

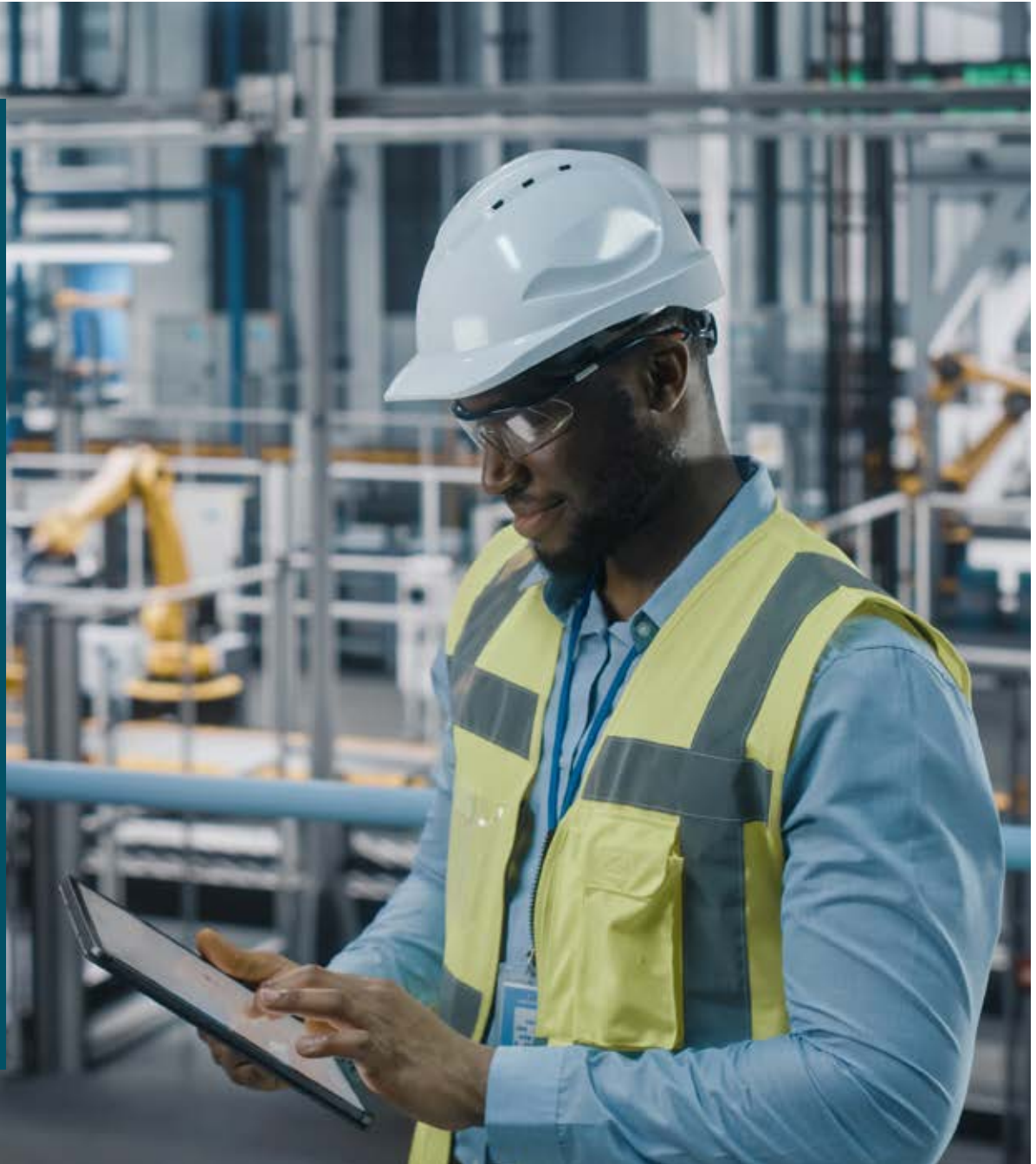
**EPICOR**

# **Bridging Manufacturing's Labor and Supply Gaps with ERP Technology**

As knowledgeable manufacturing employees retire, there are fewer job candidates looking to join the industry to replace them. Supply chain challenges are running in parallel to the labor shortage, making it difficult to source materials while rising inflation increases your costs and chips away at profits. It's a difficult environment to be sure. But maybe it's also just the right time to change things up.

Enterprise resource planning (ERP) solutions help to keep manufacturing operations running smoothly. From the shop floor to top floor, technology for current business challenges provides capabilities that allow you to run more efficiently, deliver more product, and reduce errors. Despite the enormous benefits and positive revenue impact, many manufacturers still depend on outdated systems or manual processes, limiting productivity and growth potential. Many operators are also not protected from security threats or natural disasters.

There's no denying that implementing new or upgraded operations software is a sizable task. But facing challenges without ERP technology leaves you disconnected and behind in a world that's data-driven, automated, and innovating for the future.



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# Create Tomorrow's Manufacturing Workforce with New Strategies Today

Heightened demand for manufactured goods isn't slowing down. Data shows that many manufacturers expect production to increase by 4.3% in the next 12 months.<sup>1</sup> But, since some 500,000 manufacturing jobs consistently remain unfilled, you must look for new ways to maintain productivity and meet your customers' needs.<sup>2</sup>

Attempting to source talent the way you always have, with more traditional methods, is leaving an ever-increasing labor gap. And finding qualified candidates with hard skills needed for the production floor is becoming more difficult as experienced employees retire.

Focusing on new ways to attract talent—and investing in training to upskill your employees—is essential with the current sourcing challenges for both talent and materials. It's also necessary to leverage technology to fill open positions, streamline your operations, and increase the efficiency of your workforce.

*The U.S. manufacturing industry is expected to have 2.1 million open positions by 2030.<sup>3</sup>*

<sup>1</sup> "2022 2nd Quarter Manufacturers' Outlook Survey." National Association of Manufacturers. June 15, 2022.

<sup>2</sup> Ashton, Heather; Moutray, Chad; Reyes, Victor; and Wellener, Paul. "Creating pathways for tomorrow's workforce today." Deloitte Insights. May 4, 2021.

<sup>3</sup> Ibid

**The manufacturing workforce is aging.  
It's estimated that 27% of employees are  
age 57 and older (2022).<sup>4</sup>**

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<sup>4</sup> Campbell, Joe and Hall, Jake. "Okay Boomer: Closing the Generation Gap in Manufacturing." Association for Advancing Automation. March 8, 2022



# Flipping the Script

Rather than searching for manufacturing hard skills, try seeking talent with transferable skills and a desire to learn. Explore new pools of candidates beyond lower volume manufacturing job categories. Look for potential instead of specific experience.

If your potential candidates and new hires have less manufacturing industry knowledge and experience, on-the-job training will become an even more important component of your business. While “on-the-job training” in job descriptions may not generate much application traffic, “career advancement opportunities,” may inspire job seekers. Think about how to accentuate your business’s positive attributes and extend more competitive offers and benefits packages to drive interest in your open positions.

*68% of manufacturers report skill shortages.<sup>5</sup>*

<sup>5</sup> Ashton, Heather; Moutray, Chad; Reyes, Victor; and Wellener, Paul.  
“Creating pathways for tomorrow’s workforce today.” Deloitte Insights. May 4, 2021.



**64% of consumers see  
manufacturing as an innovative  
industry in 2022, compared to  
39% of consumers in 2017.<sup>6</sup>**

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<sup>6</sup> Wellener, Paul. "Deloitte and The Manufacturing Institute: Big Gains in Perceptions of U.S. Manufacturing as Innovative, Critical and High Tech." Deloitte. March 30, 2022.

# Making Your Business a Great Place to Work

With the scarcity of manufacturing talent, retaining your employees, and focusing on your workforce is just as important as attracting new workers. The constant churn of frontline workers can take a toll on your staff and overall morale. How are you making your employees' experience the best it can be? Are you doing enough so they want to stay? Promoting employees? Offering flexible schedules and remote work options? That all contributes to a healthy environment where employees want to spend time.

As you think about the cost of investing in your business, remember that hiring employees is expensive. Manufacturers report that their payroll expenses have increased by about 20% since 2020.<sup>7</sup>

You may feel like hiring more employees is the only way to run your business smoothly. But driving inefficiencies out and increasing productivity with automation can make a big impact. You can do more with less headcount. Making an investment in technology can help you stay ahead of your competition on both fronts.

*75% of manufacturers say reskilling the workforce is important to success. Yet only 10% are ready to reskill their employees.<sup>7</sup>*



<sup>7</sup> “The social enterprise at work: Paradox as a path forward. 2020 Deloitte Global Human Capital Trends Report.” Deloitte. 2020.



**Manufacturers who leverage automation report that technology helped them fill 16% of their open jobs.<sup>8</sup>**

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<sup>8</sup> Ashton, Heather; Moutray, Chad; Reyes, Victor; and Wellener, Paul. "Creating pathways for tomorrow's workforce today." Deloitte Insights. May 4, 2021.



# Using Tech to Amplify Automation and Productivity Nets Profits and Satisfaction

No one wants to work with outdated, slow, and inefficient processes or technology. To capture the full advantages of enterprise technology, you need to think about it in a new light: What does it get you? It's not about adding technology that replaces people with robots or adding a robotic arm on an assembly line.

Enterprise technology creates a more connected, collaborative environment and augments processes with automation to help your employees be more effective. You gain capabilities and knowledge to make better business decisions, automate repetitive work, tap into your employees' skills, and decrease costs associated with production.

Remember that those entering the workforce are now digital natives. They want to work with innovative technology. Improving your organization's capabilities and promoting your use of advanced technology can inspire and drive talent your way, too. Flip the script, tell job seekers about cool tech in your job descriptions and on your Careers page, and see what results it brings.

*Many entering the manufacturing workforce are digital natives who are excited to work with innovative technology.*

**83% of manufacturers say attracting and retaining a high-quality workforce is their top priority.<sup>9</sup>**

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<sup>9</sup> Wellener, Paul. "Deloitte and The Manufacturing Institute: Big Gains in Perceptions of U.S. Manufacturing as Innovative, Critical and High Tech." Deloitte. March 30, 2022.

# Make Investments that Matter to Employees

Fully leveraging and updating your ERP system is an investment in your employees. “It’s important that investments a company makes in me as a worker are the right investments,” says Mark Jensen, Director of Product Marketing at Epicor. “It’s probably not buying a ping pong table. It’s the fact that your company is thinking about technology and tools that support me in my job, helping me do things more efficiently, or providing better access to the information I need.”<sup>10</sup>

That’s what moves the needle. Making your employees’ workdays easier by eliminating mundane tasks and giving them work they enjoy doing. Making changes to recruiting techniques, offering more career advancement opportunities, and upskilling and training demonstrates a commitment to your employees’ futures.



<sup>10</sup> “How to Maneuver Through Today’s Labor Challenges: An Epicor Thought Leadership Webinar Series” Epicor. 2022.

**80% of job seekers say they'd be more interested in manufacturing jobs if they offered advanced training and clear career advancement opportunities.<sup>13</sup>**

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13 “How to Maneuver Through Today’s Labor Challenges: An Epicor Thought Leadership Webinar Series” Epicor. 2022.





# One ERP System, Multiple Advantages

An updated ERP system can also help you eliminate silos that slow down business decisions and productivity. The effects of increased efficiency can reach across your business, from management decision-making to shop floor production.

An end-to-end ERP system connects data from across your organization, combining different capabilities. And automation capabilities help you accomplish more tasks with fewer people. For example, while functionality like automated changeovers and automatic part counts simplify frontline employees' jobs, analytics and data modeling provides accurate, real-time data that helps improve management decision-making.

Leveraging technology like advanced analytics, artificial intelligence, and machine learning helped manufacturers improve forecasting accuracy by 85%, improve productivity by 15-30%, increase throughput by 10-30%, and reduce machine downtime by 30-50%.<sup>11</sup>

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11 Gregolinska, Ewelina; Khanam, Rehana; Lefort, Frédéric; and Parthasarathy, Prashanth. "Capturing the true value of Industry 4.0." McKinsey & Company. April 13, 2022.



# Better Intelligence, Better Decisions

You gain significant advantages with a cloud-based ERP system including new insights and readily available data. Departments have better tracking and reporting, while managers have tools to quickly recognize discrepancies and rectify issues.

*18% of manufacturers worldwide  
said they were accelerating  
automation in 2020.<sup>12</sup>*

<sup>12</sup> Agrawal, Mayank; Eloit, Karel; Mancini, Matteo; and Patel, Alpesh. "Industry 4.0: Reimagining manufacturing operations after COVID-19." McKinsey & Company. July 29, 2020.

# Intuitive Technology Puts Familiar Skills to Work

Today's intuitive technology makes it easy for users to learn the software as well as streamlines tasks. Tech savvy employees—like the digitally native talent you're looking to attract—want workplace technology that's as advanced as the technology they use daily in their personal lives. It keeps employees engaged and reduces the frustration often caused by tedious, manual tasks.

By streamlining work responsibilities with automated and intuitive technology, you can combat the labor shortage even with fewer people. Businesses of all sizes can implement modern technology like Epicor Kinetic cloud-based ERP to increase efficiency as production demand rises.





# Explore High Impact Possibilities

Recruiting talent in new ways and ensuring a great experience for your existing employees doesn't happen overnight. And it certainly isn't an easy endeavor. But working with an ERP partner with deep manufacturing experience can help you navigate challenges and implement solutions that make an unprecedented difference.

Research predicts that the labor shortage will continue. Change up your approach by embracing high-impact technology to grow, scale, and modernize. Don't allow labor and tech gaps to block your business potential. Let us help you discover the possibilities instead.

[SCHEDULE AN EPICOR KINETIC DEMO TODAY](#)

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