

Industry Training – Electrical Distribution

Electrical distribution is a complex industry. In this introduction course, we'll review some key segments and characteristics of electrical distribution, look at the features and functionalities in Epicor's distribution solutions that address electrical distributors' needs and talk about how we differentiate ourselves from the competition, take a peek at some customer stories, and learn where to go for more information about electrical distribution.

Select a tab from the top of the screen to get started.

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Segments and Characteristics

Electrical distribution isn't a one-size-fits-all industry. While there may be some overlap, different types of distributors cater to different industries.

And, just like any industry, electrical distribution is always changing.

Use the buttons on the left to get a better understanding of the different types of electrical distributors, look at some electrical-Specific Terms, and the current electrical outlook. Then, when you're ready, use the tabs at the top to continue.

Types of Electrical Distributors

As you may guess, electrical distributors provide products and materials necessary to install and maintain electrical systems. They sell to a wide range of customers, including electrical and general contractors, industrial and commercial businesses, homebuilders, and more. They also serve walk-in customers. Because their customer-base is so vast, electrical distributors are broken out into a handful of different types.

Full line electrical distributors are those larger distributors that sell a wide range of products, including wire, conduit, circuit breakers, load centers, lighting fixtures, electric motors – if it's electrical, they sell it. Their customers include industrial, automotive, commercial construction, light commercial, and residential, to name a few.

Lighting distributors focus on an array of lighting products, such as fixtures, lamps, bulbs, and decorative lighting accessories. They service larger commercial jobs such as factories, retail, office buildings and warehouses. In addition to that, home builders typically provide new homeowners with a lighting allowance so that they can go to the distributor and pick out the lights and fixtures they want for each room.

Residential distributors rely heavily on counter sales in their lighting showrooms, including retail, cash, and credit card sales. Oftentimes, contractors and homeowners visit the showroom to pick fixtures for their homes. In addition to their standard inventory, they likely also take a lot of special orders.

Utility distributors work directly with electric companies and include sales to and for electrical grids, which deliver electricity to consumers.

Electrical Apparatus Wholesalers sell electrical motors, along with repair and replacement parts for motors. They are heavy hitters in repair and manufacturing companies

As you can see, electrical distributors specialize in wide to very specific electrical needs. No two are the same. Regardless of the type, Epicor makes electrical distribution accessible for our customers.

Electrical-Specific Terms

Electrical distribution is more than just lights and electricity; that's part of it though. The following terms introduce some of the different areas of electrical systems and distribution.

Let's start with the biggest piece – the electrical grid. Electrical grids are intricate systems that deliver electricity from electric companies to consumers. These systems range from smaller, local grids to nation-wide grids that stretch thousands of miles connecting millions of homes and businesses. They consist of complex interconnections, the most notable of which include:

Generating stations, also known as power plants, that create the electrical energy. They can use anything from coal or natural gas to wind and sunlight to generate power.

Electrical substations that transform voltage from high to low (or the reverse). They're situated between the generating station and the consumer, and electricity may flow through several substations before reaching the end consumer.

High voltage transmissions lines carry electricity long distances, such as from a generating station to an electrical substation.

And, finally, distribution lines that connect to individual consumers. Distribution lines connect to load centers – also known as a fuse box or breaker box – for residential and light commercial structures. Attached outside, they are the point at which power enters a building, taking the electricity supplied by the electric company or utility and distributing it throughout a home. Load centers feed lights and outlets via branch circuits – typical by room or area. Load centers have circuit breakers that protect each individual branch or area.

Electrical wire, or metal drawn out into a thin flexible thread or rod, runs throughout a building, bringing electricity from the load center to outlets and lights. It is a type of conductor – usually copper or aluminum – meaning that it directs the flow of electricity.

Wire is housed within conduit, a pipe or tube that protects and routes electrical wire in a building. For example, conduits are used when burying wire underground to protect it from water and other elements.

In electrical distribution, wire is transported and stored on a reel. Round and drum-shaped, reels hold different types of electrical wires and are typically quite large. Electrical distributors cut wire in various lengths from reels for customer orders.

When cutting wire, often times distributors will end up with remnants, or a small remaining amount of cable or wire that's cut from a larger reel. For example, a reel might have 100 feet of wire. If a customer orders 95 feet, the distributor has 5 feet of remnant wire remaining.

A lot goes into generating and delivery electricity to consumers. This is just a handful of terms. For a more detailed list of terms, please see the Electrical glossary attached to this course.

Current Electrical Outlook

The electrical industry is always changing. Two of the biggest factors are consolidation and the economy. Let's start with consolidation.

Larger distributors are purchasing smaller ones, filling gaps in their market and building their customer base in niche markets. This makes it difficult for smaller distributors to stay independent. It also means that one of Epicor's customers may buy another customer and integrate them into our solutions; For this reason, Epicor's maintains relationships with electrical buying groups. These members are electrical distributors and are often used as a reference for Epicor.

Even bigger than consolidation is the economy. Current trends point to more and more people working from homes, and the industry expects this trend to continue going forward. This means that commercial electrical needs are slowing while residential needs are growing – individuals are remodeling and upgrading their homes and building new ones. As the residential market recovers, electrical distributors will have more opportunities to sell products for home theaters, computer networking, and security systems.

While both commercial and residential industries are affected by the economy, residential sees less of an impact due to the normal repair and replacement of fixtures. Commercial and industrial sectors have experienced those greater fluctuations

How We Win/Why Epicor is a Good Fit

Electrical distribution is a \$72 billion industry. Epicor's ability to compete and thrive in that market relies on the expertise and experience built into our solutions.

Use the buttons on the left to watch an overview of some of the features and functionality built into Epicor's solutions that make us a go-to product for electrical distributors, see some of Epicor's competition and how we differentiate ourselves from them, and, from a sales point of view, experience our strength in the market and strong relationships with affiliations.

Then, when you're done, use the tabs at the top to continue.

Epicor Capabilities

Epicor's distribution solutions provide a full end-to-end application regardless of industry. That said, there are a number of features that directly address the needs of electrical distributors. What follows is a selection of those features.

Many electrical vendors offer rebates to distributors to help them maximize their profits. In fact, rebates are very common in the Electrical industry; they can be very hard to manage. Epicor's robust Vendor Rebate Management system track purchases and the rebates available to the distributor to make sure they are taking advantage of all available rebates.

Not only that, but Vendor Rebate Management also tracks vendor rebates electronically, providing a more accurate reporting and ensuring that they get the best rebate available. This automated process simplifies the often-tedious task of handling vendor rebates.

Each step—from negotiation, to receipt, and beyond—is recorded in real time and reflected in the General Ledger and price schedules, ensuring that distributors never lose track of a rebate. What is comes down to is, Vendor Rebate Management provides distributors with the accurate, concise information they need to send to vendors to claim rebates.

A lot of the time, multiple suppliers carry the same products. The same breaker, for example, may be available from several suppliers. When creating quotes for their customers, electrical distributors want the best prices available. They may also inquire about available quantity breaks, meaning that the price may be less if the

customer purchases more. This saves electrical distributors costs and allows them to offer the best pricing to their customers. Multi-Vendor Requests for Quotes (RFQs) lets them do just that.

Electrical distributors will tell you that being able to successfully manage large commercial lighting and switchgear projects can be the difference between being making money and losing money. Unlike standard orders which can be simple, project work can be very complex, and include identifying bid schedules, tracking which customers need bids, creating bids for multiple customers, tracking the submittal status, managing release orders, billing customers, and reconciling vendor invoices.

Electrical distributors also need to process change orders, handle returns, and even pay engineering fees on occasion.

That's where Job Management for Eclipse comes in. This is a 100 percent real-time, Web-based application that integrates fully with Eclipse. Epicor built Job Management by working closely with electrical distributors that specialize in lighting fixtures and gear, making it great for distributors that work with large projects.

There is only so much wire on a reel, and it's not cheap! Distributors need to make sure that they use it all efficiently; they can't just cut wire off just any reel. If they did, they'd left with a lot of unsellable remnants.

Cut Wire and Reel Tracking helps distributors manage their wire inventory to make sure that they cut wire from a reel that can support the customers' needs, while making sure the remaining wire on the reel is in usable lengths.

The solution tracks how much product is available on each reel and from where orders should be pulled. For example, if a customer orders 40 feet of wire, the solution directs warehouse employees to pull the order from Reel A with 43 feet of wire, rather Reel B with 1,000 feet of wire. In fact, the solution even suggests selling the customer 43 feet of wire to reduce the chance of 3 feet of scrap.

To help keep track of how much wire is left, the solution subtracts the sum from the reel's total, eliminating guessing games and inventory discrepancies.

Cut Wire and Reel Tracking ensure that distributors always know how much wire is in their warehouse—and that they sell every last inch of it.

Whether they have a small counter or a large customer service area, electrical distributors rely on front counter sales. Front counter in Epicor's distribution solutions provide the tools necessary to quickly and efficiently handle that early morning rush.

Distributors can help any customer on the spot by accessing their entire inventory from the Order Entry screen, offer a price, place the order, and then accept payment or record the transaction for invoicing.

To speed the order entry process, items can be manually entered or scanned using a wireless or USB bar code scanner. Distributors can even complete customer credit checks on the fly, and notifications can be sent immediately to the credit manager in the event of an exception. Front counter accepts payments on each transaction—including cash, check, or credit card payments. What's more is, the Epicor integrated credit card processing solution accepts customer payments with credit or debit cards and immediately authorizes the transaction.

Front Counter Signature Capture uses a simple, easy-to-install capture device that fully integrates with Order Entry and Front Counter to instantly provide distributors with a permanent record of what left the warehouse, when, and with whom.

In short, Front Counter allows distributors' customers to quickly and easily pick up what they need by providing an efficient walk in order process.

From everything from rebate management, multiple vendor RFQs, Job Management, Cut Wire and Reel Tracking, and Front Counter, Epicor's distribution solutions provide electrical distributors with the tools they need to keep their operations running efficiently.

Differentiators & Competition

It goes without saying that Epicor has competition. There are countless software solutions for every industry. Let's look at some of our top competitors, see what they have to offer, and talk about how we compete with them.

Infor CloudSuite offers customers a strong order entry and billing solution, as well as strong purchasing capabilities, all, as the name suggested, in the cloud. They do struggle with extensibility, meaning that they can't sell upmarket, and they're not using the most up-to-date technology (they have an old database).

Rather than selling direct, Infor CloudSuite sells and implements through channels to Epicor's target market. Even then, only 6% of their total sales is to Distribution, and they're expensive when upgrading to the cloud.

Infor CloudSuite's order entry, billing, and purchasing capabilities don't set them apart from Epicor. Our solutions are strong in those areas. We also do have a cloud-first mindset. What's more, Epicor uses the latest technologies and are constantly expanding and improving distribution capabilities.

Epicor's distribution solutions were built for Electrical out of the box and allows us to cater to medium-sized distributors (who we treat as a big deal). Our electrical and distribution expertise, coupled with how we treat customers, ensures that we have a strong relationship with buying groups in the electrical channel. Customers get our solutions direct from Epicor, creating a single point of responsibility.

DDI has strong warehouse management capabilities, it's easy to use, and they have great support. That said, they do lack customization options, creating reports is difficult, and their inventory management can be challenging.

DDI's warehouse management is no match to Epicor's; using our fully integrated warehouse automation, our solutions make it easy to receive, put away, pick, and ship products – or distributors can take a more manual approach.

Epicor's distribution solutions are easy to use and support is always available, including online help articles, a complete training on demand video catalogue, customer user groups, and our internal support channels. Help is always accessible and available. Epicor's superior inventory management means that distributors always know what they have on hand, and they always have the right products.

Epicor has a large customer base and has been on the market for decades. This means that we have extensive market experience, and a vast customer knowledge base to further our growth.

NetSuite is the largest pure software as a service (SaaS), delivering their solution via the cloud, and includes pre-built role base dashboards to enrich their web UI. They focus on 360-degree views and workflows. That said, they are very one-dimensional and don't offer any industry-specific functionality. Instead, they rely on customizations for electrical. And, as a pure SaaS, they are only available on the cloud, which provides no flexibility for customers that are not ready to move off premise.

Epicor brings specific industry knowledge to its solutions, including designing with electrical in mind. This means that we can address the needs of electrical distributors out of the box, without the need for costly customizations.

While Epicor is cloud-first, we do also provide on premise and hybrid solutions for customers that are not ready to fully move to the cloud.

SAP is a strategic solution that required customization to meet distributors' needs. They do have longevity in the market and are financially sound. But, because they rely heavily on customizations, they are expensive. Like Infor CloudSuite, SAP sells through channels instead of direct.

Epicor solutions build on industry-specific knowledge, meaning that, depending on the distributor, using our solutions may require little to no customizations – it's available if needed though. Epicor's fully integrated modules mean that everything electrical distributors need is available in one product.

What's more is that customers get our solutions direct from Epicor, creating a single point of responsibility.

With all the competition out there, Epicor's experience and expertise keeps us ahead of the game

Sales POV

With all the competition out there, how does Epicor continue to have such great success? It's through our strength in the market and our relationships with key electrical affiliations. Let's take a closer look starting with Epicor's strength in the market.

We've talked about the fact that Epicor has decades of experience and expertise in electrical distribution. Customers are talking too. As of January 2021, approximately 280 electrical distribution businesses run Epicor solutions. And they're sharing their experience with other customers.

In addition to the 280 electrical distributors, 56% of Electrical Wholesaling's Top 200 are Epicor Customers. Why is this important? The largest 200 electrical distributions in North America play an important role when talking about the size, scope and future of the electrical distribution market. Epicor distribution solutions is a part of that discussion.

Epicor understands the importance of building and maintaining relationships with customers and affiliations. Some of those affiliations include:

The National Association of Electrical Distributors (NAED). This affiliation helps electrical distributors overcome challenges in the market by creating and providing education that distributors need to develop a competitive edge. They comprise of more than 400 business, 55% of which use Epicor distribution solutions, including Mayer, Rexel, US Electrical, and more!

Affiliated Distributors (AD) is a member-owned group that brings independent distributors and suppliers together to outperform in the market and beat the competition. Of their 450+ members, half are Epicor customers, including North Coast Electric, Kirby Risk Electric Supply, Van Meter, and many more.

IMARK group is another member-owned and governed group of independent distributors. Combined, their more than 850 members generate annual sales over \$28 billion. And 30% are Epicor distribution solution users, including US Electrical, Crescent Electric Supply, Mayer Electric Supply, and more.

Electrical Apparatus Service Association (EASA) is an international trade organization in almost 70 countries. Through their educational programs, EASA helps members keep up to date on materials, equipment, and

technology. Dozens of EASA members use Epicor to run their businesses, including Kirby Risk Electric Supply, Southland Electrical Supply, Baldwin Supply, to name a few.

Customers and members in these electrical distribution communities are close to one another; they're always sharing their experiences. The recommendations from our existing customers in these affiliations help us to drive our business – people trust their peers. Electrical distributors are no different.

Customer Success Stories

Electrical Distributors are using Epicor's solutions to advance their business. Scroll through to see what some of them are saying. When you're finished, use the tabs at the top to continue.

F.D. Lawrence Electric Co

Before partnering with Epicor, F.D. Lawrence Electric Co was lagging behind their major competitors. They needed to get ahead of the technology curve as the workforce changed.

“Eclipse software allows us to analyze not only our customers, but also the products and services we sell into the markets where we compete. It allows us to make more efficient, more accurate, data-driven decisions. In the past, that was not as easy to do.” —James Becket, President

“Today, we can better manage and exceed challenging requests from our customers thanks to a solution inside of Eclipse software.” —Daron Brown, Business Analyst

Belvins Inc

Blevins stressed their commitment to continually advancing customer service; their initial system was unable to generate comprehensive customer histories and tracking reports in real time, which greatly slowed delivery cycles and hindered the fulfillment of urgent requests.

“Many of the software solutions firms we contacted only dealt with companies much larger than ours. Epicor not only understood our business, but was able to help us upgrade our system without reinventing the wheel. They also opened our eyes to a multitude of easier and more advanced ways for managing our inventory and financials that utilized substantially fewer people and paper printouts.” — Tim Kentner, Chief Financial Officer

“Prophet 21 is basically the foundation of everything we do. Prior to its use, too many people were involved with the daily handling of payments, as well as the receiving and ordering of inventory. As a result of implementing the system, we are now equipped to respond faster and more accurately to customer requests throughout all 11 branches.” — Tim Kentner

Warshauer Electric Supply

Warshauer Electric Supply realized that they needed their company to remain relevant in the technological landscape. They couldn't work alone anymore—they needed a technological partner.

“The Epicor management team was very involved with me as we went through the process of determining who was the best vendor for us...We're going to go [on the cloud] in a few years, which is one of the reasons why we chose Epicor. They've given us the option to go either way.” — James Warshauer, CEO and President

“We were able to save 25% of our sales people's time with not having to price tickets, and probably 50% of our A/R department's time not having to supply people with this information.” — Jim Dunn, Executive VP

Industrial Supply Company

Industrial Supply Company was founded in 1915 to serve the coal mining and brick making industries. As times changed, so did their business. To increase sales and reduce costs, they needed technological advances to automated processes

“With Epicor technology in place, we are doing a higher volume of business, and we’re better organized. Prophet 21 has helped us stay competitive, and we have leveraged the solution to make our company more profitable.”

— Brian Williams, Director of IT

“Our users are inspired to be more productive and do better in their jobs because of the technology. Epicor was very responsive to their needs...They are very excited as these new features are being rolled out to make their lives easier.” — Brian Williams

Resources

This course provided an overview of Electrical Distribution. For more information on this topic and distribution, please review additional resources available on [Epicor Learning Center](#), online help articles available from within both products, the [Epicor website](#), and, if you have access to it, the Spark Marketing Resource Center.

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About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



Corporate Office

804 Las Cimas Parkway
Austin, TX 78746
USA

Toll Free: +1.888.448.2636
Direct: +1.512.328.2300
Fax: +1.512.278.5590

Latin America and Caribbean

Blvd. Antonio L. Rodriguez #1882 Int. 104
Plaza Central, Col. Santa Maria
Monterrey, Nuevo Leon, CP 64650
Mexico

Phone: +52.81.1551.7100
Fax: +52.81.1551.7117

Europe, Middle East and Africa

No. 1 The Arena
Downshire Way
Bracknell, Berkshire RG12 1PU
United Kingdom

Phone: +44.1344.468468
Fax: +44.1344.468010

Asia

238A Thomson Road #23-06
Novena Square Tower A
Singapore 307684

Singapore
Phone: +65.6333.8121
Fax: +65.6333.8131

Australia and New Zealand

Suite 2 Level 8,
100 Pacific Highway
North Sydney, NSW 2060
Australia

Phone: +61.2.9927.6200
Fax: +61.2.9927.6298