

Retail ERP Handbook

A Guide to Selecting the Right ERP Software for Your Industry

SELECT THE PERFECT ERP SOFTWARE FOR YOUR BUSINESS

There are hundreds of ERP applications available today. Each has strengths and weaknesses. Some are **specialized by industry**, while others are more general. Some systems work better for smaller retail stores and eCommerce companies, while others scale up for the largest big-box retailers and commercial powerhouses.

Legacy ERP applications provide robust features built on aging platforms that are challenging to integrate with modern business technologies. Newer cloud products designed for greater connectivity provide a modern platform for growth with streamlined features that offer simplicity, flexibility, extensibility, and mobility.

Commercial merchants have options for ERP systems based on their predominant business models, including B2B, B2C, D2C, C2C, B2G, and even C2B. These commerce-enabled ERP systems automate the flow of information between web storefronts, point-of-sale devices (POS), and back-end transactional systems.

Selling models and industry profiles highlight vital features to consider when evaluating your next ERP application. This ebook provides a framework to **understand retail and eCommerce ERP options**.

FIND THE RIGHT RETAIL & E-COMMERCE ERP SOFTWARE



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RETAIL AND E-COMMERCE

Two Market Definitions

Before going any further, there are two definitions to clarify: retail and eCommerce. **Retail establishments** engage one or more sales channels (including eCommerce) for selling to end users and consumers. **eCommerce activities** focus on selling and buying through a single channel (online) by organizations (retailers, distributors, manufacturers, governments) and individuals (proprietors and consumers). Many retailers also conduct eCommerce—they are not exclusive of one another.

Both environments require similar accounting, inventory management, purchasing, and CRM features. However, each demands distinct order management functionality. Acumatica is one of the few ERP systems supporting retail and eCommerce process needs on a common platform.

The table below highlights some comparisons between retail operations and eCommerce operations.

	RETAIL	eCOMMERCE
Buyer Profile	Retailers are selling to those who will directly consume the product or service.	Sales occur to anyone in the supply chain—consumers, wholesalers, manufacturers, and governments.
Sales Channels	Multi-channel model: in-store, phone, kiosk, catalog, or online.	Refers to a single channel: online commerce (internet-based).
Payment Methods	Cash, check, credit card, ePay (Venmo, PayPal), gift card, credit memo.	Credit card, ePay (Venmo, PayPal), credit terms, gift card, credit memo.
Order Processing Needs	Point-of-sale, PCI compliance, cash management, credit handling, mobile scanning, “endless aisle.”	PCI compliance, ePay, credit handling.
Inventory	On-hand and stored (on-site, off-site, vendor-managed). Warehouse proximity is essential.	Stored (off-site, vendor-managed). Warehouse proximity is not as important.
Returns	Typically managed in-store, but mail delivery is sometimes offered. Seller pickup is less common.	Mail delivery, in-store, and seller pickup.



SELLING MODELS

Sales Models Impact ERP Requirements

There are a variety of sales models depending on the selling and buying entities. Buyers purchase from businesses, entrepreneurs, or individuals. Sellers engage with companies, consumers, or governments. Each model has its requirements and processes to support its transaction lifecycle (sell, fulfill, bill, support). Sales channels must be aligned to provide a seamless buying experience for customers. Order management systems must be robust and connected to inventory and financial back-ends to properly fulfill orders by promised dates. Warehouse and shipping teams must know how to pick, pack, and ship each order and trigger an invoicing process within the financial billing system. Returns and post-sales support are critical in providing the expected customer service levels to secure future business.

Every ERP system supports one or more of these sales engagements. The following sales models and features should be available in ERP application suites.

CONSUMER PRODUCTS (DRINKWARE)

“Acumatica has allowed us to be a better digital business. From Sales to Operations, from Admin to C-Level Executives, Acumatica allows us to have insight into data to make good decisions to grow our business in a powerful way.”

- BRYAN PAPÉ, FOUNDER & CEO
MiiR

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BUSINESS-TO-BUSINESS (B2B)

B2B is a model where one business sells products or services to another business. Manufacturers may buy raw materials or contract for assembly work. Distributors purchase goods for resale. Non-profits acquire services to fulfill their mission.

- Demand Forecasting
- Sales Order Management
- Inventory and Warehouse Management
- Contract and Customer Management
- Billing and Credit Terms

BUSINESS-TO-CONSUMER (B2C)

B2C transactions where the business directly offers its products or services to consumers and end-users. Retailers engage in B2C selling, but manufacturers and distributors may also do this in a direct-to-consumer (D2C) sales model, per below.

- Point-of-Sale Integration
- Cash Management and PCI Compliance
- Inventory and Warehouse Management
- Customer Management (Loyalty Programs)
- Returns Management

BUSINESS-TO-GOVERNMENT (B2G)

B2G sells directly to governing bodies (municipal, city, county, state, and federal). Governments have strict controls over vendor selection and acquisition of goods, and sellers must stay compliant to do business.

- Sales Order Management
- Robust Reporting
- Contract Management
- Compliance Management
- Revenue Recognition

DIRECT-TO-CONSUMER (D2C)

Often leveraging the web, D2C models have manufacturers selling directly to end-users without intermediaries. Examples include Dell Computers, Avon, and Dollar Shave Club. These companies need close ties with their customer base to thrive.

- Demand Forecasting
- Web Storefront Integration
- Customer Management
- Inventory and Warehouse Management
- Returns Management

APPAREL & FOOTWEAR PRODUCTS

“Every time inventory is moved, the transfer is documented, which allows us to have tighter control over where the product is and how much we have, which has helped with shrinkage and quality control. Because we can sell in real time, we can sell with lower buffers and sell through inventory with less overstocking.”

- THOMAS FINNEY, IT DIRECTOR
SHOEBACCA

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CONSUMER-TO-CONSUMER (C2C)

C2C sales are transactions between individuals. While typically out of scope for ERP buyers, C2C activities show how ERP capabilities can support the underlying intermediate platforms. Platform examples include Poshmark, Craigslist, and StubHub.

- Sales Order Management
- Marketplace Integration
- PCI Compliance
- Cash Management
- Returns Management

CONSUMER-TO-BUSINESS (C2B)

Less prevalent but gaining exposure is the C2B sales model. Individual consumers sell goods and services to organizations. Examples include a photographer selling stock photos to businesses, affiliate marketing (influence blogging), and focus groups. Companies manage their buying via ERP.

- Vendor Management
- Purchase Requisitions and Orders
- Expense Management
- Contract Management
- AP Automation



ERP OPTIONS

Large or Small? Specialized or General?

Retail and eCommerce ERP software comes in many shapes and sizes. Smaller manufacturers use accounting applications such as QuickBooks with plug-ins for retail operations. These lower-end applications can typically support rudimentary financial and back-office processes. As merchants grow, they **move to more scalable SMB applications such as Acumatica ERP.**

Some ERP systems are specialized for retailers. Other applications focus on supporting eCommerce. Further, the ERP market provides specialized industry ERP applications and broader, multi-purpose ERP applications. The table below compares these ERP system types.

FURNITURE & DECOR

“When we talk about Acumatica, it’s not just about accounting but about where we do all our business. We work in Acumatica and don’t need to leave.”

- SCOTT STARKWEATHER, PRESIDENT
BOULDER CREEK STONE

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	NICHE INDUSTRY ERP	MULTI-PURPOSE ERP
Technology	Generally older technology. Difficult to integrate.	Typically modern technology with easy connectivity.
Business Features	Simple accounting with limited business management tools.	Strong accounting with advanced business management features.
Industry Focus	Has specialized industry features.	General business processes with some industry-specific features.
Customization	Few customization or personalization tools available.	More robust customization and personalization tools.
Services	ERP vendor provides direct consulting and support. Few, if any, other options.	Multiple consulting and support options, including partners and independent consultants.



GENERAL ERP FEATURES

Standard Features Across ERP Systems

Today's ERP systems represent a homogenous collection of features that evolved from the industry's best ideas. As a result, most ERP systems provide similar functionality with nominal differences between applications. However, the way that each feature is supported is often different. Buyers must pay careful attention to detail to differentiate between systems. The following are standard features in midmarket ERP applications.

HOME GOODS

"We're in this era of, you buy something online, you want it at your doorstep the next day. Because our inventory is tied to our eCommerce site, a customer can now see what's available and be able to predict when they're actually going to have it in their house and ready to use."

- AMANDA DATTE, CFO
CLIVE COFFEE

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PLATFORM AND TOOLS

Every ERP software has multiple levels of database and user security and some capability to customize screens. Most systems provide user-defined fields (UDF). UDF functionality varies widely between applications. Most ERP applications also have import and export utilities to manage data. Yet most ERP vendors restrict access to source code or charge fees for source code. All ERP applications provide reporting and inquiry tools. Mobile applications are critical for many merchants, especially for remote connectivity. Support for multiple languages and localizations for international regions varies widely across ERP applications. Acumatica embeds artificial intelligence and machine learning to automate events such as expense management and CRM leads.



ACCOUNTING

Every ERP system provides a general ledger, accounts payable, accounts receivable, and bank management (cash management and bank reconciliation). However, functionality varies widely for specific features in these modules. For example, some ERP systems restrict the number of account segments, and others do not support national or parent accounts or budgeting. Multi-company and multi-currency support are other standard features. However, not all ERP systems support inter-company transactions. Nor do all systems provide tools for allocations or financial consolidations. Project accounting, fixed assets, and payroll are provided natively by Acumatica.



SALES



All ERP applications provide for sales orders. Most systems support drop-shipments, returns and exchanges, blanket sales orders, sales commissions, quotes, and CRM. eCommerce integration is available in many ERP systems with connections to leading commerce platforms. Retail point of sale (POS) and rental software are available with many ERP systems. Other typical sales features include shipping, pricing, backorder management, and labeling.

WAREHOUSE MANAGEMENT



Some core ERP systems can support warehousing activities, but most do not. All ERP warehouse management modules and best-of-breed WMS software have pick, pack, and ship capabilities. Acumatica offers advanced batch picking and wave picking to streamline efficiencies in the warehouse. Barcode scanning also expedites the picking process and improves accuracy by eliminating manual entries. Automated PO receiving, put-away, and transfers with workflows keep warehouse data up-to-date in real-time. Some systems support using a “smart scan sheet” to facilitate mobile operations and allow staff to complete tasks with a phone or tablet.

INVENTORY



Standard inventory functionality includes stock and non-stock item management with unit of measure definitions, pricing, and packaging. Common inventory management features include physical inventory, warehouse transfers, and item classification. Many also provide country of origin and advanced replenishment based on safety stock, lead times, reorder points, economic order quantities, or min/max stock definitions. Kitting, disassembly, barcoding, and labeling are also common. Lot and serial tracking, expiration dates, and inventory allocation for orders are less common across applications. Most systems support average and standard costing and inventory valuation. Some also support FIFO, LIFO, and actual or specific (lot-based) costing and inventory valuation methods.

PURCHASING



Purchasing includes blanket orders, receipt of goods processing, and put-away features. Other available features include landed costs, FOB definitions, vendor returns, and bar code scanning. A few systems like Acumatica natively support purchase order requisitions with approval workflows. Those that do support requisitions usually provide tools for vendor request for quote (RFQ) bidding processes.

AGRICULTURE AND FARMING SUPPLIES

“Being able to access data and have the various departments working together in one system is a real benefit. If the warehouse has low inventory for an item, it is immediately exposed to purchasing to place the order for more. We now have real-time visibility to pertinent data.”

- BEN ROTHE , GENERAL MANAGER & CEO
PREMIER 1 SUPPLIES

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INDUSTRY FEATURES

Specialized ERP Features by Industry

Retail and eCommerce ERP is available from larger, general publishers and smaller publishers focused on specific industries. General ERP solutions support multiple industries with solid cross-functional processes and applications. General ERP systems offer more specialized features today than ever before. Smaller ERP vendors focus on niche industries with specialized software. Merchants must choose between the two options. Below is an overview of features found for several industry segments.

INDUSTRIAL TEXTILES

“With this system we can double the size of the business without doubling the space and the people because we have power in the information.”

- BEN LEINSTER, CEO
AFF|GROUP

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APPAREL, LEATHER, AND JEWELRY



Variants, or matrix items, are an essential requirement for apparel and fashion products to manage pricing and availability across product families where style, color, and size combinations can be complex to manage. Supporting a buy online and pickup in-store (BOPIS) is also vital.

HEALTH AND BEAUTY



Health and beauty businesses need close control of products to meet FDA and consumer regulations such as lot and serial tracking. Return customers are a significant portion of revenues, so loyalty programs, event scheduling, and online gift cards are valuable. Embedded CRM tools allow for close customer engagement, which Acumatica ERP provides out-of-the-box.

SPORTS AND RECREATION



Matrix items are important for sellers of sporting goods and recreation. Personalization and made-to-order requirements exist to handle logos, customized jerseys, and engraving. Rentals are also typical for short-term leases of outdoor and camping equipment. Discounts and promotions are popular.

ELECTRONICS AND ELECTRICAL COMPONENTS



Matrix items are critical for electronics companies to handle variations in voltage, current, package options, and so on. Serial and lot tracking and warranties are standard as well. Allowing customers to buy online and pickup in-store (BOPIS) and in-store ordering are important for a positive customer experience.

TOYS AND GAMES

Features such as serialization and lot tracking help control toy and game inventory. Other requirements typical in the industry include bar code labeling, returns management, promotions, and loyalty programs, because the industry is highly competitive.



FURNITURE AND DECOR

Product configuration is a must-have for most furniture merchants. Serialization is critical to trace components through post-sale. Acumatica's field service features like scheduling, contract management, and mobile access foster deliveries and repairs. Portable scanning helps retailers checkout customers anywhere inside the store.



AGRICULTURAL, FARMING, AND NURSERY

These companies have seed-to-sale traceability requirements. Those selling consumable items have FDA compliance needs, too. Particular attention to inventory storage and shelf-life concerns within warehouses is of utmost importance. Merchants need age verification to sell items such as cannabis and other controlled products.



AUTOMOTIVE PARTS

Automotive parts suppliers have a need for serialization and matrix items capabilities. Moreover, they require connections to the automotive standards databases such as Aftermarket Catalog Exchange Standard (ACES) and Product Information Exchange Standard (PIES).



HARDWARE AND HOME IMPROVEMENT

Home, hardware, and DIY merchants need customer-specific pricing capabilities to cater to repeat and loyal buyers. Field service to deliver oversized items to customers is a frequent requirement. Serialization of components and lot traceability are also desired features. Merchants require mobile access for on-site project estimates.



MEDICAL DEVICES AND SUPPLIES

Those who sell medical devices need tight control over compliance to FDA and ISO regulations plus lot traceability. Acumatica excels at document management and government reporting forms to manage the required compliance filings. Medical supply merchants (such as latex gloves, hazardous materials receptacles, and hand sanitizer) have fewer regulation requirements but need client tracking for purchases and post-sale support.



OTHER INDUSTRIES

Food and beverage retailers face stiff regulatory compliance. Grocery stores require scales to connect to their POS devices. Bookstores need to manage a large volume of SKUs. Jewelry stores must have lot control and matrix item support. Professional services organizations need robust field service features and mobile access.



PROFESSIONAL TRAINING EQUIPMENT

“The strength of Acumatica is that it’s an open system that’s flexible and integrates well with other applications. That gives us a lot of control to run our business the way we want.”

- STEVE CATES, FORMER PRESIDENT
RAY ALLEN MANUFACTURING

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ACUMATICA RETAIL EDITION

Retail and eCommerce ERP— The Acumatica Way

Merchants **across industry segments** rely on Acumatica Retail Edition to connect with customers, reduce costs, and improve profits. An extensive suite of connected and mobile business applications provides **unparalleled support** to accept multi-channel sales orders, charge applicable taxes, process credit card transactions, adjust inventory levels, pick-pack-ship, update financials, and have data all in one place for reporting and analytics.

Last-mile features such as matrix items, customer-specific pricing, promotions and discounts, returns management, and loyalty programs streamline critical customer-facing processes. Acumatica supports lot and serial tracking, advanced picking, automated billing, and stock allocation, among other eCommerce processes.

Leverage automation, workflows, and document management to connect data and processes throughout all parts of the business for improved customer service, customer retention, and growth.

Acumatica provides ease of use and rapid integrations to web storefronts such as Shopify and BigCommerce without needing additional software.

Acumatica Cloud ERP provides the best business and industry management solution for transforming your business to thrive in the new digital economy.



Adaptable Retail and eCommerce ERP with Acumatica

Selecting the right commerce-enabled ERP system for your business is complicated with hundreds of ERP options. Should you partner with a more prominent publisher with a solid top-down ERP system, or should you implement an industry-specific ERP from a niche publisher? Does the system support your sales methodologies and industry-specific requirements?

Retain customers for life with Acumatica's Retail Edition. Seamlessly integrate your eCommerce storefront or POS devices with your financials, warehouse, and distribution for complete real-time visibility and control from order acceptance to fulfillment. Robust accounting and connected project accounting, field service, and manufacturing **extend the system** for other business areas.

Acumatica seamlessly integrates with top eCommerce providers (such as BigCommerce, Magento, Shopify, and marketplaces) to ensure your financials and inventory are always current and up to date. Today, and as your business evolves.



“Almost every other ERP software charges monthly per user, which inevitably has executives trying to limit how many people really need simultaneous access. Acumatica's novel way of charging based on transactions is well-suited for future growth.”

– ERIC MIZRAHI
DIRECTOR OF OPERATIONS & IT
GLOBAL BEAUTY CARE



Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit www.acumatica.com or follow us on [LinkedIn](#).



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