EPICOR

How Cloud Tech is Giving Retailers Capabilities That Define the Future

Find out how cloud ERP is transforming retail, and why Epicor is an ideal partner for the move to the cloud.

At Epicor our market-leading industry productivity solutions are built on decades of retail industry expertise. We work closely with our customers to make sure our solutions stay a step ahead of their changing needs. Retail is experiencing a rapid increase in adoption of cloud solutions. That's why we surveyed hundreds of industry decision-makers to find out what's important to their business, how the cloud can solve challenges, and how we can help make it a success. This report brings you all the insights and reaffirms that now is the optimal time to switch to cloud solutions.
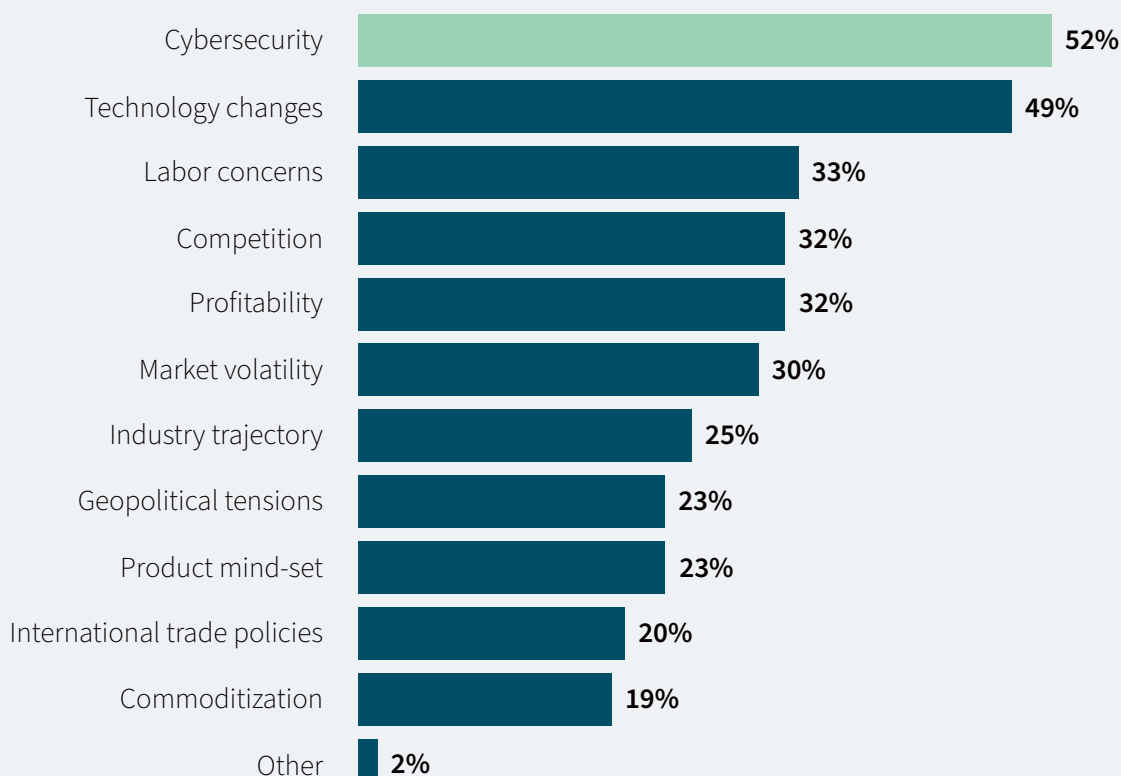
Contents

Retail is Rapidly Changing

The world is transforming, and retail is quickly adapting. Explore the biggest challenges that businesses are facing.

The last two years were a time of rapid and widespread change in retail. Covid-19 presented many challenges, from supply chain disruption to new technology and the shift to online channels. It's little surprise that most companies said cybersecurity and technology changes were their biggest current challenges.
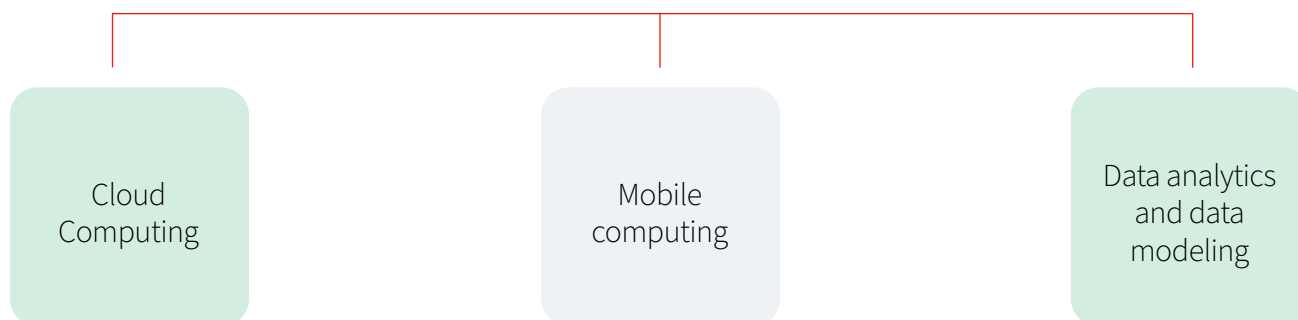
Failing to keep customer data safe from huge increases in cyberthreats can cause significant financial and reputational damage. With new technology quickly proliferating, retailers are looking for solutions that integrate seamlessly. And when you add labor shortages, it creates a more complex challenge for business owners.

Q: What are your company's biggest current challenges?

Challenge	Percentage
Cybersecurity	52%
Technology changes	49%
Labor concerns	33%
Competition	32%
Profitability	32%
Market volatility	30%
Industry trajectory	25%
Geopolitical tensions	23%
Product mind-set	23%
International trade policies	20%
Commoditization	19%
Other	2%

We asked companies what technology they think will change their business over the next five years, and they chose cloud and mobility as the most significant, followed by data analytics. Digital technology will be at the heart of retail strategy over the next five years. That's why the most future-focused businesses are already integrating capabilities into their operations, or plan to soon.
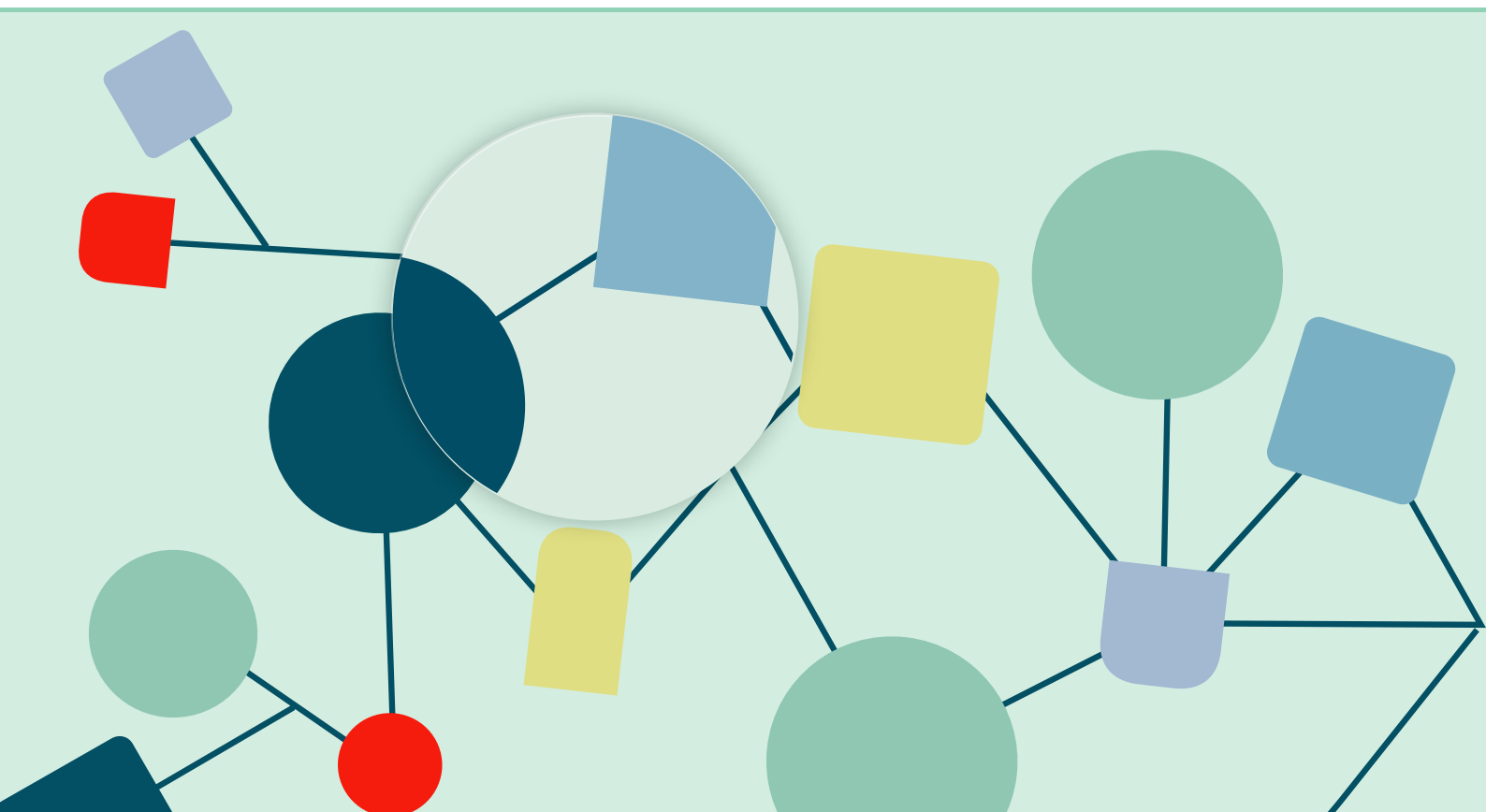
Q: Which technologies do you think will significantly change businesses over the next five years?

Cloud Computing	Mobile computing	Data analytics and data modeling

For retailers, it's a complex and highly demanding new world. Fortunately, the answer is already with us: The latest cloud solutions deliver the functionality and integration retailers need, along with cutting-edge security that's so essential.

"I have two employees that had used Epicor before and I loved that they already knew their way around—they were able to act as my support members. During the pandemic, staff were getting burnt out, so the new solution has been incredibly valuable."

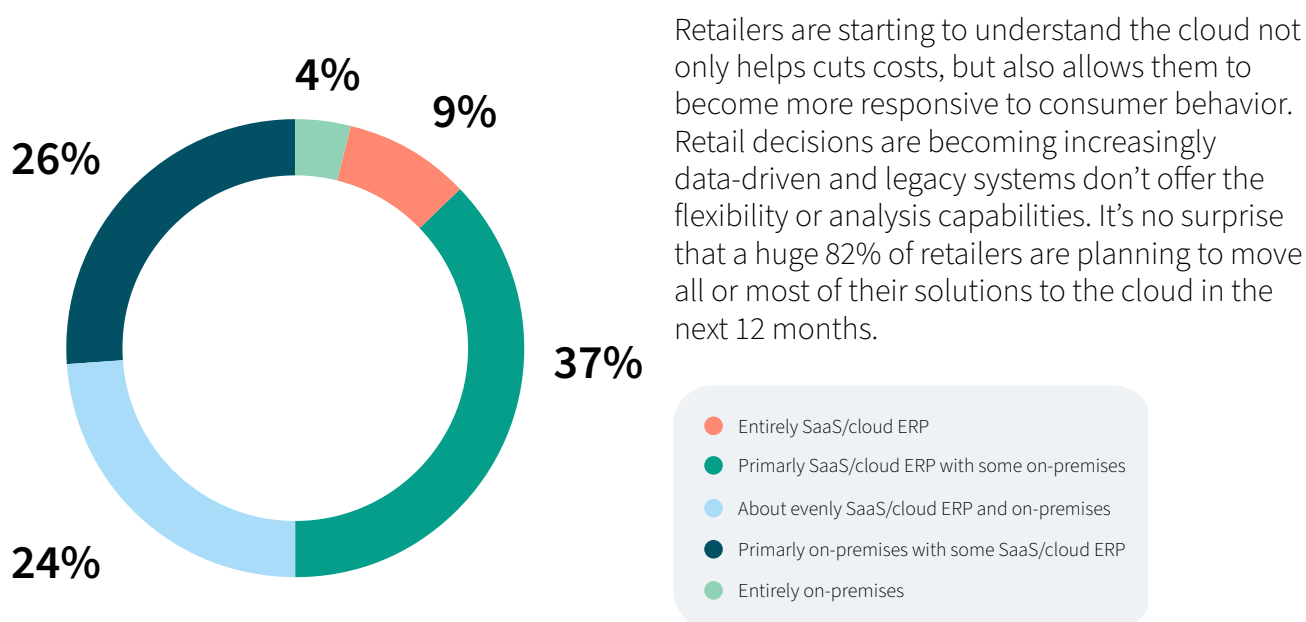Libby Burr, Owner | Bridger Animal Nutrition

Retailers are Moving to the Cloud

Businesses are increasingly shifting to cloud-based solutions, or intend to move soon.

Rapid acceleration of cloud business solution adoption is happening across retail. Forty-six percent of retailers have now shifted to cloud for all or most of their business processes, while 24% are using a balance of cloud and on-premises solutions.

Q: Which of the following best describes your business's current point of sale and retail management solution?

4%

9%

26%

37%

24%

Retailers are starting to understand the cloud not only helps cuts costs, but also allows them to become more responsive to consumer behavior. Retail decisions are becoming increasingly data-driven and legacy systems don't offer the flexibility or analysis capabilities. It's no surprise that a huge 82% of retailers are planning to move all or most of their solutions to the cloud in the next 12 months.

- Entirely SaaS/cloud ERP
- Primarly SaaS/cloud ERP with some on-premises
- About evenly SaaS/cloud ERP and on-premises
- Primarly on-premises with some SaaS/cloud ERP
- Entirely on-premises

Q: What proportion of solutions do you plan to migrate to cloud?

39%
All business solutions

43%
Most business solutions

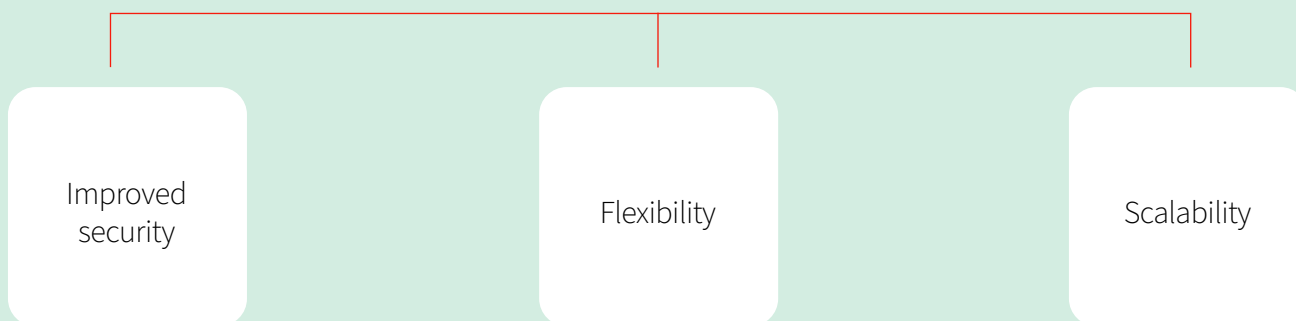**18%**
Some business solutions

Cloud is Now a Business Necessity

As cloud becomes more essential to compete, retailers understand the benefits but still have a few concerns.

As adopting cloud becomes ever more crucial to staying competitive, retailers agree that improved security is a major benefit. Our research also found that flexibility and scalability, both crucial to modern retail, are the other major drivers that encourage cloud adoption.

Q: What are your perceived benefits of moving to cloud?

Improved security	Flexibility	Scalability

Why isn't every retailer making the move? Well, for some businesses the total cost of ownership is the biggest perceived drawback. Of course, a dedicated and customer-focused partner like Epicor helps curate solutions for specific budgets and needs.

Q: What are your concerns about moving to the cloud?

Cost/total cost of ownership	Data security and risk mitigation	Lack of control

"Helping our staff work more efficiently and creating a great in-store experience for our customers is common sense retailing, but you have to give staff the tools necessary to achieve it."
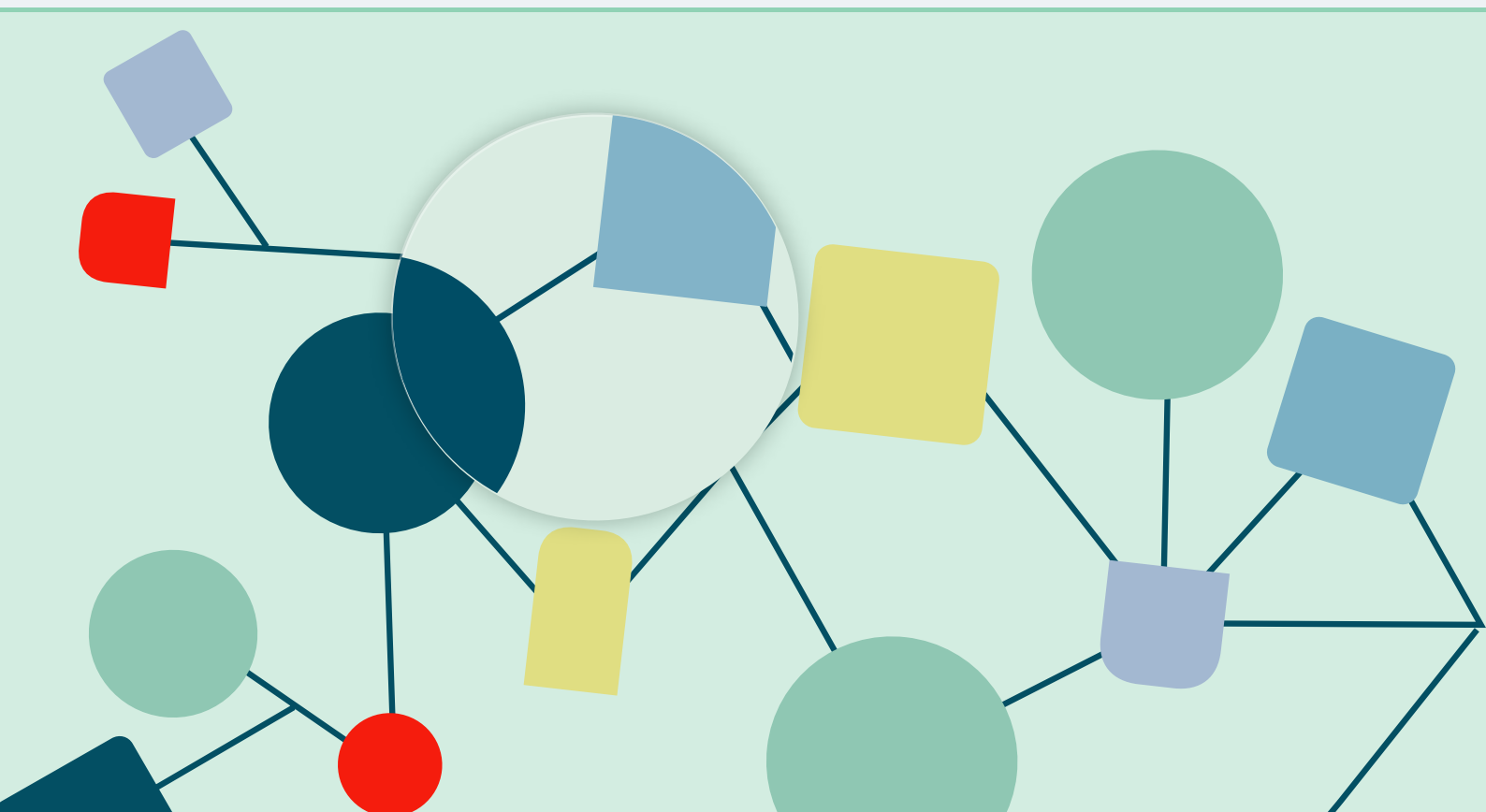
Steve Timmerman, Director of Strategic Initiatives | Goodwill Sandusky

Security is More Important Now Than Ever

Security and data control are important concerns for many retailers. But cloud offers unparalleled security for your data and your business.

Security is crucial to safe and seamless operation for every hard-working business. Most retailers consider data security a top priority, too. For businesses considering a cloud-based solution for the first time, it might feel like taking a risk with your data, and your customers' too. Retail increasingly depends on data-driven decisions, and poor data security poses considerable financial risks. During the pandemic corporate hacking more than doubled by some measures. Without excellent security in place, your customers, reputation, and business are all vulnerable to cyberattack.

Thankfully, cloud offers exceptional security. From safely encrypting files to installing firewalls, cloud helps businesses stay ahead of cybercrime. Cloud-based solutions back up your business in state-of-the-art data centers that are continuously updated to combat ever-evolving threats. Cloud solutions also isolate email from business applications, making it harder for cybercriminals to infiltrate an organization through 'phishing' or other forms of cyberattack. By contrast, on-premises solutions can be harder to protect, slower to respond to an attack, and more vulnerable to break-ins or natural disasters.

Cloud Provides Unique Flexibility

From built-in scalability to simple integration and easier compliance, cloud provides the flexibility to help accelerate your business ambitions.

Every retailer is unique, with specific needs and fast-changing challenges. Switching to the cloud builds more flexibility into your productivity solution. Business owners agree, with 87% saying cloud solutions offer the flexibility to meet their requirements. Cloud allows you to go beyond capabilities of on-premises solutions, unlocking new possibilities that can take your business to the next level.

When you run a cloud-based solution, you have built-in flexibility and scalability. From adding users to increasing bandwidth or boosting storage capacity, cloud capabilities help retailers stay ahead of the game.

In the fast-changing retail world, cloud helps you adapt. Cloud-based business applications go with you from store to back office to home, giving you access to your data whenever and wherever you need.

> "My monthly billing for my accounts receivables has traditionally taken me a full day. Within the first month … it has been reduced to 2 hours. [Epicor] will allow me to automate key accounting processes and easily access the numbers I need to check the financial health of the business."
>
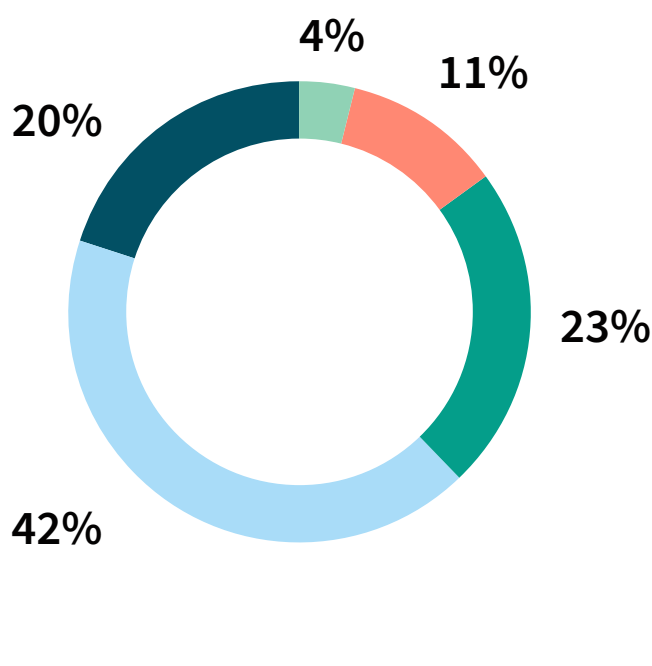> Libby Burr, Owner | Bridger Animal Nutrition

Cloud-Based Businesses are Feeling Optimistic

For many retailers, Covid-19 was a shock to the system. But most now feel positive about the future, especially those on cloud.
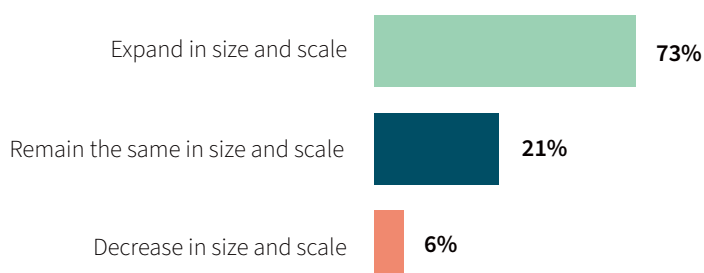
As you'd expect, the global pandemic hit the retail industry hard, with roughly 36% of retailers negatively impacted. We're pleased to report that 37% of them predicted they would recover by the end of 2021, with a further 40% expecting to get back on track during 2022.

Q: When do you expect your business to recover from the negative impact of the Covid-19 pandemic?

4%
11%
20%
23%
42%

- Already recovered
- The first half of 2021
- The second half of 2021
- Sometime in 2022
- Sometime after 2022

Despite the enormous impact of Covid-19, most retailers feel optimistic about the future. Seventy-three percent expect to grow and expand their business over the next three years. And cloud capabilities are helping to fuel fresh optimism. Businesses that plan to expand are adopting the cloud more quickly. And looking ahead to protect against future disruptions, cloud helps with retailer confidence: 84% of the retailers polled believe cloud technology could have helped them better manage through the pandemic.

Q: Do you expect your business to expand or decrease in the next three years?

Expand in size and scale	**73%**
Remain the same in size and scale	**21%**
Decrease in size and scale	**6%**

"We can't offer premium salaries, but the pandemic led us to re-think our business model on the labor side. We realized the greater importance of reducing unnecessary manual tasks and easing the pressure on our employees."

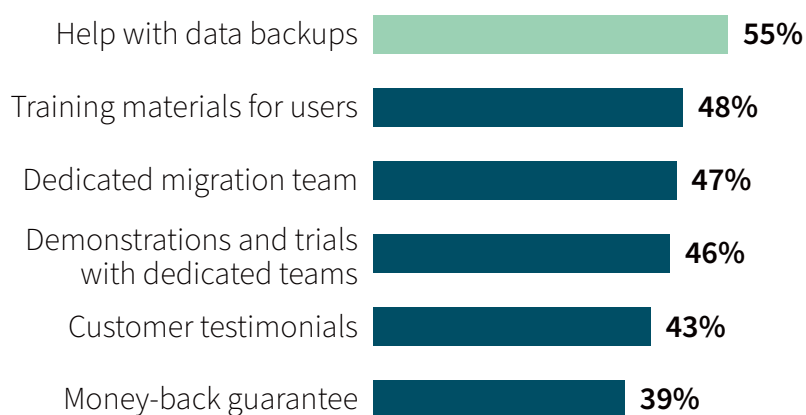Steve Timmerman, Director of Strategic Initiatives | Goodwill Sandusky

Powerful Partnerships for Cloud Success

Working with the right business solution partner is crucial. You need one with unique retail expertise, a personalized approach, and total dedication to your business.

A successful migration to cloud requires an expert partner. Choose one that knows the retail industry, understands your business needs, offers customer-driven products and innovation. When we asked retailers what they required from a partner, 55% mentioned, "help with data backup." Forty-eight percent said, "training materials for users," to help employees provide a better customer experience. And 47% agreed that a "dedicated migration team" was crucial.

Q: Which of the following would make you feel/would have made you feel most comfortable about moving to the cloud?

Help with data backups	55%
Training materials for users	48%
Dedicated migration team	47%
Demonstrations and trials with dedicated teams	46%
Customer testimonials	43%
Money-back guarantee	39%

Cloud migration is easy when you choose the right partner. A clear majority of the businesses we polled said it was easy to migrate data across technology solutions. Providers that offer curated solutions can help you migrate seamlessly, maintaining business continuity. Then, you can begin swiftly benefiting from cloud capabilities.

Epicor Solutions Are Made With You, For You

Now is the time to move to a cloud-based solution, with Epicor experts ready to support you at every step.

Our uniquely deep retail knowledge powers the solutions we build that enable your specific needs.

We encourage hard-working retailers to experience the flexibility, security, simplicity, and future-proof benefits of cloud technology. Our dedicated team works closely with you to carefully curate a solution for your needs—made for the cloud, and made for you.

The future of retail is in the cloud. At Epicor we're leading the way, to empower a world of better business.

Learn more about how Epicor can help your business with cloud capabilities at retail@epicor.com

ΞPICOR

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

Contact Us Today: info@epicor.com | www.epicor.com