

ERP Transformation: Driving Operational Excellence at Sunrise Electric Supply

Executive Summary

This whitepaper examines how Sunrise Electric Supply, a leading electrical distributor, achieved significant operational improvements through ERP transformation in partnership with Scaled Solutions Group. Facing deeply entrenched manual processes and systemic distrust of inventory data, Sunrise embarked on a comprehensive digital transformation journey centered around Epicor Prophet 21 implementation. The results were remarkable: 75%+ reduction in non-value-added order handling time, annual labor savings of \$60,000-\$75,000, and complete elimination of a three-person invoice department for additional \$180,000 savings. Beyond metrics, the transformation fostered a cultural shift where employees embraced system-driven processes and technology-enabled efficiency. This case study provides valuable insights for electrical distributors considering similar ERP transformation initiatives, highlighting the critical role of change management, process redesign, and technical expertise in achieving sustainable operational excellence.

Introduction: The Digital Imperative in Electrical Distribution

The electrical distribution industry stands at a critical inflection point. With the global digital transformation market projected to reach \$1,009.8 billion by 2025, growing at a CAGR of 16.5%, companies across all sectors are reimagining their operations through technology. For electrical distributors specifically, digital capabilities have evolved from competitive advantage to business necessity.

The U.S. electric power transmission and distribution market, valued at \$89.9 billion in 2024, faces increasing pressure to modernize operations amid rising customer expectations, supply chain complexities, and workforce challenges. Industry leaders recognize this reality—89% of organizations have adopted or are planning digital-first strategies, with 97% accelerating digital initiatives following the pandemic.

ERP transformation represents a cornerstone of these digital strategies. More than a software implementation, ERP transformation encompasses the reimagining of business processes, organizational structures, and operational workflows to leverage modern technology platforms. For electrical distributors, the right ERP implementation can address persistent challenges in inventory management, order processing, warehouse operations, and customer service.

This whitepaper examines how Sunrise Electric Supply, in partnership with Scaled Solutions Group, successfully executed an ERP transformation centered around Epicor Prophet 21. Their journey illustrates both the challenges and opportunities facing electrical distributors in today's rapidly evolving marketplace.

The Challenge: Manual Processes and Trust Barriers

Before embarking on their ERP transformation, Sunrise Electric Supply operated with heavily manual, paper-intensive processes that created significant operational inefficiencies:

Legacy Operational Workflow

Sunrise's order fulfillment process exemplified the challenges of paper-based operations in a digital age:

Order creation began with inside sales representatives entering basic information into Navision without pricing or availability verification. Each representative then manually printed pick tickets, physically walking them to designated pick trays. The process continued with representatives using rubber stamps to mark tickets with designations like "RUSH" or "EARLY AM DELIVERY"—a time-consuming step requiring another minute per order.

For slower-moving items, representatives performed manual inventory spot checks, adding 3-5 minutes per order. Warehouse personnel would then collect these paper tickets from pick trays, move them to a picking desk, and begin the picking process without bin location guidance. When items were unavailable, pickers would physically return to report unexpected backorders to sales representatives.

This convoluted process wasted 10-15 minutes per order—a staggering inefficiency when multiplied across 300+ daily tickets, resulting in 50-75 lost manhours every day.

Cultural Resistance and System Distrust

Beyond process inefficiencies, Sunrise faced a deeper challenge: organizational resistance to system-driven workflows. A pervasive belief that "the system isn't right" led representatives to duplicate efforts rather than trust ERP-provided information. This mindset created a self-reinforcing cycle where manual verification seemed necessary because the system data wasn't trusted—yet the system data remained unreliable because manual processes continued outside the system.

Operational Limitations

The manual ticket-by-ticket approach created additional constraints:

1. Warehouse staff could only process one order at a time, severely limiting throughput
2. Centralized pick ticket printing in the front office caused delays before tickets reached pickers

3. Lack of real-time visibility into order status created customer service challenges
4. Manual invoice creation required a dedicated three-person department

These challenges represented not just process inefficiencies but strategic limitations on Sunrise's ability to scale operations, improve service levels, and compete effectively in an increasingly digital marketplace.

The Solution: A Comprehensive ERP Transformation Approach

Recognizing that Sunrise's challenges extended beyond technology to encompass processes, people, and culture, Scaled Solutions Group implemented a four-pillar strategy for ERP transformation:

1. End-to-End Implementation Management

Scaled Solutions Group led a comprehensive Epicor Prophet 21 implementation that addressed every aspect of the project lifecycle:

- **Discovery and Assessment:** Conducted detailed sessions to understand operational pain points and identify improvement opportunities
- **Data Migration:** Transferred data from legacy systems to Prophet 21 with rigorous validation to ensure integrity
- **Workflow Design:** Created custom workflows and business process maps aligned with industry best practices
- **Phased Implementation:** Coordinated deployment across departments to minimize disruption while maintaining operational continuity

This holistic approach ensured that the ERP transformation addressed not just system requirements but broader business objectives.

2. Strategic Change Management

ERP implementation change management formed a critical component of the transformation strategy:

- **Data Validation:** Conducted physical inventory counts to establish baseline trust in system data
- **Cultural Transition:** Directly addressed the "trust the system" mindset through education and demonstrable wins

- **User Empowerment:** Structured training around practical system reliability demonstrations rather than theoretical walkthroughs
- **Stakeholder Engagement:** Involved key users throughout the process to build ownership and advocacy

Research shows that 85% of successful ERP projects utilize consultants, highlighting the importance of experienced guidance through the change process. Scaled Solutions Group's approach recognized that technology adoption depends as much on human factors as technical capabilities.

3. Operational Redesign and Optimization

Rather than simply digitizing existing processes, Scaled Solutions Group worked with Sunrise to fundamentally reimagine their operational workflows:

- **Automated Pick Ticket Generation:** Eliminated manual printing by generating pick tickets automatically based on system status
- **Decentralized Printing:** Moved printing responsibilities from the front office directly to the picking department
- **Real-Time Alerts:** Implemented notifications to ensure visibility from order entry through pick confirmation
- **Digital Messaging:** Recreated rubber-stamp style "RUSH" and "EARLY AM" markings within Crystal Report layouts
- **Order Consolidation:** Enabled pickers to process 3-5 orders simultaneously rather than one at a time

This redesign addressed both immediate inefficiencies and created a foundation for continuous improvement.

4. Deep Prophet 21 System Expertise

Successful digital transformation implementation requires both business process knowledge and technical system expertise. Scaled Solutions Group provided specialized Prophet 21 capabilities:

- **Custom Report Development:** Designed tailored order acknowledgment, pick ticket, and invoice forms
- **Allocation Logic Optimization:** Fine-tuned Prophet 21's allocation algorithms to ensure picking confidence

- **Warehouse Flow Enhancement:** Reconfigured physical and system workflows to reduce travel time
- **Integration Management:** Ensured seamless data flow between system components

This technical expertise ensured that the ERP implementation software was configured to support Sunrise's specific business requirements rather than forcing the business to adapt to generic system constraints.

Results and Impact: Quantifiable Efficiency Gains

The ERP transformation delivered significant, measurable improvements across multiple dimensions:

Operational Efficiency

Before the transformation, Sunrise's order fulfillment process suffered from substantial inefficiencies:

- Seven full-time inside sales representatives spent 10-15 minutes per order on manual handling
- 300 average daily orders resulted in 50-75 manhours lost daily to non-value-added activities
- Pickers processed only one order at a time, creating warehouse bottlenecks
- A three-person invoice department manually generated invoices and performed pricing checks

After implementation, these metrics changed dramatically:

- Manual steps were eliminated, reducing process time to near-zero after order entry
- Pickers now process 3-5 orders simultaneously, increasing throughput by up to 300%
- Service-level confidence increased through system alerts and automation
- Inside sales team focus shifted from paper-pushing to value-added customer engagement
- Invoice department headcount reduced from three to zero through automation

Financial Impact

The transformation delivered substantial financial benefits:

- 75%+ reduction in non-value-added order handling time
- Dozens of labor hours saved daily, enabling higher order volume without additional headcount
- Annual savings of \$60,000-\$75,000 in recovered labor costs and operational efficiencies
- Additional \$180,000 annual savings from invoice department elimination (based on \$60,000 burdened cost per employee)

These financial gains represent not just cost reduction but resource reallocation toward higher-value activities that enhance customer service and support growth.

Cultural Transformation

Perhaps most significantly, the project achieved a profound cultural shift. The breakthrough moment came on go-live day when the most senior inside sales representative voluntarily collected all rubber stamps from his peers—without prompting. This symbolic gesture demonstrated true buy-in across the team.

During the first week post-implementation, inside sales representatives experienced a transformed work environment:

- Quieter operations without constant printer noise, door slamming, and frantic rubber stamping
- Newfound trust in system inventory data
- Smooth order flow without the previous chaos
- Structured, efficient processes replacing overwhelming “busyness”

The system was finally trusted, and operational excellence became the new standard. This cultural transformation wasn’t merely a side benefit—it formed the foundation for sustainable operational success.

Industry Context: Digital Transformation in Electrical Distribution

Sunrise Electric Supply’s experience reflects broader industry trends in digital transformation. The electrical distribution sector faces unique challenges and opportunities in modernizing operations:

Market Dynamics and Growth Projections

The U.S. electric power transmission and distribution market shows strong growth potential, projected to reach \$91.6 billion by 2025 with a 2.7% CAGR through 2032. This growth is driven by several factors:

- Data center expansion requiring enhanced power distribution
- Transportation electrification creating new demand patterns
- Industrial reshoring increasing domestic manufacturing power needs
- Grid modernization initiatives requiring updated distribution systems

These market forces create both opportunity and urgency for electrical distributors to modernize their operations through digital transformation.

ERP and Digital Transformation Convergence

The connection between ERP and digital transformation is evident in how companies like Sunrise are reimagining their operations. Modern ERP systems serve as the digital core that enables broader transformation initiatives. Industry research reveals:

- 58.5% of organizations choose phased ERP implementation approaches
- 20.8% opt for complete “big bang” switchovers
- Only 49% of projects meet timeline targets
- 64% experience budget overruns

These statistics highlight both the challenges and strategic importance of ERP transformation projects. Success requires addressing common implementation obstacles:

- Understaffed projects (38% of failures)
- Scope expansion (35%)
- Technical complications (34%)

Sunrise’s experience demonstrates how these challenges can be overcome through strategic planning, adequate resourcing, and expert implementation support.

Digital Infrastructure Evolution

Beyond ERP, electrical distributors are embracing broader digital capabilities:

- Smart grid implementation for real-time monitoring
- Integration of renewable energy sources

- Enhanced operational efficiency through digitalization
- Advanced analytics for demand forecasting and inventory optimization

These technologies complement and extend core ERP capabilities, creating a comprehensive digital ecosystem that supports operational excellence.

Best Practices and Recommendations

Based on Sunrise Electric Supply's successful ERP transformation and broader industry insights, several best practices emerge for electrical distributors considering similar initiatives:

1. Prioritize Change Management

Successful ERP transformation depends as much on people as technology:

- Address cultural resistance directly through education and demonstration
- Build system trust through data validation and visible wins
- Involve key stakeholders throughout the implementation process
- Provide practical, hands-on training focused on daily workflows

Effective ERP implementation change management was key to overcoming cultural barriers at Sunrise Electric. The project highlights the importance of building trust in system data and addressing ingrained work habits.

2. Reimagine Processes, Don't Just Digitize Them

Digital transformation offers an opportunity to fundamentally rethink operations:

- Question long-standing processes rather than simply automating them
- Identify and eliminate non-value-added activities
- Design workflows that leverage system capabilities
- Focus on end-to-end process optimization rather than departmental efficiency

Sunrise's transformation went beyond technology implementation to reimagine how work was performed, eliminating unnecessary steps and creating more efficient workflows.

3. Leverage Expert Implementation Support

The complexity of ERP transformation warrants specialized expertise:

- Engage consultants with both industry and system knowledge

- Ensure adequate project staffing to avoid implementation delays
- Establish clear governance and decision-making processes
- Maintain executive sponsorship throughout the project

Selecting the right ERP implementation software is critical for success, as demonstrated by Sunrise's choice of Prophet 21. Equally important is having the expertise to configure and optimize that software for specific business requirements.

4. Establish Clear Success Metrics

Measuring transformation impact requires defined metrics:

- Establish baseline performance measures before implementation
- Define specific, quantifiable success criteria
- Track both operational and financial outcomes
- Measure cultural adoption alongside technical implementation

Sunrise's ability to quantify efficiency gains and financial benefits provided clear validation of their transformation investment.

5. Plan for Continuous Improvement

ERP transformation represents a journey rather than a destination:

- Develop a roadmap for ongoing optimization
- Establish feedback mechanisms to identify improvement opportunities
- Regularly review and refine processes
- Invest in continued user education and system knowledge

The most successful organizations view digital transformation as an ongoing capability rather than a one-time project.

Conclusion: Transforming Operations Through Technology and Change

Sunrise Electric Supply's ERP transformation journey demonstrates how electrical distributors can achieve significant operational improvements through the strategic application of technology, process redesign, and change management. Their experience offers several key insights:

First, successful ERP transformation requires addressing both technical and human factors. Sunrise's most significant challenge wasn't implementing Prophet 21 but overcoming the cultural resistance to system-driven processes. By directly addressing the "trust the system" mindset, Scaled Solutions Group helped create sustainable change.

Second, the financial impact of digital transformation extends beyond direct cost savings. While Sunrise achieved substantial efficiency gains, the greater value came from reallocating resources from manual paper-pushing to value-added customer engagement. This shift enhances both current performance and future growth potential.

Third, ERP transformation represents a strategic imperative for electrical distributors facing increasing market pressures and customer expectations. As the industry continues to evolve, digital capabilities will increasingly determine competitive positioning and operational resilience.

For electrical distributors considering their own digital journey, Sunrise's experience offers both inspiration and practical guidance. By combining strategic vision, technical expertise, and change management discipline, distributors can transform their operations to meet the challenges of an increasingly digital marketplace.

ERP transformation requires a strategic approach that addresses both technological and cultural aspects of change. With the right partner and methodology, electrical distributors can achieve the operational excellence needed to thrive in today's competitive environment.

About Scaled Solutions Group

Scaled Solutions Group specializes in ERP implementation and digital transformation for distribution and manufacturing organizations. With deep expertise in Epicor Prophet 21, Kinetic ERP and business process optimization, we help clients achieve measurable operational improvements through technology-enabled change. Learn more at www.scaledsolutionsgroup.com.