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De-risking your wholesale and distribution business

Traditionally, wholesale distributors have been slow moving. With several technological innovations in recent years, there has been a huge disruption to the distribution business model.

With smaller players leveraging technological innovations to streamline their supply chain process, it is even more important not to be left behind. Even minor process improvements result in a significant return on investment - driving revenue growth in this low-margin, high-volume industry.

This whitepaper deals with some of the challenges faced in this industry and provides a roadmap to address them.

Understanding key challenges

Wholesale and distribution companies have often struggled to adapt to macroeconomic forces such as global service delivery, faster product life-cycles, and rapid expansion in the sales channels.

As Wholesaler-distributors are sales-driven businesses, one of their most important characteristics is how the sales forces connect with customers. Whilst this has enabled them to respond to their customers rapidly, it will become increasingly impossible to expand and reach well-beyond its customer base. Therefore, the challenges faced by a typical wholesale and distribution businesses can be categorised as follows.

Maintaining responsiveness
The inability to respond to competitors on marketing, aggressive pricing and targeted promotions.

Adapting channel growth
Delays in the decision-making process to open new channels, preventing the reach for new customer segments.

Optimising inventory and time to market
The lack of intelligent forecasting and demand assessment models that would reduce inventory costs.

Managing suppliers pressures
Crafting manufacturer's direct connect with the customers, and the adoption of new channels that bypass wholesalers.

Real-time sales and pipeline insight
The lack of accurate reporting and MIS via legacy systems, and the disjointed demand-supply-service systems.

Sustaining customer loyalty
Customer dis-engagement that leads to higher churn, creating gaps in opportunity and sales forecasting.

Maintaining revenue growth
Managing growth in an increasingly high-volume and low-margin business is becoming increasingly challenging. Also, management of charge-backs and rebates has always been cumbersome.

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Understanding customer preferences

Capitalising on 'real-time' integrated sales, e-commerce, customer service and marketing solutions with an embedded advanced analytics engine will have positive effects.

Such investments, as depicted in the image, will lead to a reduction in the wastage of time and resource, make the customer 'self-sufficient', improve process efficiency, and increase customer satisfaction, ultimately leading to a strong and long-lasting business relationship.

Customer Experience

89%

Of business leaders believe that customer experience will be their primary basis for competition by 2016.

Source: Gartner

Self-Service

75%

Of B2B buyers prefer to self-educate rather than speak to a sales representative.

Source: Forrester

Mobility

68%

B2B customers are using their mobile devices to research and buy online.

Source: EMA Contractors

Commerce

56%

When it comes to e-commerce, customers expect a consistent, integrated omni-channel experience.

Source: 2015 Forrester

The way forward

Solutions that improve customer engagement are at the heart of Gauri's portfolio of software and services. From large multi-vendor distributors to niche and custom products and service providers, our solutions have significantly improved the competitive edge of our customers in the UK.

In order to mitigate the risks stemming from the aforementioned challenges, we recommend six steps every wholesaler-distribution business can take to not just survive, but grow, in the ever-increasingly competitive market.

1 Be quick to the market; be where your customers are

2 Keep inventory visible, accurate and predictable, in line with sales forecasts

3 Speed-up order to cash by ensuring a central product information management

4 Integrate people and business processes via 'one system' and 'one process'

5 Improve revenue growth and pipeline forecasting via proven algorithms

6 Track your return on investments in marketing and lead generation initiatives

1 **Be quick to the market; be where your customers are**

Invest in an omni-channel commerce system which can provide your customers with a personalised and feature rich self-service ordering process.

2 **Keep inventory visible, accurate and predictable, in line with sales patterns**

Use of IoT* to accurately track the inventory, algorithm based forecasting and replenishment strategies, and optimal fulfilment based on accurate forecasts.

3 **Speed-up order to cash by ensuring a central product information management**

Invest in a Product Information Management System with digital asset management capabilities. This should be tightly integrated with your commerce solution.

4 **Integrate people and business processes via 'one system' and 'one process'**

Integrate business processes via a common systems backbone (i.e. connected systems) to seamlessly transition the newly acquired organisation, along with its people and product portfolio.

5 **Improve revenue growth and pipeline forecasting via proven algorithms**

Invest in an industrial, algorithm based forecasting tool for predicting your order pipeline, required inventory levels, and revenue growth, for each channel.

6 **Track your return on investments in marketing and lead generation initiatives**

Invest in marketing systems which support contextual marketing and remarketing using information from your central product catalogue and associated lead generation initiatives.

*IoT = Internet of Things

Be quick to the market; be where your customers are

Invest in an omni-channel commerce system which can provide your customers with a personalised and feature rich self-service ordering process.

This will help you achieve:

o A reduction in the time taken for a 'quote to order' process, creating empowerment for customers and increasing sales efficiency.

o An online platform of price comparison for customers as they select different product variations/features. This will reduce the lengthy back and forth communication between the customer and your sales team.

o A key method for your business to differentiate from the competition, as you become a 'solution provider' for the consumer market.

o A utilised stratagem of predictive analytics and data mining techniques to improve your product portfolio.

o The leveraging of 'augmented reality' on your ecommerce platform, taking customer experience to the next level.

Keep inventory visible, accurate and predictable, in line with sales patterns

Use of IoT* to accurately track the inventory, algorithm based forecasting and replenishment strategies, and optimal fulfilment based on accurate forecasts.

*IoT = Internet of Things

This will help you achieve:

o A visible and accurate representation of stock in 'real-time'.

o An immensely faster and more automated process of stock replenishment, triggered by IoT.

o The optimisation of inventory levels in your supply chain planning process, and hence the reduction of the 'cost of goods' sold to increase your profit margin.

o An increasingly seamless and stress-free service for customers during the order placement.

o A zero loss of opportunity due to inaccurate inventory information.

Speed-up order to cash by ensuring a central product information management

Invest in a Product Information Management System with digital asset management capabilities. This should be tightly integrated with your commerce solution.

This will help you achieve:

o The management of the entire life cycle of your product range from one common interface.

o The launch of your product on the market with the ability to manage variations in the product range with minimal effort.

o The creation of offers on the fly to present your products at the 'right' time and to the 'right' customer.

o An optimal use of predictive analytics and data mining techniques to improve your product portfolio.

o An 'augmented reality' on your e-commerce platform that will take customer experience to the next level.

Integrate people and business processes via 'one system' and 'one process'

Integrate business processes via a common systems backbone (i.e. connected systems) to seamlessly transition the newly acquired organisation, along with its people and product portfolio.

iPaaS = Integration Platform as a Service

This will facilitate:

o An iPaaS platform to rapidly integrate and deploy a best of breed scalable hybrid eco-system, connecting disparate on-premise and cloud solutions.

o An approach to ensure that you can pick and choose the solutions and business process you would like to keep, and the ones to be replaced in a phased procedure, thereby de-risking the assimilation process.

o Reduce integration errors and bottlenecks while leveraging common data banks.

Improve revenue growth and pipeline forecasting via proven algorithms

Invest in an industrial, algorithm based forecasting tool for predicting your order pipeline, required inventory levels, and revenue growth, for each channel.

Leverage machine learning algorithms, predictive analytics, and data mining techniques, rather than a man-powered process, to aid and streamline the financial running and decision making with your business. Make these an intrinsic part of your order-to-cash and procure-to-pay process.

This will help you to:

o Understand the reasons for cash flow delays, revenue stagnation, and the ways to improve profit margin, etc.

o Reduce wasted valuable manpower on manual tracking sales and calculating chargeback.

o Eliminate human errors that otherwise can result in misunderstandings which harm business relationships.

o Avoid late payments from your retailer/customer by automating payment remainders.

o Achieve an intuitive and user friendly 'customer dashboard' that provides a single view of all supplier and customer KPIs.

Track your return on investments in marketing and lead generation initiatives
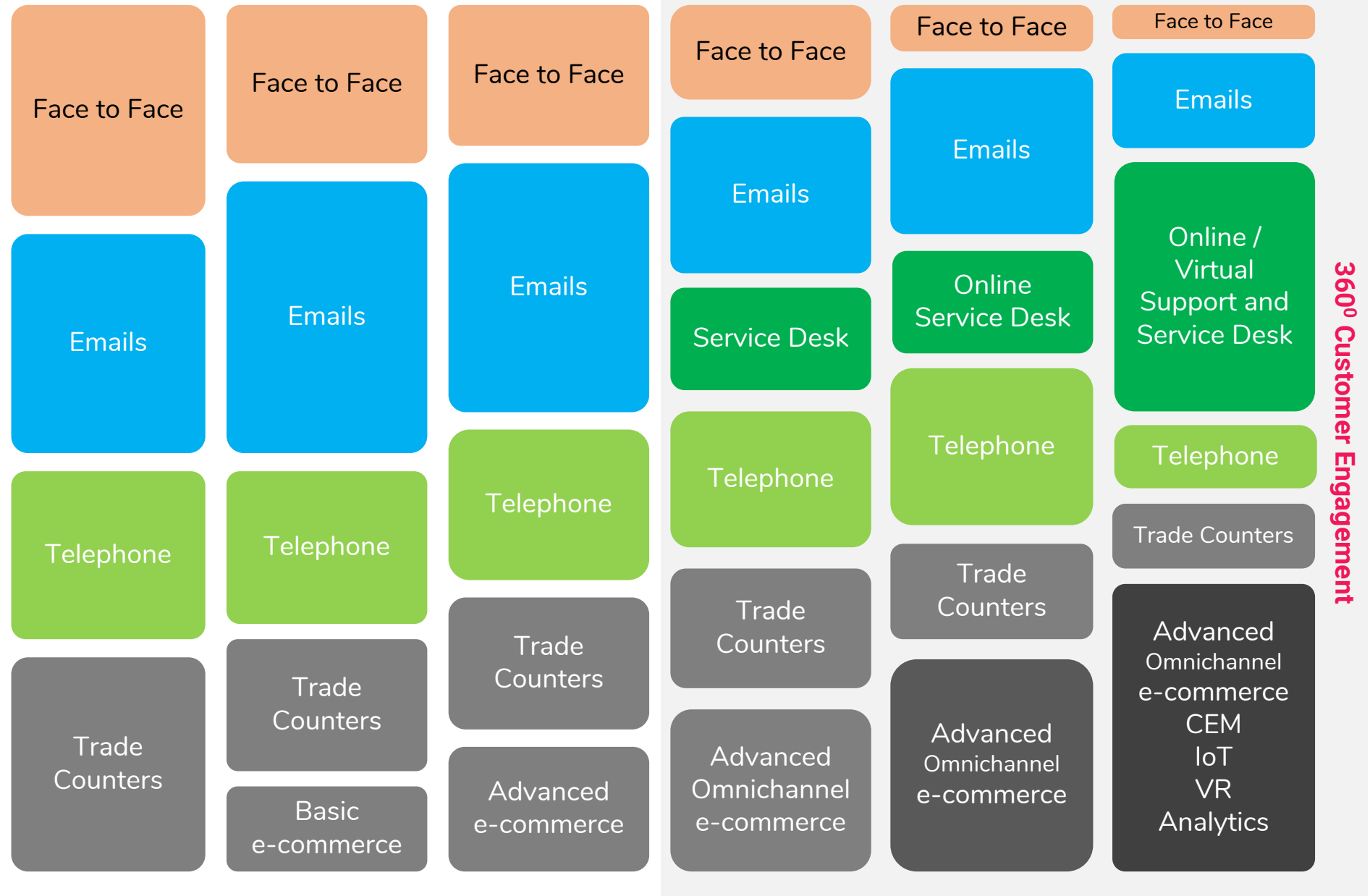
Invest in marketing systems which support contextual marketing and remarketing using information from your central product catalogue and associated lead generation initiatives

Integrate your business's e-commerce platform with Google Analytics as well as with your marketing solution.

This will help you to:

o Calculate customer buying patterns for cross sell/upsell opportunities through the tracked information of customer sales and leads.

o Create targeted 'context' based offers and recommendations for each individual customer through an analysis of customer shopping behaviour, purchase history, and previous interactions. This will increase your business's perceived relevance to the customer and make your products more likely to maintain their interest.

o Provide powerful evidence when submitting a claim to the manufacturer for the marketing fund expenditure. The reports and analytics generated out of this integrated marketing solution can be utilised for such a need.

Shifting paradigms in the wholesale and distribution world

Gauri can bring you a portfolio of solutions for the wholesale and distribution business with guaranteed RoI and business growth.

Give us a call and let us talk about our solutions along with a personalised demo.

Integrated Customer Experience

360⁰ Customer Engagement

Face to Face	Face to Face	Face to Face	Face to Face	Face to Face	Face to Face
Emails	Emails	Emails	Emails	Emails	Emails
Telephone	Telephone	Telephone	Service Desk	Online Service Desk	Online / Virtual Support and Service Desk
Trade Counters	Trade Counters	Trade Counters	Telephone	Telephone	Telephone
	Basic e-commerce	Advanced e-commerce	Trade Counters	Trade Counters	Trade Counters
			Advanced Omnichannel e-commerce	Advanced Omnichannel e-commerce	Advanced Omnichannel e-commerce CEM IoT VR Analytics

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About Us

Gauri is a UK based consultancy helping our customers compete and grow using digital initiatives.

As trusted partners, we have consistently helped our clients achieve planned business outcomes for more than ten years.

We specialise in the areas of sales, service, digital marketing, commerce, finance, supply chain & business intelligence. Our talented team bring with them years of international experience providing innovative solutions to address the business challenges of today.

Give us a call and let us explore how we can work together.

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