

BUSINESS GUIDE

Cloud ERP for Capital Equipment Manufacturers and Distributors



ORACLE
NETSUITE

iCloudAuthority



Grab a seat and enjoy.
Read Time: 7 minutes

Cloud ERP for Capital Equipment Manufacturers and Distributors

Capital equipment manufacturers and distributors can operate more efficiently, make better use of their data and gear up for growth with NetSuite and an experienced implementation partner in their corner.

As the makers and suppliers of the machines, technology and products needed to manufacture goods or provide services, capital equipment manufacturers and distributors play an important role in the world's economies. Their products have useful lives of at least one year, are freestanding (not attached to buildings or grounds) and generally cost \$5,000 or more. Not consumed during the normal course of business, capital equipment includes tangible assets like industrial machinery, vehicles, pipes and HVAC systems, among many others.

As organizations worldwide prepare for the future, governments roll out new infrastructure bills and individual companies invest in more upgraded technology and automation, demand for capital equipment continues to increase. This creates opportunities and challenges for manufacturers and distributors, many of which still rely heavily on basic software systems, disconnected solutions and spreadsheets to run their operations.

This guide explores the current state of enterprise technology in the capital equipment sector, examines the key challenges that these systems are creating for growing companies and explains how a leading cloud Enterprise Resource Planning (ERP) platform supported by a knowledgeable implementation partner can help growing companies eliminate these pain points.

Table of Contents

Overview

Page 2

1 Moving Off of QuickBooks

Page 4

2 Supporting Expansion and Growth

Page 5

3 Deep Industry Expertise

Page 6

4 Reliable Data and Powerful Dashboards

Page 7

5 Technology That Adapts

Page 8

Moving Off of QuickBooks

The global pandemic may have temporarily stifled capital spending, but it also created new opportunities as organizations adjusted to the “new normal” operating conditions, a constrained labor market and an unpredictable business environment. By mid-2021, demand for capital equipment was strong across many categories and a \$1 trillion infrastructure investment package—much of which focused on the U.S.’ aging public works system—was heading toward final approval. These were all positive signs for capital equipment manufacturers and distributors that focus on high-dollar-value products that companies use to run their own operations.

According to the [Institute for Supply Management \(ISM\)](#), manufacturing has been performing well since June 2020, with demand, consumption and input all increasing month-over-month in 2021. While companies continued to grapple with a labor shortage and supply disruptions, ISM reported “slight improvements” in labor and supplier deliveries in July 2021.

Most companies in the capital equipment sector run their businesses on basic software systems like QuickBooks. As the organization grows, expands into new markets or takes on new lines of business,

these systems can easily become liabilities. “From a financial standpoint, most accounting software doesn’t give manufacturers or distributors the ability to segment their data or tie that information into their operational activity,” said Al Ladha, Founder and Engineer at iCloudAuthority, Inc., a NetSuite Alliance Partner. “They also need robust manufacturing and/or wholesale distribution management capabilities.”

In most cases, manufacturing and distribution processes are managed in disparate systems that provide insights into assembly line activities, manage plant floor routing and instruct workers which stations to send products to. Because the systems and related data are all disconnected, there’s no way to accurately track inventory—both for products manufactured and materials procured—across the enterprise.

The lack of visibility also extends into the C-suite, where corporate leaders can’t easily look into what’s happening in their businesses today versus yesterday versus a few months ago. With most of their data housed in separate databases or on spreadsheets, executives can’t predictively plan for future demand if they don’t have a clear view into what’s happening right now in their own businesses.

CHAPTER 2

Supporting Expansion and Growth

With many capital equipment companies selling cross-border, these organizations need multi-currency and inter-company capabilities that their basic software systems don't provide. Ladha said this is a particularly big pain point for North American companies selling back and forth across the U.S.-Canada border.

These organizations will also frequently form partnerships with other companies, set up subsidiaries and acquire existing companies. As they make these moves, companies need cloud ERP platforms that can help them "connect the dots" across these relationships and acquisitions.

Currently, iCloudAuthority is working with a capital equipment distributor that recently purchased several websites that it will use to sell its products.

Using NetSuite, the company was able to bring that channel into its ERP system and then use it to create and fulfill sales orders.

"The distributor can now set up additional business, acquisitions and subsidiaries within NetSuite to connect its systems together and leverage additional sales channels right within its existing ERP."

Al Ladha, Founder and Engineer, iCloudAuthority, Inc.



Deep Industry Expertise

Working with mid-market capital equipment manufacturers and wholesale distributors that have \$10 million to \$200 million in annual revenues, iCloudAuthority helps these organizations optimize their ERP investments and get the most value out of NetSuite. With more than 200 complete NetSuite implementations under its belt, iCloudAuthority works across different industry verticals but also has deep expertise in capital equipment manufacturing and distribution.

“We know the market and understand the manufacturing and distribution space,” said Ladha, who has worked with companies to address pricing strategies, customer differentiation, cross border sales and shipping, tracking of goods and co-manufacturing, “We’ve developed a methodology that directly addresses the challenges that these organizations face when using and/or implementing new technologies.”

In some cases, those companies may already have an ERP system in place and need help optimizing the system in a way that meets their specific operational needs. For one capital equipment company that was in this position, iCloudAuthority provided guidance

on how to connect business partners into NetSuite and configure the system for greater efficiency (e.g. by using serialization or by adding new subsidiaries to the system).

“We help growing companies solve their complex business problems by providing scripted solutions, automations and coding within NetSuite or by providing them with partners that have best-in-class products that integrate with the ERP system.”

Al Ladha, Founder and Engineer, iCloudAuthority, Inc.

If an application doesn’t integrate directly, iCloudAuthority provides technical services that help bridge the gap between things like EDI partners, ecommerce and the ERP system.

CHAPTER 4

Reliable Data and Powerful Dashboards

The typical implementation time can take three to six months depending on project complexity, iCloudAuthority gives capital equipment companies a centralized system to run their operations on without the need for multiple systems and applications.

Both ISO and Sarbanes-Oxley (SOX) compliant, the system helps manufacturers and distributors rest easy knowing that their data is secure. “This is a big deal for a lot of the companies we’ve been working with,” said Ladha. “They want to know that their data is secure inside NetSuite, and it doesn’t have to be stored in three different systems.”

With NetSuite, companies also have better visibility into operations and powerful dashboards that eliminate the data silos that once existed within their business.

With accurate and real-time data at their fingertips, executives can make good decisions based on what’s happening in their companies right now. The system also manages cross-border and multi-currency sales and ties together financials with manufacturing, distribution and other core business activities.

Ladha said once a capital equipment company adopts NetSuite, it’s usually surprised by the operational data it can access and view on a dashboard, versus having to search systems and spreadsheets for the information. Customers also like the ease of customization, including the addition of custom fields and records. iCloudAuthority helps its customers tap into these and other benefits of the system.

“Using NetSuite as a foundation, we design solutions that allow businesses to expand on the ERP’s footprint without having to move to another type of system,” said Ladha. “This is all possible because the NetSuite architecture allows for those robust and scalable.”

CHAPTER 5

Technology That Adapts

As opportunities in the capital equipment sector continue to emerge, companies operating in this space will need robust unified technology platforms to both manage their current operations and help them accommodate new growth. Knowing that QuickBooks, disparate systems and spreadsheets won't cut it, more of them are exploring cloud ERP to replace their disconnected systems once and for all.

By replacing disparate software with a unified cloud ERP system, capital equipment companies can position themselves for success in their growing sector of the economy. Whether they want to analyze performance data, use dashboards or manage their remote workforces, these organizations gain the flexibility they need for today and an ERP platform that adapts as they grow.

“Any company looking to the future and predicting more growth needs a scalable enterprise system to help them achieve those goals. From creating subsidiaries, to developing new workflow processes, to adding on new modules for wholesale distribution, manufacturing or services, NetSuite can support this and more.”

Al Latha, Founder and Engineer, iCloudAuthority, Inc.





ORACLE
NETSUITE

www.netsuite.com



Infonetsuite_WW@oracle.com

877-638-7848