



Align, adapt, and grow:  
Using technology to drive distribution

# Distribution companies, regardless of size, are all striving toward the same goals: profitable growth and cost control.

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Yet the complexity of wholesaling— as a result of huge product inventories, narrow margins, diverse downstream customer requirements, long lead times, and unpredictable supply—makes these dual goals particularly difficult to achieve. Add to this the fact that most companies lack integrated business visibility across the organization, and accomplishing these objectives becomes even more daunting.

Technology is making it easier for distributors to meet their challenges and find success.

The good news is that rapid growth and adoption of new technologies in distribution are making it easier to meet these challenges and acquire success.

**The question for distributors is simple: Are you keeping pace with technology?**

# Taking stock of technology

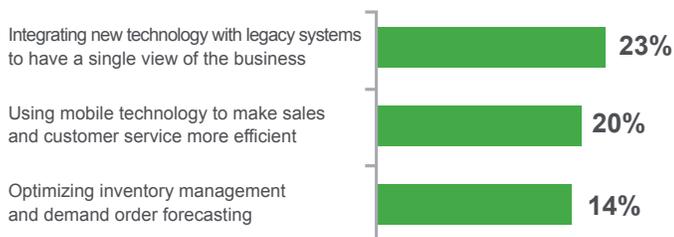
Forty-eight percent of distributors cite a lack of knowledge about available solutions as the biggest barrier to making an investment in technology to help their business. However, these same distributors seek to solve key business challenges that are primarily technology focused:

- 1 Integrating new technology with legacy systems to gain one comprehensive view of the business
- 2 Using mobile technology to improve sales and customer service efficiency
- 3 Optimizing inventory management and demand forecasting

It follows that forward-thinking distributors are actively adopting technology and modernizing their operations to address their biggest challenges and gain a competitive advantage.

In fact, 100% of distribution businesses that did invest in technology to help them connect business insights and drive decision making saw improvement as a result of those investments.<sup>1</sup> **That's right. 100%.**

## Top three challenges most want to fix for distribution<sup>1</sup>



“I need to know what is selling now, what sold this time last year, what is no longer selling, and what our individual customers’ buying patterns are. Sage ERP X3 provides me with all of this information. It helps me be proactive rather than reactive, making better and more informed decisions.”

– Benoit Brasseur, director of operations, Pumpaction

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Best-in-class wholesale distribution companies that have integrated business systems are almost four times as likely as others to have the ability to share and integrate data with the extended company.<sup>2</sup>

## A shared perspective

Integration offers visibility and flexibility within your business by creating a single, complete system of record.

How many units shipped last month? What's your most popular item? Who's your best customer? Which warehouse sees the most turnover? For distributors still using disparate legacy systems like spreadsheets and homegrown databases, getting answers to these questions in an efficient and timely way can be extremely difficult.

### Integrated systems provide easy access to the big picture:

- Records all processes within one solution for easy monitoring
  - Gives the entire company easy access to actionable data
  - Enables smarter, faster decision making across the board
  - Provides insight into partner inventory for better planning and demand forecasting
  - Allows for sharing of data with customers, improving lead times and overall service
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# Efficiency at your fingertips

Mobile technology is growing by leaps and bounds in accessibility, functionality, and ubiquity—and it doesn't look to be slowing down any time soon.

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.

## Mobility for sales and service teams:

- Gives reps access to real-time customer information
- Enables generation of quotes and orders on the fly
- Allows for creation of reports to share insights, answer questions, and make the sale—all without having to check in at the office or rely on guesswork.

## Mobility for customers:

- Allows customers to place, track, and request support of their own orders at their convenience
- Provides another layer of time-saving service options
- Improves communication and overall satisfaction

Distributors who embrace mobility—and its ever-growing potential in cloud technology, big data, and social business—maximize their opportunities for driving sales and profit through improved efficiency and service. **And it explains why best-in-class distributors are over twice as likely as all others to enable mobile access to their business solutions.**<sup>1</sup>

### Top performers defined as “leaders”<sup>2</sup>

Best-in-class: Top 20% of aggregate performance scorers



↑ 19% increase in operating margins over the past two years

↓ 40% decrease in time to decision over the past year

Best-in-class companies that leverage technology to optimize their warehousing operations show improvement across four key areas: inventory accuracy, complete and on-time shipments, increasing operating margins, and decreasing critical decision making time.<sup>2</sup>

## Optimizing supply and demand

Inventory is one of the largest business expenses for a distribution or manufacturing company.

How well businesses adjust to demand and manage their inventory has a significant impact on everything from the amount of capital invested in stock and warehousing to insurance costs and customer service levels.



### Other supply and demand challenges include:

- Globalization.
- Competitive price pressures.
- Longer lead times.
- Individual customer requirements.

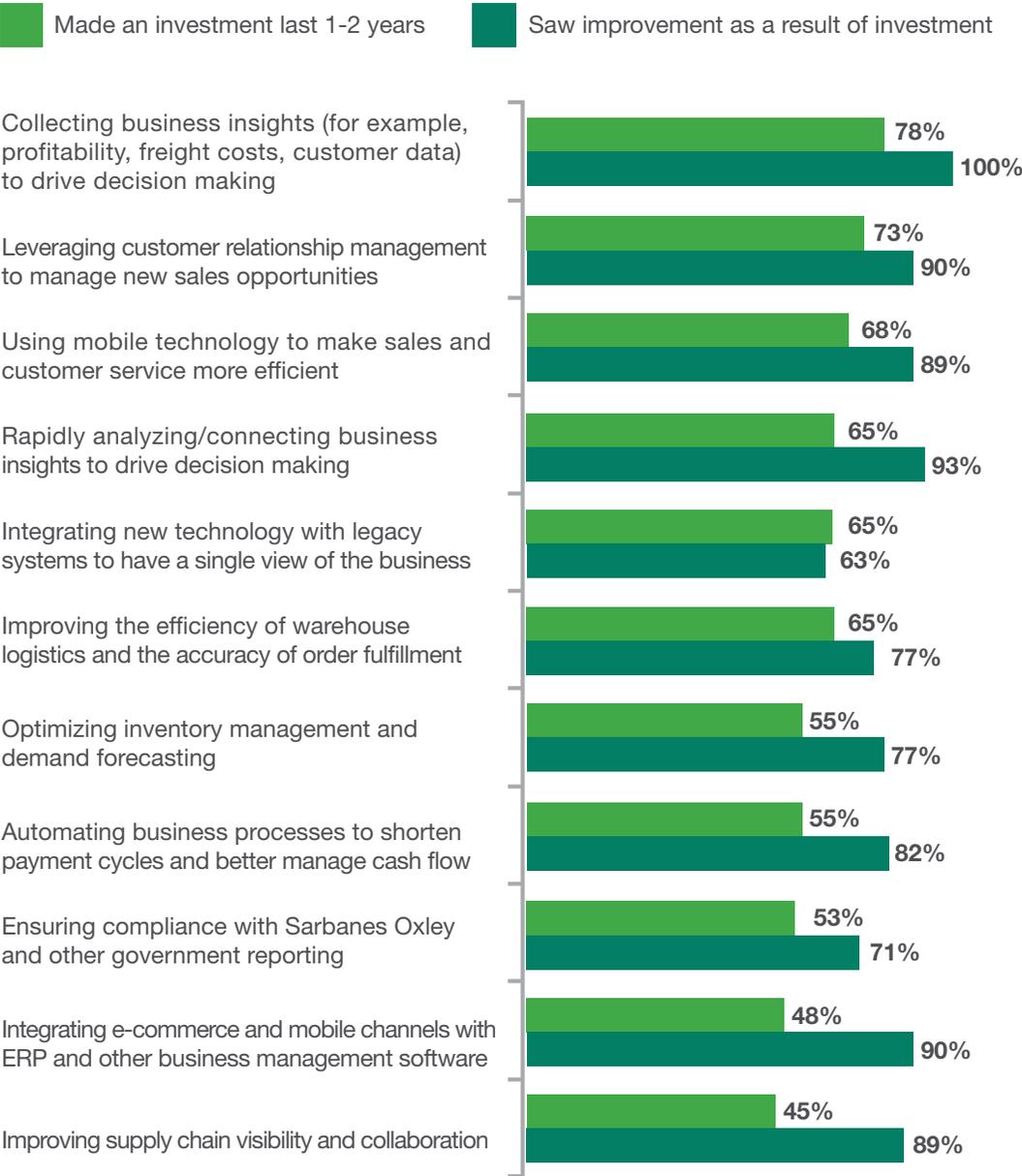
Technology solutions offer greater visibility into inventory and processes, allowing distributors to better collaborate and forecast demand to improve inventory turns—which also helps reduce excess inventory, improve fill rates, and free up working capital. This insight also boosts overall business flexibility and helps mitigate short-term demand fluctuations that can inhibit productivity and profitability.

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# Visualizing the impact of investing

For the distribution companies that chose to invest in technology to address their business challenges, virtually all saw improvements across the board.

## Investments and improvements for distribution<sup>1</sup>



# Providing distributors with solutions for success

Sage provides a complete, robust suite of business software solutions that help address and resolve all of these specific distribution challenges—and everything in between.

Whether you're looking to optimize your operations, warehouse, supply chain, and inventory; manage key customer interactions that build loyalty, improve marketing efforts, and increase sales; gain financial insight to better manage cash flow, compliance, fixed assets, and profitability; or maximize your investment in employees with integrated payroll, benefits, recruiting, and HR analytics—and everything in between:

## Sales, marketing, and customer service

Maintain important customer relationships to improve service, marketing campaigns, order acquisition, and sales performance.

## Operations management

Optimize warehouse processes, supply chain, inventory, and demand forecasting.

## Accounting and finance

Manage cash flow, compliance, profitability, fixed assets, and all necessary accounting processes.

## HR and payroll

Maximize your investment in employees with customizable HR management, integrated payroll, benefits, recruiting, and analytics.

And, best of all, Sage solutions are designed to grow with you and give you the freedom to work where you want—in the cloud, on premises, or both. If you're a small business looking for a way to automate processes and move away from spreadsheets, a mid-sized business that has outgrown your existing enterprise resource planning (ERP) or operating system, or a business of any size that is deciding between conquering the local market or taking your business global, there is a Sage solution that fits your company and industry-specific needs, and helps you leverage technology to run a better business—now and into the future.

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“We have enhanced our team’s ability to access information, and good quality information leads to better decision making. We have up-to-the-minute details of order status, product movement, cash flow, and sales data.”

– Barry Gertner  
Information Systems Director,  
A.M. Leonard

“Today we have ten people and our sales are a little over \$18M. We face a mixed bag of challenges—global logistics, dealing with different governments and regulations, lot traceability, tracking inventory, turns . . . it’s all been a bit of a challenge. Sage provided all the solutions that we were looking for.”

– Anisha Virani, president, Sunblest Commodities

Forward-thinking companies like Sunblest Commodities invest in technology to help them improve efficiency and grow sales, and they see the results in their bottom line.

And with results like that, it’s not hard to see why companies choose to partner with Sage solutions for growth—it’s just good business.

[Watch this video](#) to learn more about how Sage helped Sunblest find the right solution to drive its business forward.



Sage has over 58,000 distribution customers in North America and has been helping both small and mid-sized companies solve major business challenges and cultivate growth with technology solutions for over 35 years. To learn more about Sage business solutions for distribution, please call 866-530-7243 or visit our website at: <http://na.sage.com/us/industry/wholesale-distribution.com>

## About The Sage Group plc

We provide small and medium-sized organizations and mid-market companies with a range of easy-to-use, secure, and efficient business management software and services --from accounting, HR, and payroll to payments, enterprise resource planning, and customer relationship management. Our customers receive continuous advice and support through our global network of local experts to help them solve their business problems, giving them the confidence to achieve their business ambitions. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999. Sage has millions of customers and circa 13,000 employees in 23 countries covering the UK & Ireland, mainland Europe, North America, South Africa, Australia, Asia, and Brazil. For further information please visit [www.sage.com](http://www.sage.com). Follow Sage North America on Facebook, Facebook.com/Sage, and Twitter, [Twitter.com/SageNAmerica](https://twitter.com/SageNAmerica).



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1 IDG Research Services, The SMB Business Environment (October 2014)

2 Aberdeen Group, ERP in Wholesale and Distribution: A Logical Solution to Logistical Challenges (September 2013)