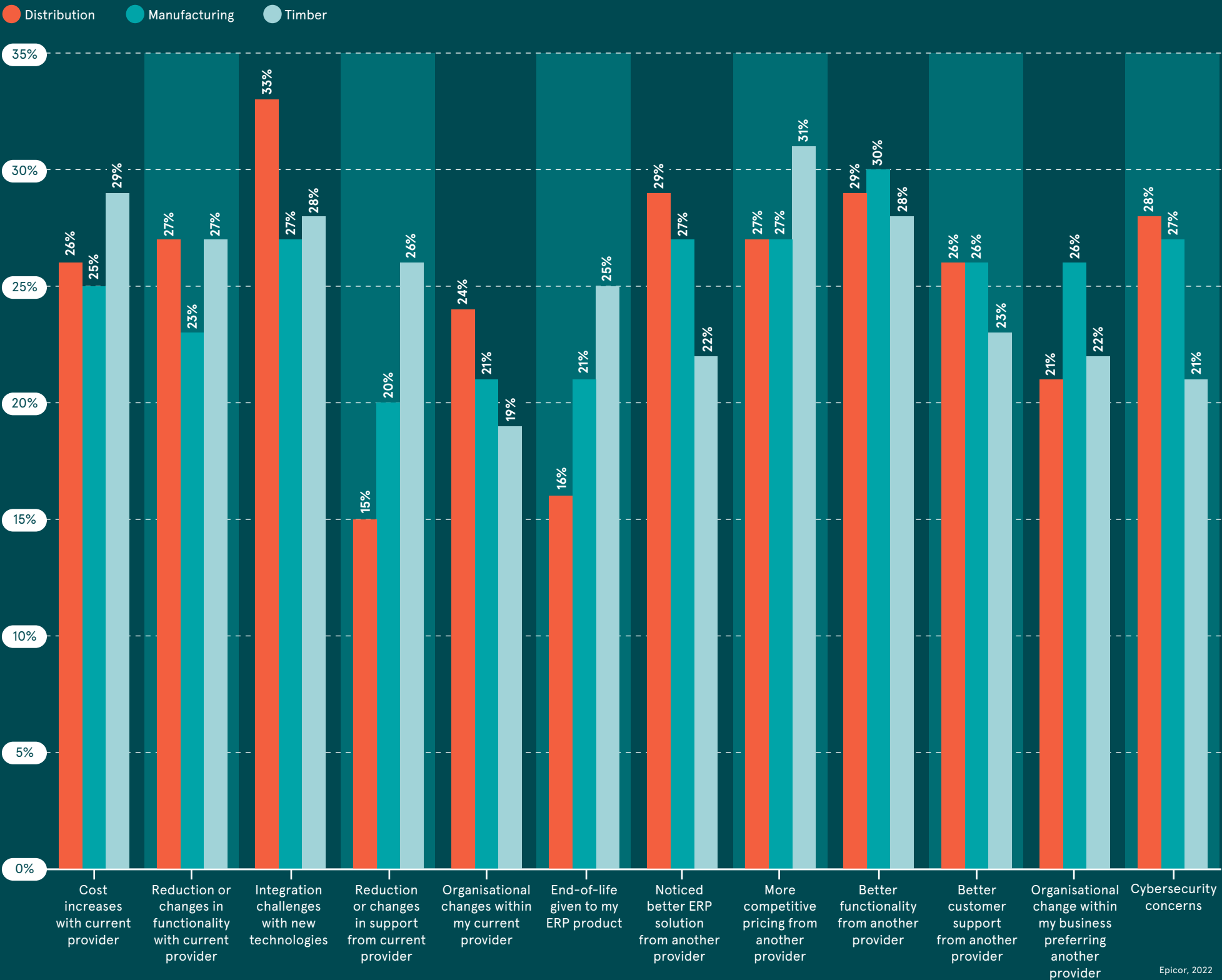
## TOP DIGITAL PRIORITIES

Chief financial officers' time and difficulties expectations for key digital priorities



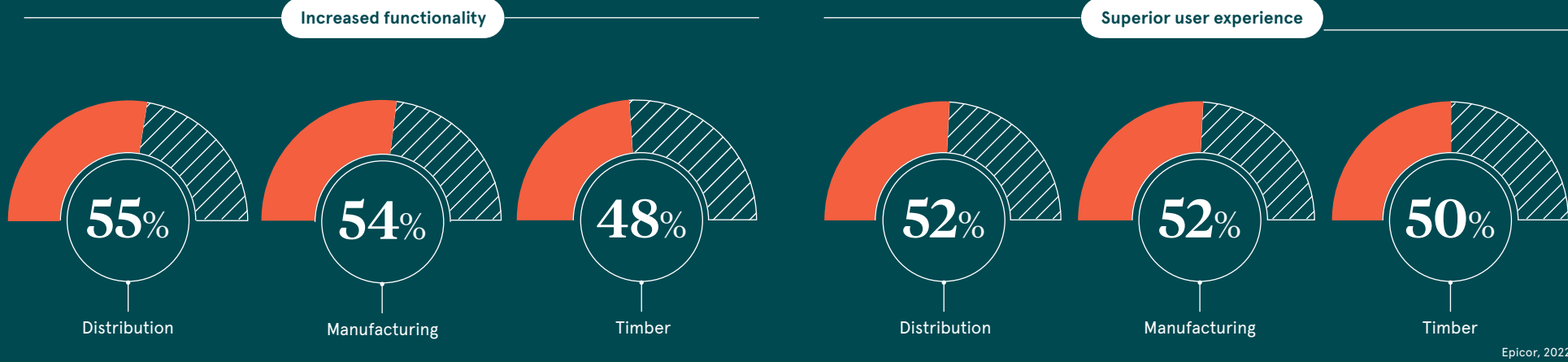
## MOTIVATING FACTORS

The top triggers causing IT professionals to re-evaluate their ERP needs



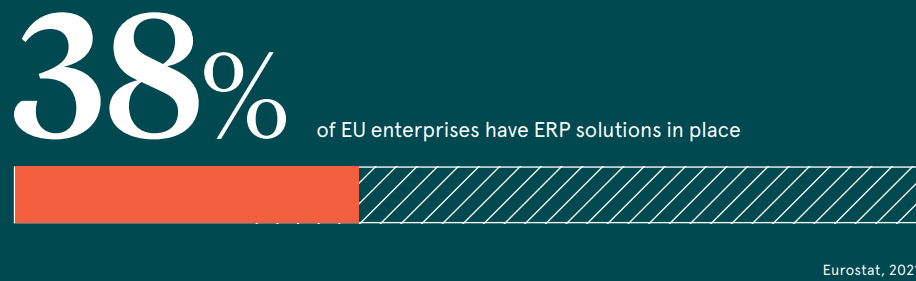
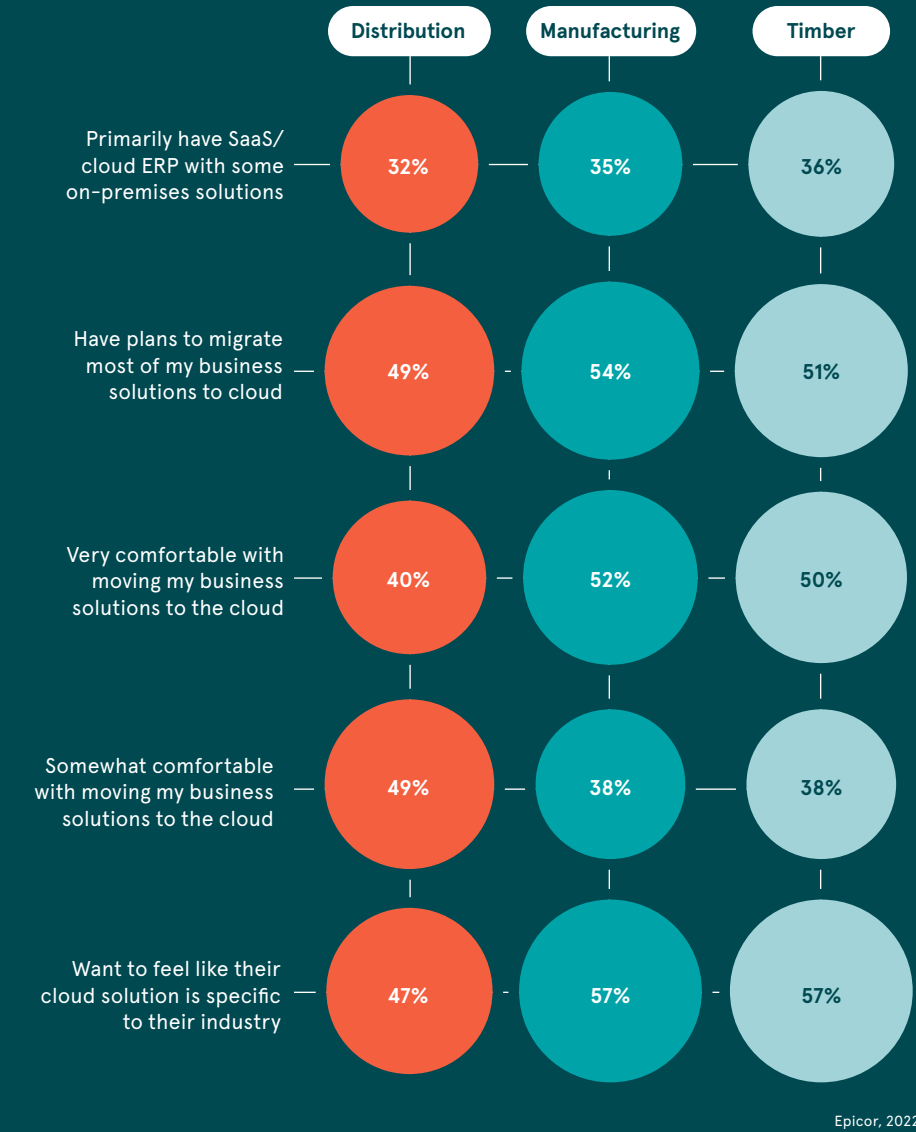
## FUNCTIONALITY REIGNS SUPREME

Top reasons influencing the decision to switch ERP solutions



## THE CLOUD ADOPTION JOURNEY

Business leaders on their cloud decision-making and current solutions



# Working in partnership throughout the customer lifecycle

Long term partnerships between businesses and cloud ERP software providers can help companies to gain a competitive advantage, but a recent report found that 45% of companies look to change providers every one to three years. What is the secret to building successful long term partnerships?

Alec Fenn

The Covid-19 pandemic created and exposed existing supply chain problems, making business leaders realise the need to have access to accurate, real-time data. Digital transformation has helped them make rapid decisions and track products across their entire lifecycle to minimise and avoid disruption. Transitioning to cloud ERP software is a key part of the digital transformation process. It empowers businesses by maximising supply chain visibility, giving them access to critical information remotely and using machine learning to find out what their supply chain will look like in the future, so they can stress-test its resilience. Finding a long-term cloud ERP partner can give a business a competitive edge, but for many companies this is proving a difficult task.

Epicor's 2022 'Industry Insights Report,' which surveyed 1,350 technology decision makers across the manufacturing, building supply, retail, automotive and care sectors in the US, UK, Australia and New Zealand, found that 94% of businesses saw cloud as a strategic priority for the year. But, it also revealed that 45% of decision makers actively consider moving to a new ERP provider every one to three years. A further 25% look every year and 6% as frequently as every month. Why are these technology leaders dissatisfied with their partners and how can cloud providers raise their game?

Several reasons were cited for considering switching providers in the report, including better functionality from another provider (30%), integration challenges with new technologies (29%), more competitive pricing from another provider (28%), and cybersecurity concerns (27%). Customers also

stated clearly what they want from a provider, notably an industry and business specific solution, the ability to integrate with other business applications, data support during migration, transparency and ongoing support and training materials after the software is live.

Understanding these needs has been key to Epicor's success. The average length of a partnership between Epicor and its partners is 13 years, while the company's most loyal customers have been working with them for as long as 25 years. Andy Coussins, SVP and head of international at Epicor, says a tried and tested delivery framework across the entire relationship is essential. "The work begins before the purchase of any software," he says. "We learn about our customers and their industries and it continues throughout the relationship."

Time spent on gaining a thorough understanding of the nuances of businesses and their industries, means Epicor can provide a customised solution. "Your provider may already know your industry, but they don't know your business uniquely, why you win, why you're different and your aspirations," says Coussins. "A generic ERP solution may not be the right fit, we focus on deep industry expertise in both our people and solutions. We like to say 'made with you, for you' because we work so closely alongside our customers."

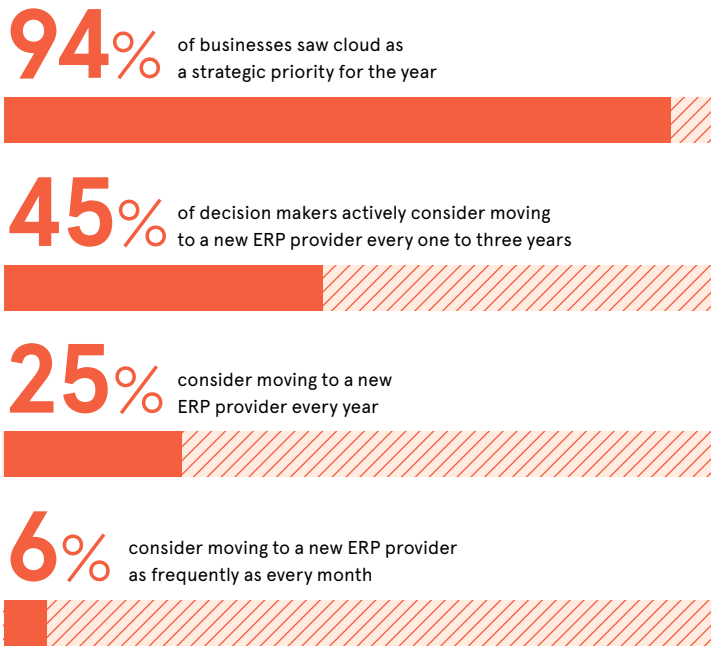
Data migration is another concern for businesses when moving to the cloud. In fact, 59% of participants in Epicor's report said they want help with data backups during migration. Equally important is how they get that support; 58% of the businesses said that having a dedicated migration team would increase their comfort in the journey



**“A generic ERP solution may not be the right fit, we focus on deep industry expertise in both our people and solutions**

to the cloud. Sean Simmons, president of Epicor partner Tuffaloy Products, says the former provided perfect support. "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."

Speed is a necessity for modern businesses, which can't afford costly time



Epicor, 2022

delays as they update systems and processes. Interoperability – the ability for a cloud ERP system to integrate seamlessly with existing sales, finance or human resource applications – is a necessity.

In May, Epicor rolled out an intelligent software integration tool, Epicor Automation Studio, that features the power of machine learning and aims to save time, eliminate manual tasks and increase productivity. It helps companies to easily connect the dots between business and operational systems, for example Salesforce, ADP, ServiceNow and over 1,000 popular application connectors, and modify and implement the workflow integrations they need.

Training materials and the availability of experts to help train up staff on cloud systems is also high up on the wish-list of businesses when assessing potential cloud providers. Even after ERP go-live, customers need ongoing support. Epicor asked business decision makers

where they look for support, with leaders citing a range of sources, from technical documentation to training and blogs. Some customers even explore peer knowledge from other ERP users and user groups. Epicor has embedded learning resources into every cloud ERP solution. There are also training tools and support for role-specific tasks curated to individual learning paths to help staff to extend their knowledge of the system.

Ongoing training and support is just one example of the continuation of an effective cloud vendor partnership even after the cloud software is live and businesses are familiar with the software. In the months and years that follow, the relationship takes on a different form. "Businesses sometimes believe that after 'go live' the job is done, but the reality is that this is just another milestone," says Coussins. "Once live, it's about continuous improvement, reimagining, learning and adapting." This

is particularly important if a business expands. "Sometimes our customers buy other businesses or expand into new markets, so having a partner you can lean on in these instances is critical," he adds.

Having the right partnerships in business is critical to long term success. Companies need an ERP partner that understands their industry, that they can trust and rely on, and has the right tools and people in place to help them to solve their problems. It's also clear that even in a world of complex digital systems, it's still the human connection that businesses seek from long term partnerships and what ultimately sustains them.

For more, please visit [epicor.com/iir](https://epicor.com/iir)



## CASE STUDY

### Simplifying and securing IT processes

Hacel Lighting, a major independent lighting manufacturer based in Newcastle and has worked with Epicor since 2006 but ran into recurring problems with its on premise ERP solutions. The company develops and manufactures high-quality, energy-efficient lighting products for many sectors including automotive, retail, commercial and architecture.

Migrations to new systems were required every two to three years and were expensive, each taking 30 to 40 days of consultant's time. In an effort to cut costs, the company removed customisations so they were less reliant on consultants but problems remained. Hardware upgrades were needed on a frequent basis so that in-house servers could support the operating software used to run Epicor software.

Hacel decided a long-term solution was needed and opted to transition the bulk of its IT applications and systems to the cloud, so that company resources could be focused on core business initiatives rather than IT operations. As a part of that strategy it upgraded its Epicor ERP version 10 to Epicor Kinetic deployed in the cloud. Since the Epicor 10 implementation had no customisations, the move to Epicor Kinetic was relatively easy and went live within two-and-a-half months in March 2020.

Most of this time was spent on planning the upgrade, as well as securing and implementing parallel internet connectivity from two different suppliers to ensure they had an always on cloud solution, in case of disruption at one vendor.

As expected with a cloud solution, the Epicor Kinetic applications automatically get upgraded when a new update is released, saving Hacel

money that would otherwise have been spent on external consultant fees to support upgrades. Since Epicor Kinetic runs on Epicor Cloud, Hacel Lighting has also avoided the need for future investments in hardware refreshes, middleware and security software. This enables the company to redirect that spend on core strategic initiatives rather than IT upgrades.

Upgrading to Epicor Kinetic has also enabled Hacel to take advantage of new capabilities. Epicor Kinetic comes with Restful APIs, which allow the company to report on daily operational activities and metrics in different sections of the factory. Hacel achieves this by using the APIs to pull data directly from the system into Excel and publish it to users across the factory.

The smooth integration with other business applications has won the plaudits of Hacel's financial controller and company secretary, Chris Neal. "The factory reporting has come on leaps and bounds since moving to the cloud," he says. "Epicor Kinetic is by far the best I have seen in its integration with Microsoft products such as Excel and Outlook. Its ability to email and send out informative messages to users and configure those processes is very good for any manufacturing business."

Hacel Lighting also deployed the Epicor Mobile Warehouse capability since going live, which has reduced the amount of time typically lost while booking production for workers on the assembly line and improved data accuracy. Hacel's cybersecurity has also been given a boost. Most software companies tend to fix most reported bugs in the next update of their software. But, as an Epicor Kinetic customer, Hacel is always current on the latest update, so they see far fewer product bugs now, than in the past when they were running older versions in an on-premises environment.

"Our move to Epicor Kinetic is already paying dividends for us," says Neal. "My users and I aren't wasting our time filing and tracking responses to software bugs, as compared to our on-premises days." Moving forwards, Hacel can invest time and money into growing its business, safe in the knowledge that it has an adaptable, secure and simplified cloud solution fit for a thriving business.

**“My users and I aren't wasting our time filing and tracking responses to software bugs, as compared to our on-premises days**



SECURITY

# How cloud cover could transform your company’s cybersecurity

Cloud technology could provide security across your operation, empowering staff to tackle cybersecurity collectively. Here are five examples of the potential benefits

Andy Jones



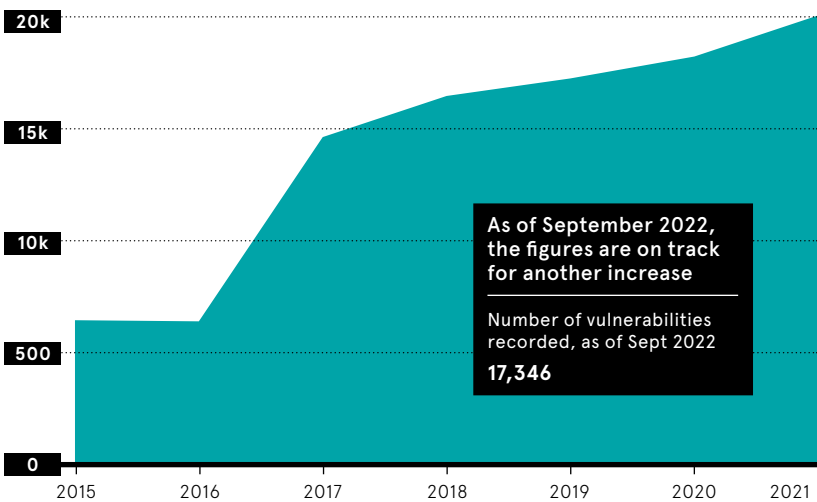
## 1 Reduce the risk of human error

Consider the typical IT infrastructure of a small business. It’s often based in the same building in which untrained employees work and is accessible to anyone who works for the company. This makes the job of cybercriminals far easier in terms of hacks or tricking staff into opening corrupting files, and it also increases the odds of a data breach due to human error. “Now contrast that with a large cloud provider,” says Jamie Akhtar,

CEO and co-founder of CyberSmart, a cybersecurity software company. “Cloud servers are housed in huge, well-guarded data centres, often far off the beaten track and a long way from providers’ central offices and staff. What’s more, the data in those servers is usually protected with complex encryption, making hacking extremely difficult.” Simply put, an organisation’s staff need access to all its data; companies should allow a gatekeeper to guard this perimeter and protect their employees from themselves.

## INCREASED SECURITY VULNERABILITIES POSE A SIGNIFICANT CHALLENGE FOR ON-PREMISES SOLUTIONS

Publicly disclosed cybersecurity vulnerabilities



## Spot the enemy within

In an era when cybersecurity can seem entirely focused on external threats, companies can forget the risks at home. Capital One no doubt invested heavily in preventative software, but a single employee still downloaded 30GB of credit application data including approximately 140,000 Social Security numbers and 80,000 bank account numbers. Although it may feel safer to store data on-premises, it provides a false sense of security. Kerri Dearing is head of international business at NetDocuments, a cloud-based document service. “If data is held at a company’s office, it is far more susceptible to being breached by hackers or a disgruntled employee,” she says. “The legal sector, for instance, is a prime target for data breaches, as many smaller firms keep huge troves of data onsite.” According to figures from the Information Commissioner’s Office, 68% of data breaches at UK law firms were caused by insiders, versus 32% caused by outside threats. An external cloud security system can ensure organisations maintain a strong perimeter around their data, even guarding against internal threats by ensuring only trusted individuals have access. Steve Gyurindak is CTO for network and operational technology at Armis, which assesses the threat connected devices create. He says industries like accounting, HR, supply chain and manufacturing face a particular risk. “Any gap in this perimeter can lead to a negative outcome, as Capital One learnt the hard way.”

## A problem shared is a problem halved

Keeping a company’s security up to date requires external, professional input. One of the defining features of the cloud is the shared responsibility model, unlike having an IT team responsible for outages, user problems and the hefty job of updating and monitoring cybersecurity. “With on-premises environments, there is a significant responsibility on the in-house IT team to keep the lights on, meaning attention is often spread thin, with less time to focus on the difficult tasks of ensuring security,” says Bryan Patton, principal strategic systems consultant at Quest, which provides software as a service (SaaS) and cloud management. “While the cloud does not absolve the end user of responsibility for security, it shifts more of the burden to the cloud provider, giving greater protection and enabling the organisation to reallocate resources.” The cloud’s uniform approach also improves upon on-premises solutions, which can often involve products that are not necessarily



compatible or streamlined. Etay Maor, senior director of security strategy at Cato Networks, a secure access service edge (SASE) provider, says that maintaining one security policy across multiple boxes and vendors is just one of the day-to-day issues. “With remote users utilising multiple boxes from multiple vendors, organisations are rarely providing the same level of security for every network flow, be it a cloud application, a user or an internet of things-enabled device. This is dated and not on a par with today’s cyber threats. Organisations are literally bringing on-premises solutions to a cloud fight.”



## 4 Build a fully manned security wall

When a company is short of manpower, extra help to man the perimeters is invaluable. Cybersecurity solutions that can detect and respond to attacks give organisations continuous visibility across

their entire IT environment, so they can connect the dots and spot signs of a threat in near real time, quickly neutralising them before they become breaches. “By having eyes and ears inside the cloud, security teams benefit from crucial security context to deliver timely and meaningful threat assessments that allow them to prioritise events, reducing the pressure on security teams and helping to keep the business safe,” says Oliver Tavakoli, CTO at Vectra, a leader in AI-driven threat detection. Cloud AI covering a company’s perimeter can spot threats instantaneously and know the latest threats on the horizon. Gyurindak says: “If you look at the number of vulnerabilities found in 2021, there were more than 20,000. That was up from 18,000 in 2020. This becomes a challenge [for on-premises solutions] given the global shortage of IT workers, and taking into account that the IT industry has the highest turnover rate of employees.”

## Free up IT teams to advance your company’s priorities

With more cybersecurity support, cloud can not only reduce ‘alert fatigue’ within an IT team but also free staff up to improve day-to-day processes or performance, rather than simply dealing with threats. “Security teams at on-premises sites can spend a large part of their day sifting through mountains of often meaningless security alerts, leading to alert fatigue, which means they are more likely to overlook or dismiss a serious threat that could lead to a breach,” Tavakoli says. “Cloud AI means teams are better equipped to detect and respond to cyber threats quickly, preventing full-scale attacks. Only then can overburdened analysts



focus on the things that matter: halting attacks before they become breaches and avoiding costly reputational damage.”



DATA

# For a stronger supply chain, just add a digital data thread

Macroeconomic and geopolitical shocks have exposed the fragility of global supply chains. The cloud can add resilience, creating data flows between manufacturers and distributors

Rich McEachran

If the Covid-19 pandemic, geopolitical tensions and supply chain disruptions have taught manufacturers one thing, it’s to prepare for the unexpected. So, could cloud computing hold the key to resilience? “The events of the past couple of years have put considerable pressure on the manufacturing sector to maintain production and keep supply chains and economies moving,” says Dr Phani Sistu, internet of things solutions lead at Hitachi Vantara, which offers storage solutions for businesses. “At the same time, manufacturers have had to deal with workforce challenges and supply and demand fluctuations.” In pre-pandemic manufacturing conditions, just-in-time was the default model: a workflow system where parts are sourced as close to

production as possible in order to meet customer demand without holding excess inventory. Some fortunate manufacturers with the necessary capacity were then able to pivot to a just-in-case model, in which they build a buffer of inventory to fall back on in the event of supply chain delays. This can work well in a sector such as the automotive industry, where margins are generally relatively healthy. However, in an industry like healthcare, which runs on thin profit margins, manufacturers aren’t usually in a position where they can afford to hold inventory. But the pandemic has also highlighted the vulnerabilities of healthcare relying on a just-in-time model. Hospitals struggled to get their hands on ventilators for Covid-19 patients, for example.

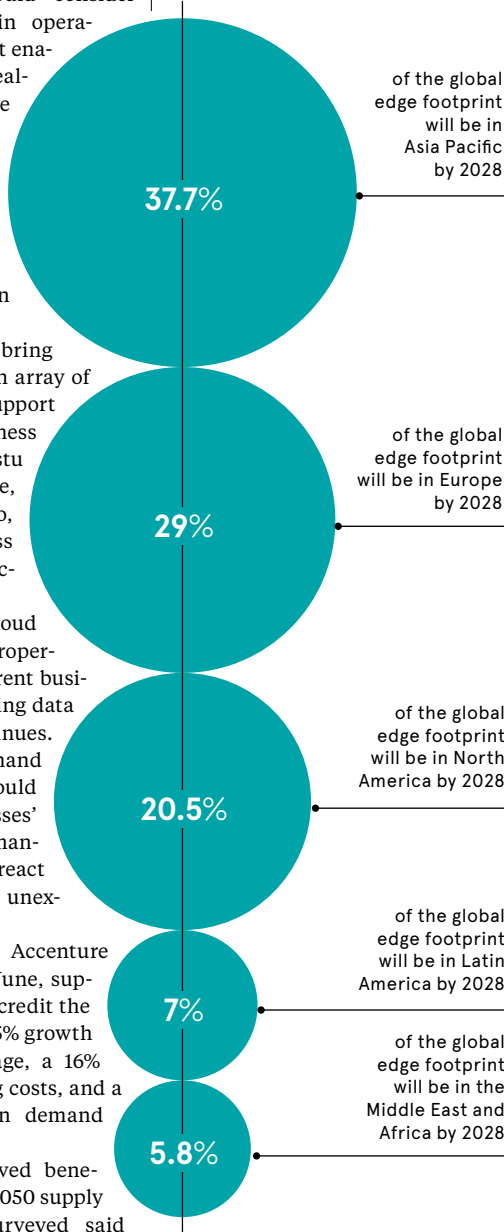
Even with the worst of the pandemic now seemingly over, companies still face challenges. In the medical device sector, for instance, the ongoing semiconductor shortage has meant lower levels of production. These manufacturers also find that they’re competing with many other industries for a limited supply of inventory. Meanwhile, manufacturers that can get their hands on chips are likely paying more because of the sharp rise in prices of raw materials, as well as rising shipping costs. On top of this, the medtech sector is facing a staffing shortage, according to market research from Informa. If a just-in-time model is to be effective in the future for an industry like healthcare, then, every process in that supply chain needs to be joined up and synchronised. That’s where the cloud comes in: helping to build those connections.

“Moving to the cloud allows for better interoperability between different business units by dissolving data silos

By adopting cloud-enabled technologies, medical device manufacturers could keep on top of challenges resulting from staff and supply shortages, especially when it comes to distribution and inventory management. Manufacturers should consider moving supply chain operations to the cloud as it enables them “to use real-time data to create contingencies”, says Pierre Liautaud, an member executive council at Aim10x, a group of business leaders encouraging digital transformation in supply chains. The cloud can bring together data from an array of technologies “that support manufacturing readiness and resiliency”, Sistu adds. These include, but are not limited to, digital twins, process modelling and production scheduling. “Moving to the cloud allows for better interoperability between different business units by dissolving data silos,” Liautaud continues. “This offers on-demand scalability, which should then improve businesses’ decision-making, as manufacturers are able to react more quickly to any unexpected changes.” According to an Accenture report published in June, supply chain executives credit the cloud with driving a 5% growth in revenue on average, a 16% decrease in operating costs, and a 26% improvement in demand forecasting accuracy. Despite the perceived benefits, only 52% of the 1,050 supply chain executives surveyed said moving to the cloud had helped them to be more resilient, while just 41% achieved increased visibility as a result of their cloud investment. While there should be no doubt that the cloud can play a pivotal role in helping manufacturers get the insights required to become more resilient, says Sistu, it can only really be realised if “architected as part of [an] edge cloud continuum”. Edge computing – where data is no longer confined to data centres and is processed as close to the original source of data as possible – can help by reducing the latency between two points of a network. The problem, then, is that “manufacturing’s legacy systems can be a hindrance to the seamless data integration from edge to cloud”. This is thwarting some manufacturers’ efforts to transform themselves digitally, Sistu argues. With multiple stakeholders in any single supply chain, the edge should ideally be deployed by all parties, whether upstream or downstream. Creating digital data threads would enable data to flow seamlessly between stakeholders, Sistu adds. The Accenture research found that one in five of the supply chain executives surveyed had deployed cloud-enabled capabilities across

## EDGE COMPUTING IS EXPANDING ACROSS ALL REGIONS TO CREATE DIGITAL DATA THREADS

Global distribution of edge technologies



their entire supply chain. Of these executives, 97% had at least three-quarters of their entire supply chains running in the cloud. However, beyond the supply chain executives, overall two out of three respondents had less than half of their supply chain connected to the cloud. Companies that haven’t yet moved their supply chains to the cloud need to pick up the pace if they want to make themselves more resilient in the face of future disruptions, Accenture concluded. “Ultimately, the biggest benefit of the cloud is that it can be the single source of truth, providing continuous global visibility into resources and supply chains,” says Sistu. “With this global visibility, manufacturers can forecast more effectively, optimise their production and drive workforce readiness. This puts them in a stronger position to be able to meet fluctuations in global supply and demand.” And in a world where a small disruption on one side of the world can cause massive shockwaves and chaos on the other side, it’s worth doing whatever it takes to reinforce your supply chain.



# The know-how to know how to

# accelerate performance



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