MIDWEST USERS GROUP
EPICORMIDWESTUSERSGROUP.COM

MEETING MINUTES

The Regular Quarterly Meeting of the Midwest User Group was called to order at 10:15 a.m. on Wednesday, June 3, 2015, at Bloomingdale Golf Club located in Bloomingdale, Illinois. Mark Olbrantz and Calvin Dekker served as moderators for addressing opening business.

Dates for the last two 2015 Quarterly Meetings were reiterated, including a reminder on the change from Friday for the August meeting:

Wednesday, August 12th
Friday, November 13th

The first presentation for the meeting included a panel review of Insights. The group highlighted a great number of positives for attending:

- Direct access to Epicor Employees, especially technical support availability
- Networking with other companies utilizing Epicor 10 – all the way back to Vantage 6
- Avalara's party!
- One organization mentioned they hadn't attended for quite some time and it boosted the impression of Epicor software internally
- Focused on informational sessions since the labs were included in Insights Conference book
- Insights based on 10.1, which demonstrated some great improvements. i.e. SSRS 67 page manual down to 4 pages because of the improvements to base product
- 10.1 Beta in April, controlled release in July, General release in 4th quarter
- Would be interested in a one page summary (vs. full release notes) for highlights of upcoming release
- Extended Education was spoken favorably by the group
- Copies of Lab Books are located online for download: http://www.epicor.com/customers/insights/session-downloads.aspx
- Resources also available via extended and embedded education
- It was indicated there are some service packs / performance bundles of patches for some of the 10.0.700.4(?) for example for configurator and MRP.
- Experts' sessions created opportunity to provide feedback, more of an open discussion style.
- Companies presenting their perspectives on use or unique arrangements in the system, or uplift of software
- Several sessions were highlighted as useful, such as the 10 Installation, etc. Several panel members commented that they hadn't been able to get to all the classes that they had wanted.
- Insight manifest is now Epicor Manifest. Epicor purchased the module.

- Configurator = 0 input configurator, so it can be configured behind the scenes Several updates to configurator in 10.0 (and some new in 10.1)
- Some discussion continued on additional Epicor products/modules:
    - XLConnect, product for GL, AR & AP. Going to be expanding. There is an option to purchase a single edition (single user). Also a version of XLConnect – XLDeveloper, to run queries against even more than financials. Also an XLBroadcast tool for sharing/scheduling reports.
    - Xsol, product for documenting business process
    - Knowledge Mentor – for technical documentation for processes. Can be used for any software

Next year's Insights will be in Las Vegas 2016, April 17-20. All members of the panel expressed confirmation of the value of attending the conference.

Calvin Dekker provided a review of the Epicor 10 Top Twenty highlights. A copy of his presentation is attached.

The meeting was paused for a break for luncheon.

Following the break, Tara McCloud of Avalara made a presentation on Exemption Certificates and the Avalara Certificate Management Solution. A copy of Tara's presentation is attached.

Kevin Gallagher and Dave Meyer of Epicor spoke regarding the option of a cloud solution for Epicor ERP. They also provided a copy of the presentation for review.

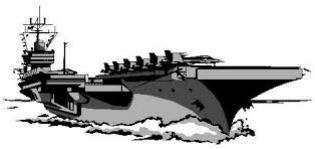
The meeting was adjourned at 3:45 pm with the next regular scheduled Epicor Midwest User Group Meeting scheduled for Wednesday, August 12.

Epicor 10
Top 20
Calvin Dekker

CodaBears, Inc.

Safe Harbor Statement

Statements contained in this press release that do not relate to historical facts may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements may involve known and unknown risks, uncertainties and other factors, which may cause actual events, and/or the actual performance, financial condition or results of operations of Epicor to be materially different from the actual events, and/or future performance, financial condition or results of operations, implied by such forward-looking statements. Further information regarding some of these risks, uncertainties and other factors is included in the Company's annual report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and such other documents that Company may file with the SEC from time to time.



Epicor 10 Top 20

20. Classic Style vs Metro Style
19. Client Configuration Files
18. Data Directive Changes & ABL/C# Conversion
17. Method Directive Changes & ABL/C# Conversion
16. BAQ Changes to SQL Syntax with Sub-Queries
15. GL Transaction Types & Controls
    a) Review for changes from prior versions
    b) Fill out new accounts as needed

CodaBears, Inc. Epicor 10 Top 20

Epicor 10 Top 20

14. Site Maintenance & Configuration Settings
13. Company Configuration Settings
12. Company Maintenance (Reporting, Email, SMTP)
11. Regenerating the DB Model in the EAC
10. Epicor Administration Console
    a) Licensing and Activating Modules
    b) Application Server Configuration
    c) Restarting Task Agent while in use
    d) Restarting IIS while in use

6/15/2015

Epicor 10 Top 20

9. Epicor Add-Ons, Third Party Add-ons, & Locations
8. Epicor Help Files and Embedded Education
7. SSRS Reports
   a) Epicor Report Installation
   b) Folder / Report Security
6. SQL Maintenance Plans
5. Microsoft SQL Server
   a) Patches
   b) Names Pipes
   c) User Security

CodaBears, Inc. Epicor 10 Top 20

Epicor 10 Top 20

4. Verification of SQL Licensing and Server Configuration
3. Windows 2012 R2 – Setup of Roles & Features
   a) Internet Information Services
   b) Firewall Rules
   c) Drive/Folder Shares
   d) Hyper-V
2. Virtualization
1. Formatting the Hard Drives – 64bit allocation blocks

Avalara

Making sales tax less taxing

Agenda

- ✓Why are we here?
- ✓The “What Ifs” for manufacturers & distributors
- ✓Decrease risk: certificate management solution
- ✓Impacting the bottom line

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Avalara

Why are we here?

Manufacturers and distributors don't need Epicor Tax Connect…right?

Why are we here?

Manufacturers and distributors don't need Epicor Tax Connect…right?

Sales tax but might have the wrong rate resulting in a difference of pennies on the dollar

Fails to prove they don't owe sales tax. Could potentially owe the ENTIRE back amount

Certificate management solution

Collecting this

and doing this

so auditors can do this

and you avoid hiring this

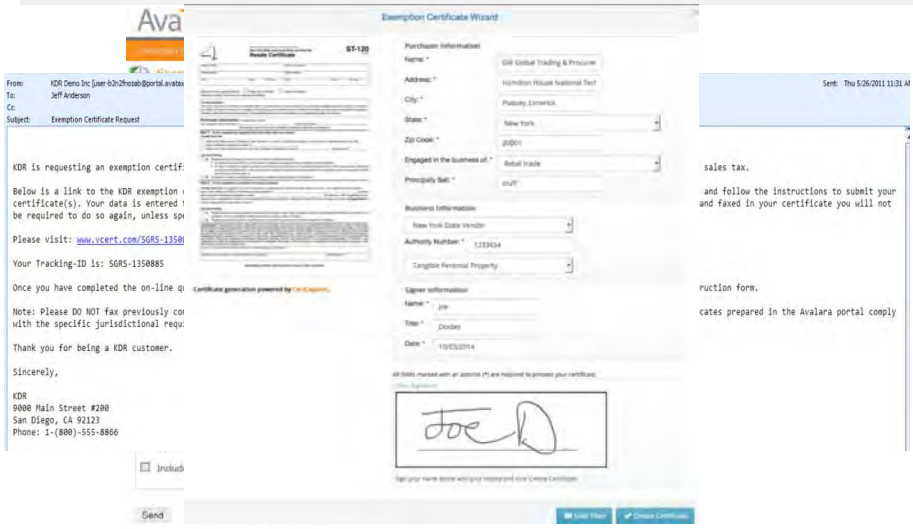
While also avoiding ….

- ✓ applying your existing resources to non-core business tasks
- ✓ investing in scalable, personalized outbound messaging
- ✓ trying to manage the process without having internal application and industry expertise

Avalara CertCapture

Collect & Validate	✓ Collect Valid Certificate at ERP, B2B ecommerce website, or store POS
Renewal Management	✓ Manage update requests for missing and expired certificates
Tax Decision Software	✓ Seamless integration with tax software applications
Storage & Retrieval	✓ Quick, anytime access for certificates and meta data

Certificate management in a few steps



Making sales tax less taxing

What's the difference?

Retailers are easy:

- ✓ Calculate
- ✓ Collect

Manufacturers are more complex:

- ✓ They have to determine what qualifies for exemptions for things that they **sell,** things that they **buy** internally for the manufacturing process, and what is **remitted** back to the states.

© Avalara

Avalara

Tax concerns for manufacturers

Q: What if we purchase something for manufacturing process? It is tax exempt, right?

TEST:

- ✓ Predominate test – is 51% of item used in the process?
- ✓ Exclusive test – anything less than 100% means that it doesn’t qualify

Tax concerns for manufacturers

Q: What if we purchase something for manufacturing process? It is tax exempt, right?

- ✓ Partial exemption – some states only allow a portion of an item to be exempt
- ✓ Full exemption – other states allow the entire item to be exempt

We can't make this up…

A manufacturer just bought a forklift. Do they pay sales tax?

Non-taxable if it is used in the manufacturing and production process to move raw materials

Taxable if it is used in a warehouse to move around finished goods

Tax concerns for manufacturers

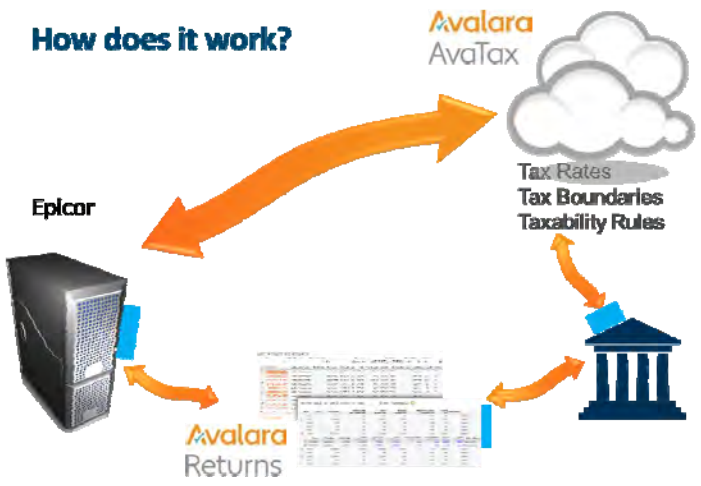
Q: What if something is used in sales samples or demo equipment?

- ✓ When taken out of inventory, both create use tax liability
- ✓ Demo equipment expands Nexus due to ownership of property

So what do we provide to customers?

Avalara AvaTax	Avalara CertCapture	Avalara Returns
ADDRESS VALIDATION	CERTIFICATE REQUEST	LIABILITY WORKSHEET
SOURCING RULES	COLLECTION WIZARD	RETURN PREPARATION
JURISDICTION ASSIGNMENT	STORAGE & RETRIEVAL	FILING & REMITTANCE
PRODUCT TAXABILITY	TAX DECISION SOFTWARE INTEGRATION	RETURN ARCHIVE
REPORTING	RENEWAL MANAGEMENT	NOTICE MANAGEMENT

End-to-End Compliance

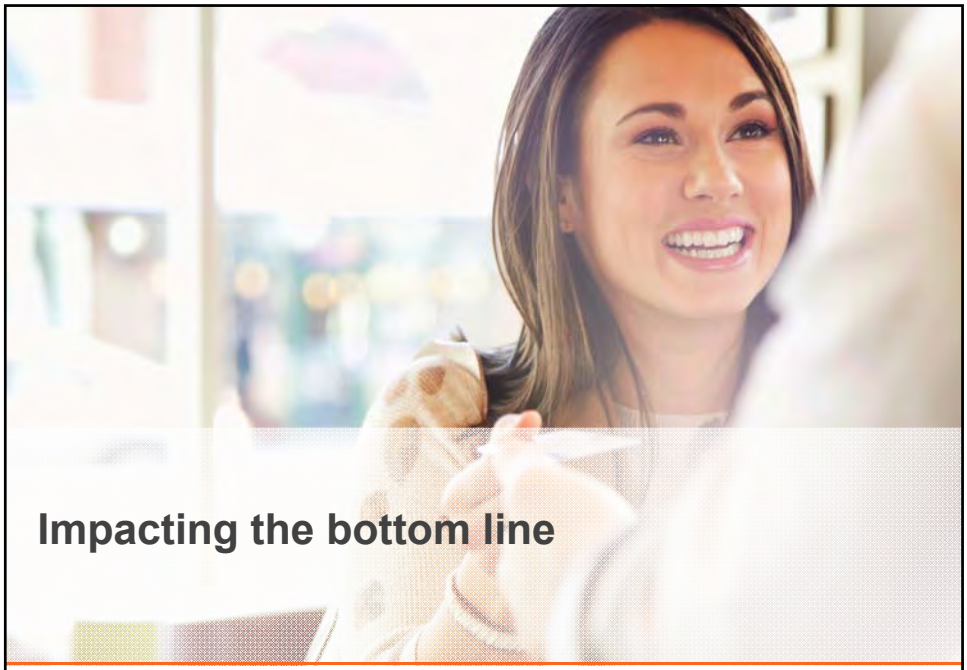


Making sales tax less taxing

Outsourced Compliance: Straw Poll

- How many of you currently outsource your payroll processing?
  - ADP?
  - Paychex?
  - Ceridian?
  - Other?

Making sales tax less taxing



Impacting the bottom line

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Managing Risk

Q: So what is the risk and impact to manufacturers?

Risk 1:

- ✓ You overpaid taxes in areas where suppliers could have used your exemption certificate

Risk 2:

- ✓ You underpaid taxes where vendors did not charge the correct taxes

Why do customers buy?

Percentage of businesses that believe a sales tax auditor would find a mistake.

~ Wakefield Research

TIME!

12.7 hours per month calculating sales tax
18.2 hours per month managing certificates
11.0 hours per month filing & remitting sales tax

5.4 **months** - average payback period using Avalara

Audit Facts

- 67
- 39

Audit Facts

- $67K – Average Cost an Audit
- 39 Days – Average Length of an Audit

-Wakefield Research

Audit Facts

- 85
- 57

Audit Facts

- 85% - 1 missed question
- 57% - 2 or more missed questions

-Wakefield Research: 5-Question Compliance Quiz

Overwhelmed yet?

Decrease risk:
Certificate management solution

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- ✓ 10 year old company
- ✓ 10k+ customers
- ✓ 300+ new customers / mo.
- ✓ 2B calculations annually
- ✓ Millions of Exemption Certs
- ✓ 14B in annual returns filed
- ✓ 700+ employees
- ✓ 8 years as Epicor Alliance Partner
- ✓ #1 in Sales Tax Compliance

Making sales tax less taxing

Q&A

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Considering the Cloud for ERP.

Kevin Gallagher and Dave Meyer

Agenda

1. The Cloud. In broad terms
2. Choice
3. Cloud Deployed Epicor ERP
4. SaaS and Express Offerings
5. Questions

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The Cloud. What & Why.

Cloud - What are we talking about *exactly*?

- Subscribing to your ERP system, just like you subscribe to your water company, Salesforce.com, or rent a storage unit. Software access via the internet.
- You don't buy a General Ledger for $1,413 (plus $282 annual maintenance).
- You subscribe to it for $46.45/month.
- Epicor owns all the servers, maintains them, installs the updates, provides, support, maintains backups, mitigates against disasters, etc.

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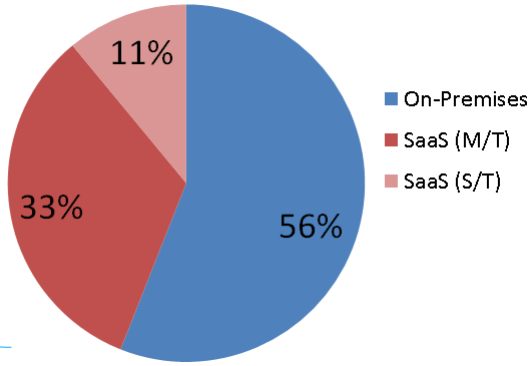
Deployment Model - Panorama

44% of last year's deployment were in the cloud



Source: Panorama 's 2015 ERP Report
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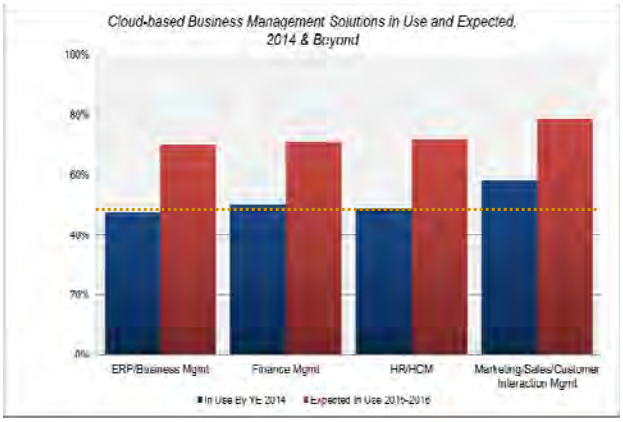
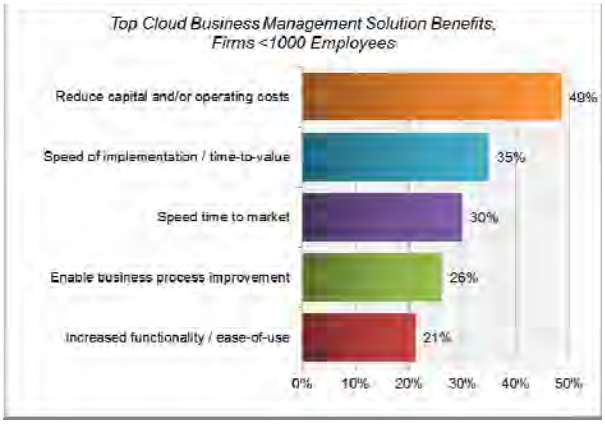
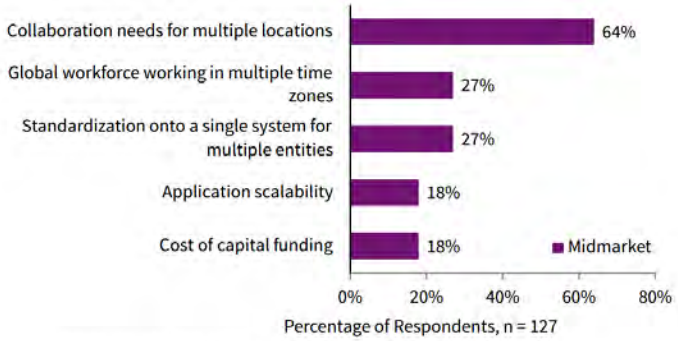
Enterprise Solutions Global Cloud Survey





Source: Saugatuck Technology global Cloud/SaaS surveys, 2012 - 2014

Top 2 Biggest Cloud Benefits….



Source: Aberdeen Group, August 2014

Best-in-Class midmarket organizations are over twice as likely to have deployed their ERP solutions in the cloud.

Midmarket organizations with cloud solutions saw 1.9x the improvement in profitability over the past two years that those with on-premise solutions saw.

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Cloud Deployed ERP isn't exactly a new idea.

- Yesterday's view of the cloud was "NO"
  - Security
  - Reliability
  - Bandwidth
  - Control
  - Transparency
  - It's just "Unknown and Different"

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Why clients choose the cloud today.

- Lowest cost deployment option
- Escape 'hidden' ERP costs.

  TCO Model, OpEx
- Most agile & scalable deployment option
- Reduced IT spending/better IT Spending
- Standardization across your enterprise
- Faster time to value
- Reduced risk
- Improved Collaboration

Fast Facts

Organizations with SaaS ERP spent exactly 100% of their ERP implementation budget on implementation, compared to organizations with on-premise ERP that went 12% over budget.

- Aberdeen, 2013

Benefits of Cloud Deployment

Business Benefits

- Low initial and predictable ongoing costs
- Faster implementations and time to value
- Reduced cost of ownership
- Greater reliability
- Improved support
- Reduced IT complexity
- Improved business focus

Monthly subscription fee includes	
Hardware	✓
OS Licenses	✓
Database Licenses	✓
Middleware Licenses	✓
Software Licenses	✓
Software Support	✓
Hardware Maintenance	✓
Software Maintenance	✓
IT Operations	✓
Upgrades	✓

Application Management

- • Administration, monitoring, and management
  - Hardware
  - Database
  - Middleware
  - Software
  - Operating systems
- • System performance monitoring and tuning
- • Security management and Standardization.
- • Data back up and recovery
- • Version control and configuration management
- • Issue resolution and break/fix support, including installing patches, updates, and service packs
- • 24x7 management and access to support personnel
- Backed by service level guarantees, Application Management
- services can provide improved and assured service levels

Cloud Deployed Epicor ERP

What is Cloud Deployed Epicor ERP?

- The same Epicor ERP you buy and run in your datacenter.
- Monthly subscription, includes –
  - System Subscription
  - Upgrades
  - Support
  - All Server Side Infrastructure
  - A secure, reliable 99.5% SLA

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Modules Not Available in Epicor Express

Financial Management

- Advanced Allocations
- Contract Renewals
- Deferred Revenue Accounting
- Petty Cash
- Payment Instruments

Supply Chain Management

- Customer Managed Inventory
- Supplier Managed Inventory
- Landed Cost/Container Tracking
- Advanced Material Management
- Rebates

Production Management

- Enterprise Quality Assurance

Planning and Scheduling Management

- Advanced Planning and Scheduling
- Material Requirements Planning

Project Management

- Project Billing
- Time Management
- Expense Management

Service Management

- Field Service
- Maintenance Management

- Multi Site/Multi- Entity Management

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MAY be optionally added to an Express Bundle (M/T) deployment.

Credit Card Processing	Asset Management
BarTender	Pack-Out Management
EDI / Demand Management	Advanced Production
Handheld Users	Project Management
Product Configuration	CRM Users
Epicor Commerce Connect	CSFs and Languages
Epicor Information Worker	XSOL
Epicor e.Marketing & Epicor e.Survey	Available M/T Alliance products are supported in Express Bundle
Epicor Mattec MES	Epicor Manifest
SharePoint Attachments	XL Connect

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Not yet available in our multi-tenant environment..

Epicor Mobile	Asset Management
Enterprise Search (Expected in 10.1)	Advanced Estimating and Pricing
Software Development Kit	Social Enterprise
Web Service License	Service Connect (Full/Runtime)
Epicor Performance Management	Advanced Financial Reporting
Distribution Demand Planner	Epicor Financial Planner
Alliance Solution: IQS	Alliance Solution: ProCad
Alliance Solution: Precise Business Solutions	Industry Extensions (EFT/Positive Pay/MICR/SFDC)

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