

Breaking the Chain

Competitors are doing it, suppliers expect it, and customers demand it – will you?

The supply chain has been evolving quickly over the last decade spurred by wider globalization and fierce competition. Today, many businesses across every conceivable market sector are scrutinizing the supply chain for ways of reducing costs through improved efficiency while software vendors promise that their enterprise application will provide the desperately sought competitive edge. Today, the chain is more like a carefully constructed web with spokes and bars of suppliers, sub-contractor, customers, manufacturers and outsourcers in desperate need of cohesive processes and information to deliver profitability.

Although software can help, businesses need to align their strategic direction to a more service orientated architecture to match the way the industrial world has evolved. The days when one company sourced materials, built it and sold it all through direct control have long past and the supply chain, through its business processes and software architectures, must accept this economic reality to provide optimum fit.

Many still see Service-Oriented Architecture (SOA) as just a new form of Electronic Data Interchange (EDI), which for the last three decades has allowed disparate computer systems to exchange documents such as purchase orders, receipts and bills. Developed in an era of mainframes and bespoke systems, EDI is notoriously complex to implement and lacks the rigid standards that often limit customer and supplier interaction.

Where EDI simply allowed data exchange, SOA is instead a true collection of self-contained services that communicate with each other and do not depend on the context or state of the other service. An example could be a manufacturer who uses a Web service to gather the stock levels of its independent sales agents or an accounting package using the Web service of a governmental revenue agency to determine local VAT percentages. The service could be a full blown application such as stock control or shipping system allowing a company to outsource the non-core parts of the business to a third party but still maintain control and visibility of the information systems that are essential for smooth operation of the business.

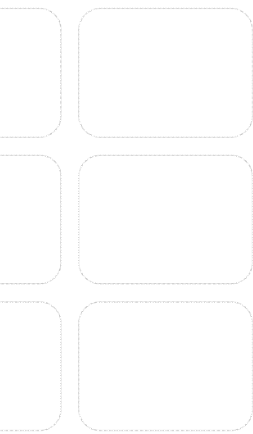
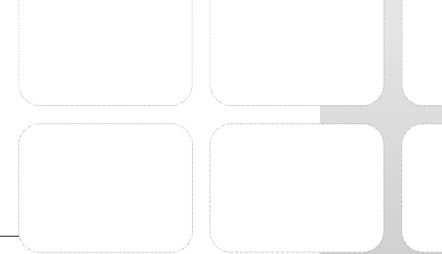
The fundamental difference is that in a SOA, everybody understands the rules and even if they don't – the service can pass the relevant XML schema so that all systems are able to interact based on the access level that each organization requires or is assigned by the service owner.

At the end of the day, when selecting the supply chain management software for your organization, the most important decision should be whether your business is prepared to adopt business processes that meet the service-oriented market that the world is moving towards. Competitors are doing it, suppliers expect it, customers demand it – the change is already here and businesses that want to succeed need to evaluate whether they can break the rigid chain and instead construct a flexible supply web that the market is demanding.

About Epicor

Epicor is a global leader delivering business software solutions to the manufacturing, distribution, retail, hospitality, and services industries. Founded in 1984, Epicor serves 20,000 customers in more than 150 countries, providing solutions in over 30 languages.

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