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Dear Colleague,

Innovation is central to the success of the modern finance function and the businesses in which they operate. Yet, earlier FSN research, “The Future of the Finance Function 2017” highlighted that only 6% of CFOs understand the technologies available to them, only 37% know what solutions are available in the market and only 25% of CFOs have the time to investigate opportunities for technology innovation.

With this in mind, I am delighted to bring you FSN’s 2019 “Innovation Showcase”, an opportunity to bring to the attention of hard-pressed finance professionals what we consider to be leading innovations in core finance processes that could materially improve the way you work both now and in the future. And for the first time this year, we have reviewed and commented on two case studies for each vendor, to illustrate some examples of innovation in practice.

All the products which have been showcased by FSN are extremely complex and sophisticated and in all cases have taken many man-years of development effort. But innovation is very much in the ‘eye of the beholder’ and every finance organization is at a different stage of maturity. Some of the innovations assembled in this Showcase are at the leading edge of technological developments, others are around the architecture of the products or the way that vendors seek to reduce implementation risk. But if you’ve always relied on spreadsheets then even the simplest ideas, such as a unified transaction environment or a specialized budgeting tool can be innovative and game-changing.

Our work this year covers ten leading vendors and in this document, we showcase the work of Rootstock. We have then identified independently for each of the ten global software vendors featured, three areas that we consider to be differentiating and interesting innovations to bring to the attention of modern finance leaders striving to understand and leverage the latest capabilities. As such, this document is not a product review. It simply represents what we consider, in our experience of the market, to be great examples of innovation in finance processes.

Last year’s FSN Innovation Showcase was read by more than 14,000 finance professionals and we received some fabulous feedback. We hope that you find the innovations set out in this year’s document thought-provoking and interesting. But above all we hope that the contents will inspire you to explore innovation in your own organization and discuss with colleagues and the featured vendors, how you can leverage these developments to take your finance processes to the next level.

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THE ROOTSTOCK SOFTWARE INNOVATION SHOWCASE

Long before the development of the now ubiquitous Enterprise Resource Planning (ERP) system, manufacturing companies were using what was essentially its precursor- Materials Requirement Planning (MRP). Designed to plan the raw material requirements for manufacturing products, MRP evolved over time to encompass more and more of the manufacturing process. When it expanded across sectors and embraced the rest of the business processes required to keep a company running successfully it finally became the ERP we know today.

These days most ERP solutions are broadly-based systems with a breadth of coverage that extends well beyond the initial manufacturing focus and so many software solutions are regarded by the market as ERP even though they do not cover manufacturing processes.

Rootstock, on the other hand is differentiated in two main ways. Firstly, it is authentically an ERP solution, with manufacturing capability at its very core and, secondly, it is a true cloud product that is designed and built for the cloud from the very outset. It is this relatively rare combination which makes the Rootstock offering innovative, along with other notable features as well.

Although it is a fully fledged ERP solution, Rootstock Software chose not to be all things to all people. Instead they chose to concentrate on being the best cloud ERP system for the manufacturing, distribution and supply chain sector, taking the ERP idea back to its roots.

Founded in 2008 by software architect and engineer Pat Garrehy, Rootstock Software develops and implements Cloud ERP software that helps manufacturers and distributors deliver personalized customer experiences, build operations that scale and out-service their competition. It has been developed to run on the Salesforce platform, which brings with it further innovative capabilities.

In this innovation showcase we highlight three key Rootstock Software innovations, namely; (i) Authentic ERP with a manufacturing, distribution and supply chain focus, (ii) True multi-tenanted cloud ERP and (iii) Salesforce CRM integration with 360 degree visibility of customers

Innovation 1: Authentic ERP with a manufacturing distribution and supply chain focus

Modern ERP systems had their genesis in the manufacturing process. Material resource planning systems widened to include manufacturing processes, then widened further to connect company-wide systems including HR, finance, marketing, sales.

But in the process of expanding its remit, ERP has become a jack of all trades. One ERP system is designed and sold to service all manner of sectors and company requirements. As the technological revolution has forced companies to compete in an ever-changing market, traditional ERP systems have lagged behind, often forcing companies to shoe-horn ill-fitting systems into disparate businesses.

At its name implies, Rootstock Software has gone back to the roots of the ERP system, designing its system specifically for manufacturers, distribution and supply chain companies and catering specifically to their requirements. These requirements have also changed substantially in the last decade as the nature of manufacturing and supply chain have changed.

When MRP was first introduced in the early 1990s products were made in batches, usually distributed the same way, with long lead times and constrictive manufacturing processes. With the advances in technology over the last three decades, barriers to entry are falling away, smaller producers can nimbly develop and produce products on demand, forcing the whole sector to respond to competitive pressure with faster speed to market and better customer service.

So manufacturing systems these days have to accommodate extremely short product cycles, low production runs, 'everything as a service' and personalised production.

Rootstock's ERP system is designed specifically to address these needs. When a just in time order is received, Rootstock's ERP generates the ripples of process throughout the system to ensure timely and accurate delivery. It can respond to the changes in financial structuring that come from the evolution of production styles. When 3D printers enable manufacturers to offer personalization on an affordable scale, the costings change, and Rootstock ERP is configured to handle an array of costing types, as well as new and traditional methods of manufacturing from Build to Order, Build to Stock, Engineer to Order, Configure to Order, Project-based and Mixed Mode manufacturing.

But the key evolution of MRP to ERP, and the Rootstock premise, is integration across the business. While manufacturers concentrate on ensuring their products are made properly and on time, the surrounding processes must also tie together. Sales orders for products need to be integrated with the engineering and production process. And those same sales orders must be costed based on the type of production run, personalization, and underlying project costs.

Personalization and customer-centricity is at the root of the changes in business today, across all industries. In the manufacturing sector, agile competitors are forcing established companies to improve their own processes and adopt new business models.

And while the companies are adapting their manufacturing models, Rootstock is ensuring their processes are integrated across not only production and supply chain but also the front facing customer applications and the back office systems too. It's adaptive, fast and developed specifically for customers that build, distribute and design products. From sales to customer service, engineering to production, supply chain to inventory, Rootstock's innovation is that its ERP functionality is broad and deep.

Innovation 2: True multi-tenanted cloud ERP built on the Salesforce cloud

Rootstock's software is a true cloud ERP system, which can't be said for every 'cloud' software company in the market today. Some on-premise designed ERP companies have been putting their software into virtualized data centres and branding it as cloud, to be able to tout the advantages of the cloud to potential customers. Known as 'cloud washing', the practice leaves users without the substantial benefits of true cloud solutions. These include automatic updates, multi-tenancy, and the scalability that enables applications to 'expand with the burst' to handle an increased load, allowing businesses to only use what they need of their systems at any given time.

One of the key tenets of true cloud systems is that many customers share a secure pool of configurable computing resources which can be easily or automatically adjusted depending on demand. The elasticity of the cloud allows true cloud vendors like Rootstock to manage these resources efficiently, flexing demand up or down depending on their customers' requirements. Upgrades and changes to the software are made in the cloud and automatically benefit the user, and the software can grow to include new applications and requirements as the industry changes along with their customers' needs.

Crucially, Rootstock's ERP system is built on the Salesforce cloud platform. Although well-known for its CRM solution, Salesforce also offers a cloud platform where companies can build their own applications to the same design and development standards as Rootstock and integrate them seamlessly with the rest of the Rootstock applications.

Innovation 3: Salesforce CRM integration with 360 degree visibility of customers

The seamless cohesion of Rootstock's cloud ERP with Salesforce CRM is the indelible link that allows traceability and transparency of the customer journey through the manufacturing process. This integration is key to Rootstock's customer-centric approach to manufacturing ERP and is so seamless that Rootstock users don't know when they are moving from their ERP system into the Salesforce CRM system. The process flows smoothly, as does the data, and, crucially, it's visible to all users across the enterprise.

When a Rootstock user is in the sales application, they can also see whether deliveries have been made, or whether an order is being manufactured on the shop floor. And while this is a real boon when managing the business processes, the real beneficiary is the customer. The visibility across CRM and ERP provides a clear view of the entire customer journey. No matter what touch point, from receivables to shipping, call center to distribution, they all know what's going on with every customer. And the communication works both ways. Customers can be kept up to date on their orders and supply chains via the Salesforce platform as well.

Having centralized ERP data on the same platform as Salesforce CRM customer data, Rootstock Cloud ERP can offer manufacturing, distribution, and supply chain organizations a single platform on which to grow and manage their businesses. They have a 360 degree view of the customer and the business, with all the data accessible from all contact points.

This customer-centric approach is essential to managing the changing nature of manufacturing. Customers are more agile, and need products faster or with more personalization. Rootstock is just as adaptive as its own customers, combining the speed of the cloud platform and the knowhow of manufacturing.

Their platform has in-built collaborative tools with embedded social media and portals called Communities for customers and suppliers to encourage interaction across all devices. The Salesforce Chatter social collaboration tool can drive productivity by allowing users to share knowledge, files and data internally and externally. This not only enables companies to stay in touch with customers and suppliers but also encourages internal collaboration. The availability of data and automatic updates enable departments to work together, communicate more effectively and build business partnerships that ultimately improve the bottom line. Rootstock's integrated platform goes beyond customer-centricity, it is organization-centric, encouraging collaboration within and outside the company.

Rootstock centralizes data in the true cloud, on a powerful platform that hosts customer data, and connects the people who run the business with each other, with their customers and with the very 'things' they are manufacturing.

Case Study: Unionwear

INTRODUCTION – FSN’S VIEW

FSN’s “Innovation in the Finance Function” Survey 2018 found that finance functions that are early adopters of technology, have a culture of innovation, make time for it and reward it, outperform their competitors in terms of the speed and accuracy of forecasting and the time taken to close the books. This case study exemplifies how a positive culture of innovation, coupled with investment in the cloud, enabled Unionwear to stand out in an industry otherwise in decline.

INNOVATION IN ACTION

There are two notable innovations in this case study. Firstly, the “data-mastery” enabled by a unified ERP solution in the cloud and secondly, how innovation is its own reward, releasing time for even more innovation

DATA MASTERY

The case study highlights how Rootstock’s ERP transformed Unionwear from an organisation that was data constrained, into the pinnacle of data mastery where data is actively managed as a corporate asset. Whether it was tracking raw materials, managing inventory and improving stock-turn, the case study illustrates an abundance of examples of how data captured in the ERP, from shop floor to management, has been turned into insight and competitive advantage.

INNOVATION BEGETS INNOVATION

The introduction of advanced automation and innovative manufacturing capability has enabled Unionwear to broaden its product offerings, open new markets and, crucially, ‘make to order’ as easily as it could ‘make to stock’. Innovation has released time for Unionwear to focus on even more innovation that can provide growth opportunities for the future. Moving data capture directly onto the shop floor via smartphones has set the scene for accelerating goods inwards, improved data accuracy and reducing time to market.



The Unionwear Story: Lessons learned from an Early Adopter of Cloud ERP

COMPANY

Unionwear

HEADQUARTERS

Newark, NJ

FOUNDED

1991

INDUSTRY

Apparel manufacturing (Hats & caps, bags, and other promotional products and private label accessories)



This is not a typical case study, because Unionwear is not a typical case. By the standards of manufacturing in general, and the apparel industry specifically, the New Jersey-based maker of hats, caps, bags and other promotional products and private label accessories is an early adopter of cloud-based ERP.

The company first turned on Rootstock cloud ERP on January 1, 2014, in what CEO Mitch Cahn calls “a leap of faith. Back then, there was nobody you could point to in manufacturing – especially not a small manufacturer like us – and say ‘they’re doing well with cloud ERP.’ There was no example we could follow.”

But despite not having a roadmap, Cahn knew the company had to move forward. “I could see that cloud-based ERP was what everyone was going to be using in the future. I also realized it was going to make mobile ERP possible.”

Let’s take a look at what Unionwear has done with Rootstock ERP since 2014, how they are using cloud-based ERP to drive customer value, and what you can learn from their experience.

A necessary response to an unforgiving market and limits on growth

Market conditions drove Unionwear to look at ERP. In 2014, the U.S. apparel industry was a shell of its former self. U.S. consumers were buying much less than they used to, and almost everything they bought was being made overseas. How bad were things? The Bureau of Labor Statistics reported that apparel industry employment had contracted from an average employment of 902,000 in 1960 to about 136,000 in 2014. Some wondered openly if the industry could survive at all in the U.S.

Despite the headwinds, Cahn believed Unionwear could not only survive, but grow. And he knew growth would not come from small changes. The situation called for something as substantial and strategic as a move to the cloud. “When everything else in the economy is trying to shut us down, being forward-thinking is the only way to succeed,” says Cahn.

There were internal, operational realities that were also working to keep Unionwear from achieving the growth they wanted. One of the biggest barriers was a fundamental problem with inventory. “We were badly limited by our inability to accurately or quickly track raw materials used as we made our products. We kept running out of material, no matter how much inventory we carried or how well we planned, because we simply could not track how much material we were using,” Cahn explains. “This was one of the issues that prompted us to look at a new ERP solution in the first place. To avoid stock outages and make the best use of our workers’ time, we were forced to overbuy and carry a lot of excess inventory. That’s not a sustainable practice.”

Early successes, and unexpected challenges

Shortly after implementing Rootstock ERP, Unionwear loaded all of their existing inventory data into the system. Cahn notes that the results were immediate and eye-opening. “Just being able to track raw material usage accurately, we were able to improve work scheduling, produce more product, and double our sales in the first year after we went live.”

What about the “dead inventory” they were carrying? “It was tracked in our database now,” says Cahn, “so when a new job came in, we could scan what was already on hand to see if we could use existing inventory for the new order, instead of buying new stock.” Quickly, Unionwear was able to liquidate \$600-700k of inventory. “We turned dead stock into cash,” Cahn remarks. “That was made possible because we were using Rootstock.”

As with any major new software implementation, unexpected challenges arose. The first one centered on data. “We had only been keeping track of what we sold,” Cahn points out, “not job routings or bills of materials or any other details.” But to get intended value from Rootstock, Unionwear realized that needed to change.



Just being able to track raw material usage accurately, we were able to improve work scheduling, produce more product, and double our sales in the first year after we went live.”



“Now, we needed to track it all – the sum total of the labor and overhead and components that went into producing an order – and that was frustrating at first. We were capturing ten times as much information as we had before Rootstock, so the data entry was taking much longer. It was hard to see the big picture until we collected a critical mass of data. At that point, we could use it as a management tool. It took about a year to get over that hump, but we did.”

Another data challenge was discovered on the factory floor. “Collecting shop floor data meant relying on the math skills of sewing machine operators. We assumed – incorrectly, it turned out – that all our workers would understand percentages, estimates, fractions, and other basic math skills. And people are naturally reluctant to admit what they don’t know. They continued to give misinformation with the best of intentions. It took a long time to figure out where the misinformation was coming from and how it was gumming up the system.”

How did Unionwear meet the challenge? By being flexible, Cahn explains. “We learned to ask the right questions, ones that don’t involve math skills. For example, instead of asking ‘how many yards did you use on that job,’ we ask ‘how many table lengths of material did you unroll?’ That’s a basic counting question, and we know how long the table is. We maximized the skills we had on the floor.”

Opportunities for growth, the need for patience

What impact has Rootstock had on operations at Unionwear? Due in part to using Rootstock, the company has been able to grow even while the domestic apparel industry continues to shrink. According to the Bureau of Labor Statistics, employment numbers in the industry have fallen from 136,000 in 2014 to around 116,000 at the end of 2017. At Unionwear, however, the story is completely different: 120 people in 2014, 175 today.





And while Cahn can identify more opportunities for growth, he has preached patience.

“We’ve grown between 2016 and now, but it’s all been from existing clients. We’ve downplayed marketing and sales to new customers while we brought all our internal processes up to the standards we think will help us double sales in the next two years.” Cahn points to one long-term strategy in particular that has Unionwear poised for more success. “Since 2014, I’ve made it a priority to hire people with supply chain and information science degrees or experience. We had specific industry knowledge, but lacked that sort of training. Now, I have a team that can implement everything we want to do. We’ve been building this roadmap together for four years, and we’re finally ready to move ahead aggressively.”

The power of Rootstock cloud ERP: Making custom orders feel like stock

Like other areas of manufacturing, the apparel industry has had to deal with the rise of personalization. At Unionwear, Cahn says they’ve used “the tools that exist in Rootstock” to turn this new customer requirement into a big competitive advantage.

“At first, we offered our customers an online configurator so they could easily customize whatever they wanted to order from us. But the people we sell to are almost all either designers or buyers. We quickly discovered a simple truth: these folks don’t want to spend time configuring anything. They want to place an order.”

In response, Unionwear began to use the configurator for product development. “It seemed like a simple idea, but it has been a real game-changer. We’ve looked at all the materials we have on hand and used the configurator to put those materials together in virtually every conceivable combination. We now can sell products we haven’t even made before as unique SKUs.”

Unionwear started by pre-configuring 1,000 SKUs for baseball hats. Once they confirmed that the results warranted the effort, they turned their attention to the bags they offered. “When we were done,” notes Cahn, “we had 40,000 SKUs to put online.”

And now? “If you go to our website to order a baseball cap or hat, you’ll find 200,000 options waiting for you, each fully configured and ready to be ordered. You can shop for a hat instead of having to configure it, because Rootstock enables us to predict virtually any hat someone could order, configure it ourselves, and show it, graphically, on our site. We can make to order as efficiently as make to stock. And for our customers, it’s as easy as ordering from Amazon.”





Unionwear realizes the benefits of having Rootstock as their cloud ERP partner

“One of the first things we noticed when we started talking to Rootstock” Cahn recalls, “was that everyone seemed to have a manufacturing or ERP background. That domain knowledge was and is pretty unique among vendors. They ‘get it,’ and that’s incredibly helpful.”

Rootstock’s free upgrades – an “unexpected benefit,” says Cahn – have also proven helpful. “Every time Rootstock upgrades, it’s like getting a free gift. As the user base expands, and Rootstock turns their feedback into new features and enhancements, the system just continues to get better. We get useful upgrades all the time that we don’t have to pay for.”

Next steps in Unionwear’s continuing transformation

One upgrade to Rootstock has Cahn and his team particularly excited: the mobile capabilities of RootScan Mobile. While they haven’t gone live yet, Cahn can already see the benefits. “Right now, we batch process packing slips for goods received. We might do that every other day, or even just once a week. If we’re waiting for material to arrive so we can start a new job, which happens often, that’s not fast enough. When we go live with RootScan, an arriving shipment will be entered into the system as its unloaded. We’ll know that material is here as soon as it comes off the truck.”

Cahn is also excited about mobile because it will help bring badly needed computing capabilities to the factory floor. “I have a lot of people who don’t use a laptop or tablet, and don’t really like computers. But they’re all very comfortable using a smartphone. Mobile will be the way we get computing into their hands. We’re looking forward to seeing how much that will boost efficiency and productivity, and employee morale.”



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REQUEST A DEMO AT [ROOTSTOCK.COM](https://www.rootstock.com)

Rootstock Software® is a worldwide provider of cloud ERP on the Salesforce Cloud Platform. When combined with Salesforce CRM, Rootstock Cloud ERP offers manufacturing, distribution, and supply chain organizations a single platform to grow and manage their businesses. Rootstock Cloud ERP is a flexible, modern, and digitally-connected system that transforms companies to deliver a more personalized customer experience, efficiently scale operations, and out-service the competition.

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Case Study: Pacer Group

INTRODUCTION – FSN'S VIEW

Authentic manufacturing ERP in the cloud is relatively rare even in 2019, but this case study highlights vividly how fully fledged ERP that supports several modes of production as well as distribution and supply chain capability within the same environment, provides an agile environment in which mid-sized organisations can take opportunities for growth and flourish without being concerned that their ERP cannot keep up.

INNOVATION IN ACTION

The case study illustrates the power of ERP born-in-the-cloud to support modern day manufacture and secondly, the digital transformation enabled by a platform approach.

ERP IN THE CLOUD

The case study highlights the formidable advantages of moving to manufacturing ERP in the cloud. Pacer Group was shackled to an expensive and inflexible on-premise system and was constantly updating hardware to meet the expanding needs of the business. By comparison modern ERP in the cloud conferred the advantages of handling diverse manufacturing requirements, automatic updates to functionality, and infinite scalability that enables applications to 'expand with the burst' while containing cost.

DIGITAL TRANSFORMATION PLATFORM

Crucially cloud ERP on the Salesforce platform set the scene for Pacer Group's broader digital transformation. Centralised ERP data on the same platform as Salesforce CRM enables Pacer Group to leverage all of the capability available in the Salesforce ecosystem confident in the knowledge that different applications and in-house customisations can operate together seamlessly. But technology aside, the real dividend in this case study is the sharpness of decision-making enabled by a 360 degree view of the customer and business operations, with all of the data at management's fingertips from anywhere in the organisation.



Pacer Group – Focused on the Future

COMPANY

Pacer Group

HEADQUARTERS

Sarasota, FL

SIZE

145 employees

FOUNDED

1979

TYPE

Private

INDUSTRY

Electrical product manufacturing

REVENUE

\$30 million

Manufacturer's digital transformation began when the Pacer Group replaced their on-premise ERP with Rootstock Cloud ERP.

John Swiatkowski, President of the [Pacer Group](#), cannot predict the future, but back in 2014, he saw the future of his company.

John was proud of his company's reputation in the wire, cable and electrical product industry, but the future called for the digital transformation of manufacturing, bringing with it reduced costs, connected employers and customers, streamlined operations, and emerging technologies like advanced analytics and the Internet of Things (IoT). Unfortunately, not only was his company's legacy on-premise ERP system unable to deliver these benefits, it was becoming prohibitively expensive to maintain.

Faced with this problem, John did what many small-to-medium sized companies have already done - he embraced the Cloud.



“
Our former ERP system had become dated, too cumbersome and difficult to use, and didn't provide us with the depth of manufacturing that we needed.”

Integrated Manufacturing, Engineering and Distribution

Founded in 1979, the Pacer Group has become a leading wire and electrical cable manufacturer that offers custom electrical products, value-added solutions, and parts distribution. Expanding beyond its traditional marine industry focus at its 42,000 square-foot manufacturing, assembly, and warehouse complex in Sarasota, FL, the company successfully integrated three major industrial functions:

- Electrical wire and cable manufacturing
- Electrical system design and manufacturing
- Electrical components distribution

The integration of these three functions now gives Pacer the flexibility to serve individuals, smaller companies and large-volume users with customer-focused solutions. The solutions include battery cable assembly, wire harness assembly, instrument and dash panel design, and complete electrical system integration.

Pacer's customers come from a wide range of manufacturers who require UL/CSA-approved wire, including makers of batteries, forklifts and golf carts, industrial equipment, alternative power, appliances and data storage. Pacer also offers a wide range of products that serve marine, automotive, truck, RV, and off-road vehicles.

Two Manufacturing Modes + Distribution

The company manufactures products in two primary modes. One part of the business runs small-lot, complex jobs that involve many parts and changeovers. Another part of the business produces low-complexity, high-volume products such as wire and cable.

From an ERP perspective, Pacer produces lot-controlled products where the system processes a new work order, which then become finished goods. The final part of the business buys products for resale in a classic distribution scenario.

The Problem - Stuck in an On-Premise Past

While Pacer's integrated industrial functions gave the company flexibility, their ERP system did not. John knew that the on-premise ERP system was holding the company back. According to John, "Our previous ERP system had become dated, too cumbersome and difficult to use, and didn't provide us with the depth of manufacturing that we needed. At the same time," he continued, "we were at a size where it is inefficient to host an on-premise system." John knew that Pacer needed the functionality and mobility that their on-premise ERP system lacked. As a company already using Salesforce, he wanted a solution that could easily leverage the advantages of the Salesforce Platform.



Expensive Hardware and Difficult Upgrades

The Pacer Group's on-premise ERP system required new and more expensive hardware every year. This constant effort to keep up with the acquisition of hardware, operating system software, database management software and other infrastructure products not only cost money and labor, but they were also technically challenging. John knew that something had to change.

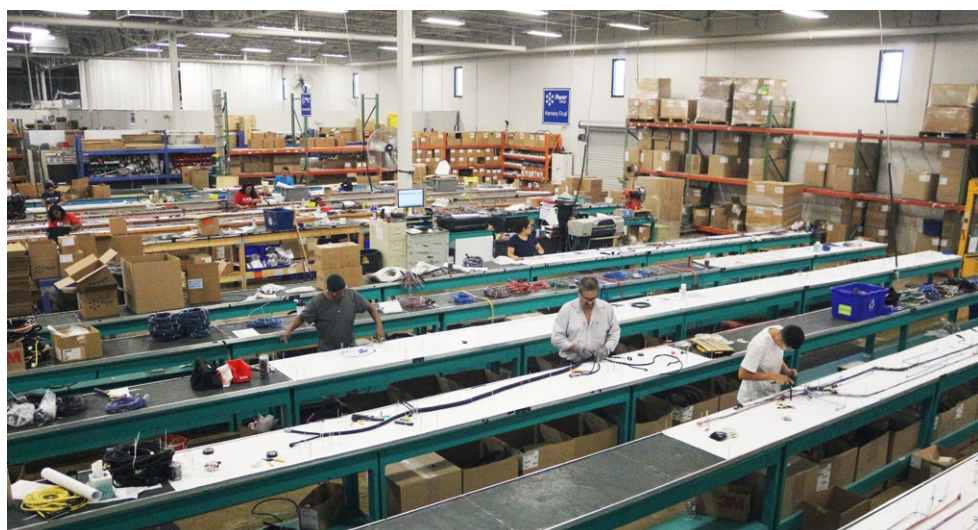
Transactions, Transactions, and More Transactions

In addition to the technical and financial costs of maintaining their on-premise ERP system, the Pacer Group was processing a lot of transactions - hundreds of thousands of transactions per month, mostly in work orders and related functions in two of its divisions: Marine Manufacturing and Engineering.

The on-premise system was no longer capable of handling that many transactions, especially the operation-booking and labor-related transactions. This lack of efficiency was a real problem for the company.

Digital Transformation is Mission Critical

Hardware problems and transaction issues were reasons enough to replace the company's on-premise ERP system, but John knew that the benefits of digital transformation would be the real drivers for his company's future growth and success. Benefits such as reduced costs, greater connectivity and mobility, and streamlined decision-making and production were all a part of the future John saw for the Pacer Group. The current on-premise system could not deliver these benefits.



Transforming the Pacer Group

Reduced Costs

Pacer needed to get out from under those excessive hardware costs. Digitization leverages technologies like the cloud, which requires lower up-front and hardware costs and delivers greater efficiencies across an enterprise. According to PWC, 86% of 2,000 manufacturers surveyed expect to see cost reductions and revenue gains from their digitization efforts over the next five years. John wanted those benefits for the Pacer Group.

Connectivity and Mobility

The ability to connect data, employees, customers, and suppliers in real-time from any device was a goal of the Pacer Group. When employees connect to the information they need, most become empowered and more efficient. Modern technology includes data analytics and collaboration tools to make it easy for workers and management to address critical problems immediately from anywhere, using any device.

Collaboration tools and social networks allow customers and suppliers to connect to the company, while data analytics uncover the actionable insights about those customers and suppliers. Not only does the company benefit by being better informed, it opens new opportunities for improved customer service.

Streamlined Decision-Making and Production

Digitization allows companies to automate workflows across their entire supply chains and provides visibility into the entire enterprise. The resulting streamlined decision-making and operations lead to greater efficiencies and increased productivity.

The Pacer Group wanted to streamline their operations to become more agile and get products to more customers faster. The company also wanted to streamline decision-making to solve problems more quickly and make more informed decisions about the products they engineer, manufacture and distribute.





It quickly became evident to the team and me that cloud-based ERP was fast becoming a real alternative to traditional on-premise ERP systems.”



The Pacer Group uses OzLINK, which works with the shipping interfaces for the most popular carriers: UPS WorldShip, USPS Endicia and FedEx Ship Manager. Although OzLINK is not a Salesforce-specific application, the open flexibility of the Salesforce platform allowed Pacer to integrate with Rootstock and dramatically improve performance.

The Solution - Move to the Cloud

For John to move the company into a digitized future, he knew the Pacer Group had to move to the cloud.

“It quickly became evident to the team and me that cloud-based ERP was fast becoming a real alternative to traditional on-premise ERP systems,” John observed.

Based on the Software-as-a-Service (SaaS) model, the cloud requires no expensive onsite hardware to install and maintain; the software is hosted in the cloud and updated automatically by the cloud vendor.

As the availability of cloud-based software has exploded, the system of interdependent components that work together to enable cloud services has come to be called the “cloud ecosystem.” One of the most popular of these cloud ecosystems is Salesforce, and in 2014, Pacer had already been using Salesforce.

Pacer’s selection committee reviewed reports from Gartner and other analysts about ERP systems that cover the wide range of businesses that Pacer handles. John and his team ultimately selected Rootstock Software for their new manufacturing/distribution Cloud ERP running on the Salesforce cloud platform.

The Salesforce Advantage

Pacer wanted a manufacturing ERP solution that would complement their current Salesforce software already in use by their sales and marketing departments.

As John observed, “We needed a flexible platform that would operate with our other Salesforce tools and most of the suites we reviewed were too limited.”

ERP implementations often require some customization and personalization to enhance the usability or functionality of the software. As a result, programming costs can be borne by either the software vendor or the customer. Until the customization is complete, productivity and efficiency gains may be delayed.

With all the software on the Salesforce Platform, many of these customization problems can be avoided.

Eva Wright, Pacer Group’s IT manager, is also a certified Salesforce Administrator. She notes, “By leveraging Salesforce, the new ERP software could let the IT department easily provide its customizations to the ERP software native to the Salesforce cloud.” Eva saw that a cloud-based ERP solution on Salesforce would offer a quicker payback and higher return on investment, especially when considering how future customization projects could be controlled by Pacer rather than the software provider.





We appreciated how they (Rootstock) looked at our business processes and came up with solutions.”



We were processing a lot of transactions, and I think we were breaking some of the speed limits that Rootstock had, and they were very responsive in quickly fixing those things.”

Implementing Rootstock Cloud ERP

With three different aspects to their business, Pacer decided that the fastest ROI would come from installing Rootstock Cloud ERP on the manufacturing side, Pacer Marine, which produced higher volumes with more complexity than on the engineering side.

“We thought that we would implement Pacer Marine first because it would be the easier for us to learn and adapt and figure out the system rather than the engineering division, with its heavy manufacturing and complex BOMs,” said John. “So, we felt that if we got a little more familiar with some of the simpler manufacturing, work order processing and order entry for Marine, that would be an easier transition. When we did go to the engineering side, it actually did work that way.”

The initial installation for the Pacer Group for distribution and Pacer Marine manufacturing went live in December 2014 after ten months. Pacer Engineering went live a little over a year later in January 2016.

Throughout the implementation period, John and the Pacer Group were very pleased with Rootstock. “Rootstock committed early on to support the company’s needs,” said John, “including helping to make order entry more accessible.”

John appreciated how Rootstock looked at their business processes and came up with solutions that fit his business. “One of the things that they did was to commit very early on to help us improve our process. They installed apps like Quick Order which enabled us to access the sales order endpoint via an API, and they helped by just making order entry more accessible in multiple ways.”

“One of the things we learned in this process is the importance of the vendor team,” added Eva. “We wanted a group that was willing and eager to help us. We appreciated how they looked at our business processes and came up with solutions.”

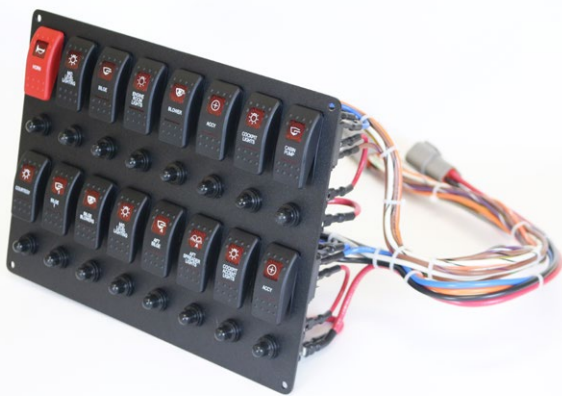
Mastering the Unexpected

Like all ERP implementations, there were some unexpected challenges along the way. There were issues early on with transactions and database migration.

According to John, “We were processing a lot of transactions, and I think we were breaking some of the speed limits that Rootstock had, and they were very responsive in quickly fixing those things.”

The Pacer Group was pleased with the way Rootstock helped resolve these issues. For example, implementing the manufacturing functionality went smoothly. “One reason we selected Rootstock is





that the ERP can handle complex manufacturing,” said John. For their first installation, Pacer needed a distribution order entry solution. Pacer eventually coded their custom point of sale solution, which was a process made much easier by Rootstock’s dedication and support.

John admits that his team significantly underestimated the amount of data cleansing and maintenance that they needed to do. Pacer had to migrate a database of 15 CSV tables from their previous software to make sure that everything was cleaned out and manageable, that duplicate parts were removed, and that data was accurate and up to date. “It took us significantly longer than what we expected,” said John.

In addition to the early challenges of the order entry process and database migration, Pacer also re-evaluated some of their expected add-ins at launch and went in other directions.

The Benefits - Focused on the Future

Thanks to their move to Rootstock Cloud ERP, the Pacer Group is well on their way to the digital future that John envisioned back in 2014. Pacer has seen several benefits since both implementations went live:

- Cost savings, especially from being able to start and complete the implementation project without significant up-front investments in perpetual license and maintenance fees.
- Customization is easier now than it was with the old on-premise system.
- Connectivity lets everyone see what’s going on in the business so that the appropriate people can take-action from any device.
- The ease of doing business has significantly improved.

The system is far more dynamic in fixing issues than the old on-premise system. Updates are easier and faster. As great as the business value of cloud-based ERP was to the Pacer Group, the actual cost of keeping their on-premise system was clearly prohibitive and became even more so when they went live. “The cost of keeping an on-premise service at a company right now has grown even more since 2014 when we decided to go to the cloud,” said John.

Early Results

After just six months, Pacer realized significant benefits. They experienced a dramatic improvement in inventory management, which allowed them to serve their customers with more dependable, on-time deliveries. Users took to the new cloud-based system right away.





Our people are enjoying working with the system. It is so highly customizable. As our people suggest new ideas – voila – we in IT can provide them.”

Pacer’s old on-premise system required numerous non-native solutions to function sufficiently for their business. They were inefficient and required maintenance. This problem went away within months of going live.

After only six months, John was extremely pleased with this immediate benefit. “Versus the old on-premise system, we can now easily work with so many other solutions as Rootstock on Salesforce takes care of this,” he reported.

Results Today

Since the first implementation went live four years ago, and the second two and a half years ago, the Pacer Group has 42 full users, including 15 shop floor users.

The company is enjoying improved efficiency, making it much easier to solve customer problems. “We haven’t had to increase man-hours in IT, Sales or Customer Service, even though the company is growing,” claims Eva. “We’re doing more with the same. Rootstock has been instrumental in that.”

One of the other things Pacer wanted to do was to change their website endpoint. They were overhauling their entire e-commerce strategy and needed a solution that was easier to integrate than their on-premise system. “The Salesforce cloud can integrate hundreds and hundreds of different apps, platforms and everything else,” said Eva. “So, you’re not limited to one or two solutions that work with on-premise systems.”

Unexpected Benefit - Finding Information Quickly

Thanks to Rootstock’s universal search function, Pacer employees now find information much faster, which was a pleasant surprise as it enabled them to uncover business insights more quickly in response to customers’ and production inquiries.

According to John, “When we talk to the team members that use the program, they say finding information is dramatically improved. In the previous system, you’re diving down into a series of screens.” Rootstock’s search allowed users to find out what’s going on with parts, deliveries, and customers much faster than in the past, and for a transactional business-like Pacer, half of an employee’s day is finding information about a customer’s question or a product manager’s question about a particular product.



Rootstock Cloud ERP - Functionality That Fits the Business

The Pacer Group makes use of many of the Rootstock modules. They make the most use of the purchasing, MRP/manufacturing, and engineering modules that they've added since they went live.

"We probably make the most use of the manufacturing modules," reports John. "I mean, we process hundreds of thousands of transactions a month, mostly on work orders and pulling them through the processing, the issuing out of components, and lot tracking."

Critical Rootstock Modules for The Pacer Group

MRP-Driven Demand

MRP (Material Requirements Planning) uses information from Sales Order Management to drive top-level demands and allows forecast demands to be entered. For the Pacer Group, efficient MRP is critical.

"MRP keeps track of what we need," says Eva. "It's an excellent engine and lets us quickly find out everything on order and determine what we have."

Efficient Purchasing

Purchase Order Management provides for the entry and tracking of purchase orders for direct and indirect materials and services. Pacer has seen significant efficiencies in purchasing since going live with Rootstock.

"Our volume has dramatically increased," says John. "It was 40 hours a week for one person. Now one person manages the process in 12 hours a week, and that's in addition to solving problems with other issues."

Complex BOMs

Another critical area of functionality for Pacer is Bill of Materials (BOM) maintenance. "BOM Maintenance is a beautiful thing," says Eva. "We can copy, clone and maintain our BOMs much more efficiently than we could before Rootstock."





Upgrading makes you think about your internal processes, and one of the things that made it most successful was when we learned to adapt that to being more future-focused.”

Conclusion

In 2014, John saw the future of the Pacer Group. Moving from its old on-premise ERP system to Rootstock Cloud ERP has made that future a reality, bringing with it reduced costs, connectivity and mobility, and improved efficiency from streamlined operations. The digital transformation of the Pacer Group has just begun; they are already working on expanding the solution.

One expansion underway is called RootScan, which is Rootstock’s mobile app for managing inventory, production, shipping, fulfillment and labor transactions.

“Right now, we’re into the testing and initial rollout of RootScan,” says John. “Another new addition is DRP (Distribution Requirements Planning). It’s more of a distribution thing and we’re using that right now to work better on inventory control for our larger OEM customers.”

Adds Eva, “Upgrading makes you think about your internal processes, and one of the things that made it most successful was when we learned to adapt that to being more future-focused.”

Thanks to Rootstock Cloud ERP, the Pacer Group has begun the digital transformation in John Swiatkowski’s original vision. Maybe he can predict the future after all.



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