

OVERCOME

YOUR DISTRIBUTION MANAGEMENT CHALLENGES

Solve common complexities by embracing four important trends



Complexities

Uncertain supply
Shifting customer requirements
Decreasing margins
Enormous inventories
Long lead times



Goals

Increase visibility
Gain control
Improve efficiency
Embrace trending technologies

Take the path to greater visibility, control, and efficiency

During your perpetual quest to contain cost and grow profitably, keep these distribution industry maxims in mind:

- Expect distribution management challenges to grow more complex over time.
- Manage those challenges to reach your goals.
- Stay current with industry trends and breakthrough technologies so you can take advantage of them.

Achieving better visibility, greater control, and improved efficiency across your distribution business is intertwined and inseparable—made even more challenging by the many changes that have affected the industry in recent years, such as globalisation and increased customer demands.

That's why it is so important to have a modern business management solution in place that can help sales, marketing, finance, and operations work as a single team to keep your business competitive and customers happy. The right solution is also flexible enough to embrace developing trends and technologies that address ongoing industry challenges.



Visibility | Control | Efficiency

- Organisational growth and loosely integrated management tools detract from business visibility and agility.
- Controlling costs and overcoming distribution industry complexities become increasingly difficult the more time you spend on manual, non-productive tasks.
- These inefficiencies are undermining your profits and growth in a competitive landscape.

Increase visibility to better understand your business

The ability to analyse all aspects of your business, such as inventory, past purchases, quotes, promotions, and conditions will help better inform your strategies to reduce costs, identify opportunities to gain customers, and grow profitably. Visibility can be as basic as a manager in one location looking for a product to fulfill an order and being able to immediately know where it is, and it can be as complex as uncovering real-time performance metrics.

Real-time analytics—along with alerts and notifications—empower you to respond quickly to changing business conditions, while helping you manage exceptional events and business anomalies much more efficiently. This empowers all stakeholders, including suppliers, customers, and your sales force. It enables optimised purchasing decisions and margins along with close management of supplier quality and performance.

Strengthen control of your company workflows

Control is not just about cost. It means connecting and accelerating all information and workflows across your company including purchasing, warehousing, sales, and financials so everyone is operating with the same information. Control also means achieving better insight into cost and margins, whether you operate domestically or abroad. The results for your business are increased revenues, streamlined sales, improved inventory accuracy, and better business and demand planning.

Increase efficiency and ensure smoother business operation

High levels of visibility and control promote greater business efficiency, ensuring that your business will run faster, smarter, and smoother. For example, it's critically important to know the intricate details of inventory changes and needs. Some distributors still use spreadsheets and disparate databases, which may not always be current with changing inventory details.

"We have more than 40,000 parts numbers, thousands of customers, and dozens of locations. It is vital to our success that we have the products our customers want available when and where they want them. Sage helps us do that."

Rich Unterbrink, IT manager,
Russell Sigler Inc.



Embrace these four important technology trends and move forward with confidence

There's no shortcut to gaining greater visibility, control, and efficiency across your operations. There are, however, innovative technologies offering a range of solutions, improvements, and benefits. Not surprisingly, top-performing distributors are investing in the following technologies at twice the rate of their peers.¹

Robotics

Distributors will continue to imitate Amazon's use of robotics to increase efficiencies, such as deploying conveyor-type systems to improve picking times for faster order fulfillment. Also, the increasing number of SKUs combined with the need to provide more direct-to-store pallets is disrupting the industry because product handling, depalletising and palletising, and are typically done manually. Applying robotics is already being used with pick-and-place, end-of-arm tooling, machine tending, and case packing.

Internet of Things

The potential to connect all of the processes and systems within a business is enormous for distributors. IoT is the notion that all Internet-enabled devices are virtually linked. For example, you can monitor demand, and you can monitor weather forecasts—so if you can connect the two, you can identify patterns when you need more or less stock when it's rainy or sunny. Then you can programme software to automatically order/produce when the need arises—seamlessly, instantly, and without human input.

Mobility

For distributors, mobile technology represents a way to obtain critical data for quick decision making that doesn't require being tethered to a computer terminal, or wasting a customer's time in the field while waiting for information to be sent. Warehouse managers are constantly on the move, so the ability to check order status, picking rates, inventory levels, machine availability, and so on, with their mobile devices means that more work can be completed—and issues solved—in real time.

Distributors who embrace mobility—and its ever-growing potential in cloud technology, data analytics, and social business—maximise their opportunities for driving sales and profit through improved efficiency and service. That's why best-in-class distributors are more than twice as likely as all others to enable mobile access to their business solutions.²

Business management solutions

Traditional enterprise resource planning (ERP) systems aren't always capable of providing relevant information in a timely manner without complexity. As a result, the focus has shifted to implementing truly integrated business management solutions that can tie together different facets of the business, and offer greater visibility into inventory and processes. This allows distributors to collaborate more efficiently, and predict demand in order to improve inventory turns.

Modern business management solutions are already moving toward this vision of a "smart industry" by integrating all data and processes into a single, unified system. By tracing and analysing data, distributors can take advantages of common trends they may have previously had no idea were linked to their industry. When your business is always connected to this larger data, you'll be in a better position to exploit a sudden peak in demand and, in turn, maximise your profits.

¹ What has changed in wholesale distribution: 2015 & beyond, Aberdeen Group, February 2015

² The SMB business environment, IDG Research Services, October 2014



A faster, simpler, more flexible business management solution can:

- Record all processes within one solution for easy monitoring.
- Provide decision makers with easy access to actionable data.
- Enable smarter, faster responsiveness across the organisation.
- Improve supply chain visibility and collaboration.
- Provide insight into inventory for better planning and demand forecasting.
- Allow for secure sharing of data with customers to improve lead times and service.

Take a major step forward toward greater business management

If you're interested in learning how Sage business management solutions tackle distribution challenges, take the next step:

Request your [complimentary business review](#) from Sage.

Learn more at: sage.com/en-au. For more information, request a [product demo](#) or call us at **1800 222 040**.

