



7 DISTRIBUTION CHALLENGES & HOW ERP CAN HELP

The page features several large, overlapping geometric shapes in orange and black. One prominent orange shape is a large arrow pointing upwards and to the right, located in the upper left quadrant. Another orange shape is a large arrow pointing downwards and to the right, located in the lower right quadrant. A black shape is visible in the lower left quadrant. The background is white.

INTRODUCTION

It doesn't matter if you're a multi-billion dollar organization with locations spread out globally, or a smaller company with only a handful of employees, your ERP system needs to provide functionality for all of your business processes. A good ERP system should streamline all of your processes from one single database including financials, human resources, distribution, supply chain, and more. What happens if something goes wrong? You run out of stock? A delivery truck gets a flat tire or stuck in traffic? How long until you know? Think of the time, money, resources, and profit that would all be affected. Having a properly implemented ERP system in place that can immediately alert you of issues inside the company could potentially save you thousands annually.

What are the key reasons most Wholesale Distributors implement an ERP system? Aberdeen Research does an annual – survey [1] benchmarking the performance of over 644,000 companies across the wholesale distribution industry. The results illustrate where companies need improvement and what separates the best-in-class companies from the industry average

and the laggards as well as the advantages of having an ERP system that best fits your business needs.

When it comes to [ERP selection](#), the reasons for implementing ERP are similar for distributors across the industry. In this white paper you'll discover the most common concerns and problems in your industry, how the right ERP system can help you address them, and real-life examples of how companies used ERP software to solve their problems.

[Common Industry Concerns](#)

There are several major concerns for companies that operate in the wholesale distribution industry, including the cost of shipping, disintermediation, consumer dependency, import/export risks, operating efficiency, government regulations, and audits.

It is crucial for a company to have the ability to predict future problems, allowing it to circumvent any major delays or disasters when it comes to remaining profitable and competitive. This is not always possible. If you do not have forecasting at your fingertips, you might not see how the market is changing. If you cannot see your daily shipping costs, you will not be able to see how to shave down time by streamlining routes or avoiding certain areas at peak times. Having an ERP solution that can keep track of stock quantity and location, consumer needs, delivery routes, resellers' tax, and energy costs can significantly improve your bottom line and increase your profit margin.

Below, we dig deeper into some of the most critical concerns of a distributor.

[Fuel and Transportation Costs](#)

According to [Sikich.com](#), diesel fuel prices rose 200% from 2000 to 2013. This trend has continued. As fuel and transportation costs rise, the wholesale distributor must either absorb the cost of shipping or add to the resale price to ensure health profit margins. This risk can increase with distributors that make multiple deliveries per day to many customers, such as supermarkets and car repair shops.

Some of the ways that wholesale distributors try to control these costs include:

- Using equipment and delivery vehicles that are more fuel efficient.
- Utilizing computer routing software to determine less costly delivery routes.
- Offering greater incentives to customers to accept deliveries during less congested times.

While the above are all effective ways to cut fuel costs, an ERP system allows you to see stock availability, best routes, current cross-docking, driver log hours, & any delays. You can also have the option to observe the routes the vehicles take. If a driver calls in with road construction or a delay, dispatch can swiftly redirect saving time, fuel, and overhead costs.

[Disintermediation](#)

Disintermediation is cutting out the middleman when customers are purchasing directly from the manufacturers. This is causing a real concern for wholesalers, particularly those that are

not a prominent part of the distribution channel or companies that offer very little value-add in the supply chain. For smaller companies or companies trying to expand into newer markets, it is hard to compete in the market with the large retailers doing their own distribution. For example, big retailers like Wal-Mart, Home Depot, Amazon, and Costco buy their merchandise directly from the manufacturer and then store and distribute their own goods to their stores. These non-traditional competitors have changed the way the industry advertises, promotes, and runs.

According to Hoovers (a division of a D&B company), superstores and warehouse clubs hold 60% of the general merchandise sales, and direct manufacturer sales account for nearly 30 percent of total wholesale trade in the US.

Because of this, wholesalers face the challenges of creating a greater value for their services, consequently making the retailers decision to switch difficult. Having long-term relationship is not always an assurance that the retailer will stay. Finding new niches or ways to set yourself apart has become the norm.

Some distributors will offer drop shipping on certain items or have specialty items that can only come from them. Wholesale distributors that kit or repair items work their niche's with deals or supplements to maintain and grow their retail customers. Others use their excellent ERP customer service abilities to their advantage.

Further, many distributors have added value-added services such as installation, repair, rental, or light manufacturing to offer their customers and markets a compelling reason to choose them over the competition.

Having an ERP system that is set up with a fully functioning customer portal will allow your customers a seamless customer experience. You will be giving your customers the availability to view old orders, order new stock, pay invoices, and view arrival estimation. Granting your customer to have control at their fingertips of order, restock, and returns (if needed) giving you the upper hand and a more stable endurance in wholesale distribution industry.

[Stock Flow & Forecasting](#)

The dependency on consumers to maintain the average sell rate and keep stock flowing drives the distribution industry. The quick change in consumer spending and retail sales during economic ups and downs, greatly influence the manufacturing of items that impact whether distributors wind up with excess inventory, insufficient inventory, or complete stock-outs. Natural disasters or a recession can also cause rapid change in the market.

Many wholesale distributors have direct conflict with supply chain clarity that can affect an already snug profit margin. Having a Warehouse Management System (WMS) integrated with your Wholesale Distribution ERP Software can help automate processes to improve overall operations.

Warehouse management systems can help optimize important tasks like receiving, picking, cross-docking, compliance labeling, physical inventory counts, and shipping. This ability greatly affects the efficiency by allowing you to view any supply chain disruptions like bottlenecks and improve lead-time reliability. Having an automated system not only saves money by reducing paper costs, but also provides on-the-spot assessment as each step occurs. As a result, you will no longer need to pull employees to do a stock count. Everything should be automated with RFID tags and counted coming in and out.

Importing & Exporting

The amount of manufactured goods the United States imports have increased significantly over the last decade. Products that require a significant amount of labor are much cheaper to produce outside the United States. To remain competitive, many manufacturers have moved production to facilities abroad as well. The US imports nearly twice as many manufactured goods from China as it does from Canada (the top two imports). Cost of importing across the sea is great, but is it worth the overall lowering bottom line to stay competitive for your company?

Sikich.com says that since 2012, some manufacturers have been moving back to the United States to help reduce shipping costs and to consolidate their supply chain. Some companies stated that better access to skilled labor was their motive. Others acknowledged that being closer to their supplies and raw goods helped keep shorter turnaround times.

This was all visible to the organizations through the use of ERP software. With full visibility they were able to see their financials, inventory on-hand, shipments, and manufacturing processes at a glance. This allowed them to see their own cost effectiveness of keeping their company in one location, several close together, or spread out over the globe. Other factors that were considered into this risk:

- Company size
- Resource and material accessibility
- Nature of product and service
- The market condition

The availability of resources, materials, and product locally and then shipping to foreign plants for production are not cost effective when trying to keep shipping and operating costs low. The right ERP system incorporates all information and workflow into one system so the company operates off the same information. Having one central hub of information at your disposal will allow you to evaluate the risks, at a glance, to see what would be best for your company. A wholesale distribution ERP system can help your company meet its goal to get product and services rapidly to the market.

Operating Cost Efficiency

Inventory carrying and energy costs make up a significant portion of ongoing operating costs (between 30-50%). High energy requirements required for cold storage or temperature-

controlled facilities continually raise operating costs, leaving facility and operating managers to explore new, more affordable technologies to help reduce or eliminate energy consumption. Changing the lighting to high intensity fluorescent (HIF) lighting helps reduce electricity costs. A few more of these technologies are:

- Efficient heating & cooling equipment
- Installing free cooling systems
- Using heat recovery
- Controlling outside air entering the facility
- Improved control and monitoring system for refrigeration units.

Because many distributors finance their inventories, they are sensitive to interest rates. Financing costs have a large impact on profits due to the wholesale distribution industry having low profit margins. On average distributors tend to hold inventory that equal to about 60 days' worth of sales, this changes by vertical. After you have reduced your costs and have financing in order, how long is too long before you are notified of a problem with the storage system?

Having this information about a malfunctioning cold storage system, when the problem occurs, could save you time, money, and inventory. The right wholesale distribution ERP solution gives you the insight you need, when you need it. It will constantly collect important data about everything happening in your business since all users, from accounting to distribution to manufacturing, can easily enter and share data. Then prompt you to take action when necessary. It gives you the ability to analyze all aspects of your business, enable access to reports in a self-service capacity, and better inform you of strategies to further reduce costs.

The impact of data effectiveness using an ERP solution improves the overall knowledge, growth, and profitability of the company. You will not have to wait hours or days to be notified of any issues. With the on-the-go capability, you can see everything at a glance. You can take care of any issues while being able to access reports on depreciation, expenditures, operating costs, net cash flow, and more at your convenience.

Government Regulations

Extensive government regulations are another challenge distributor's face in their daily operations. Both state and federal governments regulate many activities of manufacturing companies, such as:

- Permits and vender licenses
- FTC labeling requirements
- Lead content regulations
- FDA labeling and nutrition information requirements
- Training certifications for use of equipment & heavy machinery
- EPA waste disposal laws
- Updated regulations
- Certifications

- Sales tax risks
- Sales tax liability/obligations
- Multiple compliance regulations
- And many more

These regulations, which are in place to protect workers and prevent pollution, can add to the cost of production. The regulations also affect the import/export of raw materials and manufactured products. There are also tax regulations like tax obligations and reseller tax. A fully operational ERP system can help to keep track of all of these.

By automating your compliance process using an ERP wholesale distribution solution, you will not just save your company time and money, but also increase the efficiency of how the compliance is achieved. An ERP system enables the capability to generate compliant documents through the use and reuse of content. It can also help test and ensure that your company's data is safe and compliant with current regulations. Another benefit is the ability to share information of procedures and regulations that are compliant to regulatory guidelines.

Having an ERP solution in place that can help keep track of use and reseller tax items and even calculate out how much is owed can help cut down on end of the year tax surprises and audits. The ability to input a copy of the exemption certificate into the electronic file can also aid in your day-to-day business, since you will know why or why not sales tax should be collected from every customer.

Audits

Receiving a notice of tax audit is something that most companies dread. What to do when the auditor arrives? What will you need? Do you have all of your information in one place? Not having an automated ERP system, or not fully implementing your ERP system, can significantly affect the next steps. Greeting the auditor and placing them in an easily accessible room so that they can quickly do their work is only part of the solution. The other half is being able to quickly access the tax logs, up-to-date exemption certificates, invoices of use and sales tax information, and proof of tax payments. If your tax information is not up-to-date, if you do not have all of your certificates up-to-date, or if your information is not readily available, you could set a slow pace, which could affect the outcome of the audit.

The constantly changing sales and use tax at federal, state, and local levels make it an almost necessity to have an automated ERP system that can be updated as often as the regulations change. This will help with keeping with tax compliance. Maintaining tax compliance is not part of the profit making, but can help with the overall profit margin. Having the integrated ERP system allows the company to spend less time looking up new tax laws and more time to focus on the bottom line. It can also help you have quick and easy access to information, so that you would be able to access it quickly if needed.

Measurable Benefits of Wholesale Distribution ERP

Aberdeen conducts an annual survey to study how an ERP solution benefits the wholesale distribution industry. This study used five key performance indicators (KPIs) to distinguish Best-in-Class from Industry Average and Laggard ERP implementations, including:

- On-time delivery
- Accurate inventory levels
- Ability to make quick decisions based on accurate forecasting information
- Operating margins

Findings from the survey are below:

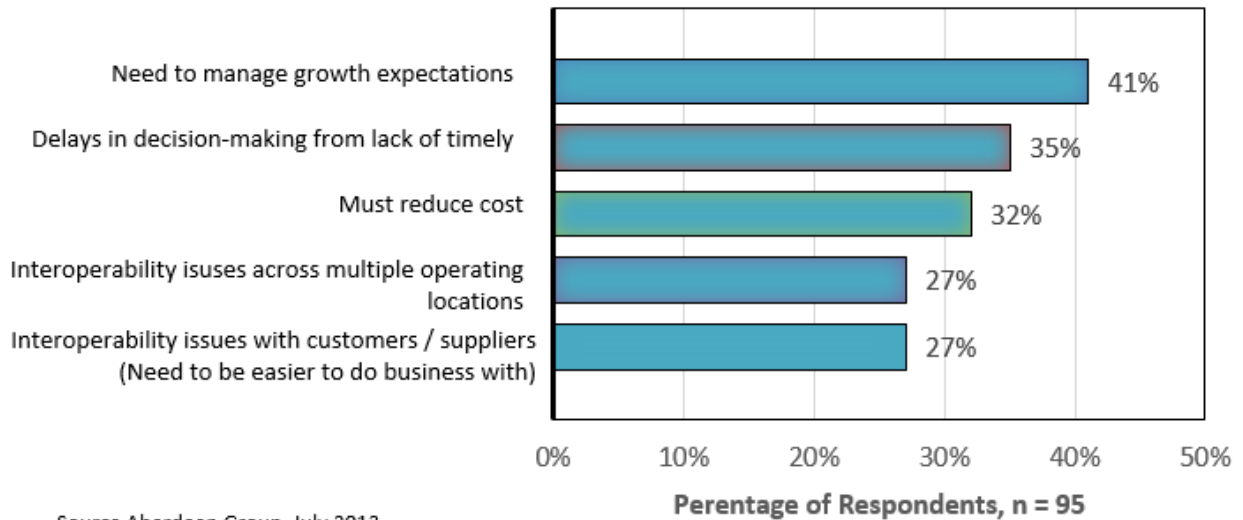
Definition of Maturity Class	Mean Class Performance
Best-In-Class: Top 20% of aggregate performance scorers	97% inventory accuracy 98% complete and on time shipments 19% increase in operating margins over the past two years 40% decrease in time to decision over the past year
Industry Average: Middle 50% of aggregate performance scorers	95% inventory accuracy 94% complete and on time shipments 7% increase in operating margins of the past two years 12% decrease in time to decision over the past year
Laggard: Bottom 30% of aggregate performance scorers	86% inventory accuracy 87% complete and on time shipments 2% decrease in operating margins over the past two years 11% decrease in time to decision over the past year

Having an ERP system well-suited to their specific purposes can help laggard or average organizations, regardless of their size, perform like a best-in-class organization Which would in turn help them reduce overall cost, help give timely and accurate information at a glance, and show where growth is possible.

Wholesale Distribution Challenges

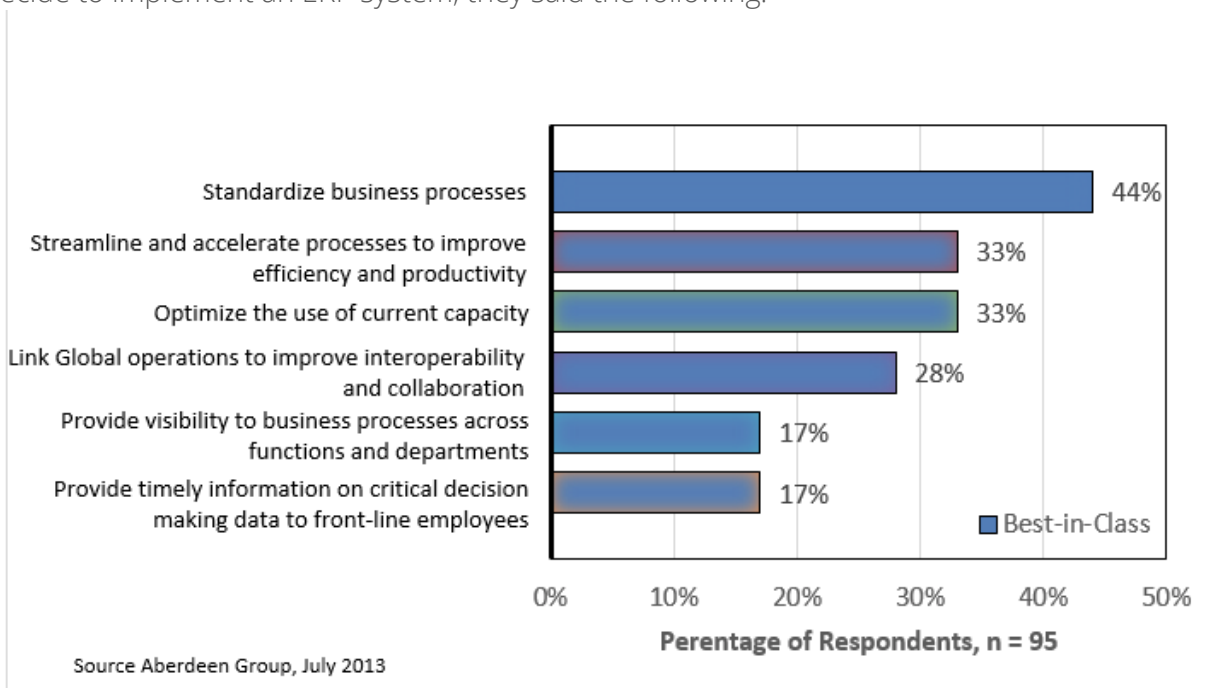
The top business driver impacting ERP strategies in wholesale and distribution is managing growth expectations. Figure 1 highlights the top five drivers according to the survey:

Figure 1: Top ERP Drivers in Wholesale Distribution



Source Aberdeen Group, July 2013

Most of the companies show that they need to manage growth, retrieve information timely to make quicker decisions, and reduce cost. This can be done by implementing an ERP system. Some of the companies may already have a system in place, but just do not utilize the system to best fit their needs. In this case, system reconfiguration, additional end-user training, or system add-ons may help an organization get the most out of their current system. Figure 2 shows how ERP systems have helped organizations overcome the challenges noted in the above graphic. When the best-in-class companies were asked which tactics helped them decide to implement an ERP system, they said the following:

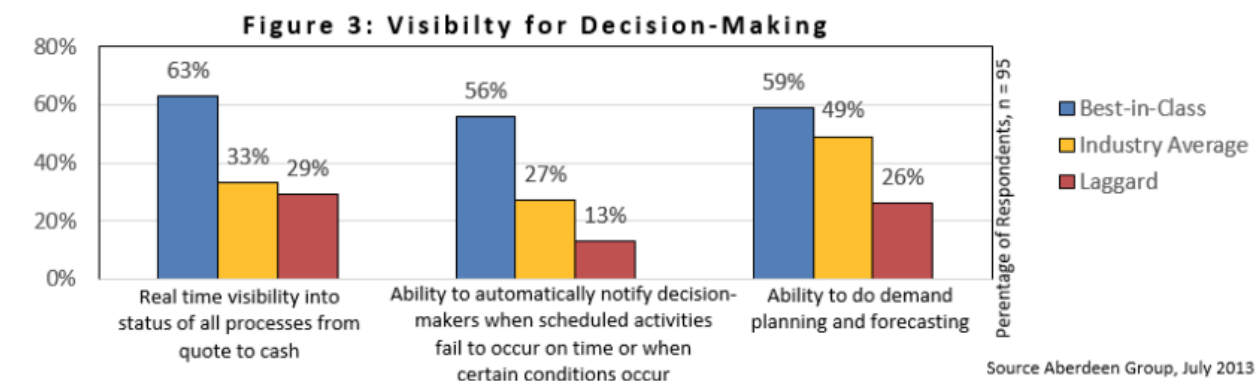


Standardizing and streamlining business processes across the organization is a must. By doing so, organizations have a better understanding of their current business and insight into data that can help them address their business needs, demands, customer needs, and create a “one-stop shop” for all information.

Even though the chart above shows that visibility and timely information is less important than other strategies, it prompts the wholesale distributor to implement an ERP system as it remains a critical factor for increased performance.

Improved Visibility

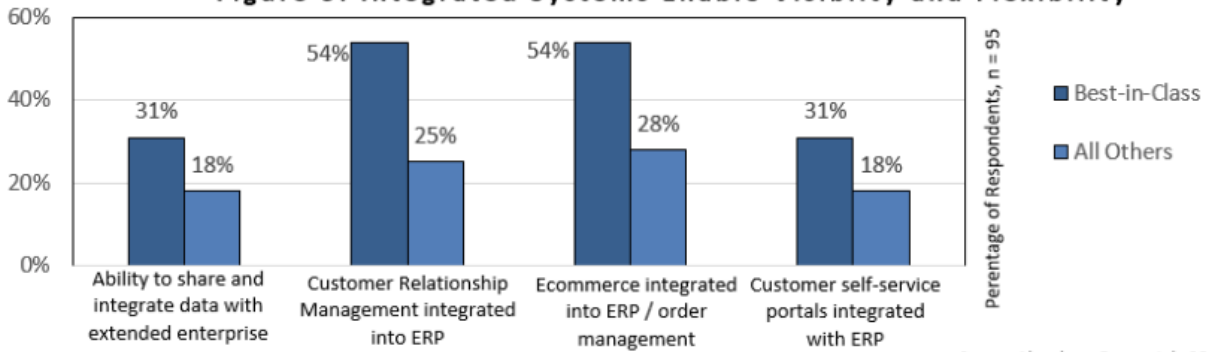
Having an ERP system that has a traceable system of records allows the business to visibly see each step as needed. The ability to observe all activity in real time allows the organization to make necessary adjustments to stay on track while keeping costs down. According to the survey, the best-in-class have a 30% benefit over the rest of the industry in visibility. This advantage permits those organizations to make quicker decisions and see the process through to the end.



Customer & Employee Experience

Having an integrated ERP system also allows companies to share data with the extended enterprise and with customers. Using CRM and Ecommerce modules along with other technologies to continue to make it easier to communicate and work with customers. Using a customer portal allows a seamless customer experience and can lead to keeping customers happy as shown in Figure 5.

Figure 5: Integrated Systems Enable Visibility and Flexibility



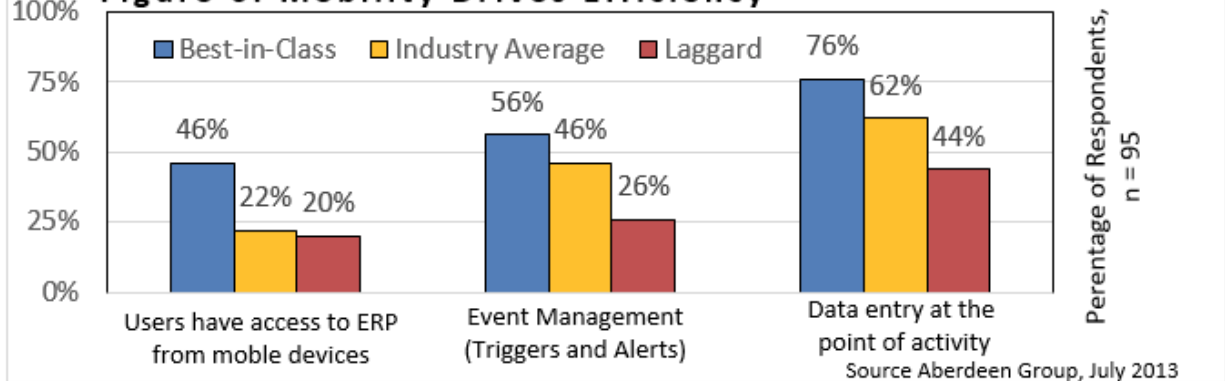
Source Aberdeen Group, July 2013

ERP systems are not just for improving customer satisfaction, but also offer a substantial impact on employee performance. Enabling employees to view the data that is most essential to them results in increased productivity. This allows for a better work flow throughout the organization. Furthermore, having an ERP system that can allow the user interface to be personalized to suit the company or division helps with this data stream. The ease of data flow is essential for understanding where the organization is and how it can improve.

Mobility & ERP

Having mobile access can be important to keep track of efficiency. For the executive on the go, having the ability to pull up immediate updates, financials, statistics, projections, or any alerts for stock flow allows for a smooth flow of information. For the manager who makes a sale on the road, being able to input the information into the ERP system directly and capture any signatures and certificates needed can help eliminate any human errors when trying to type in later after the fact.

Figure 6: Mobility Drives Efficiency



Source Aberdeen Group, July 2013

Measurable Results

The results from the Aberdeen study show that the benefits of an ERP system can be extensive to any company. All industry types reported direct benefits as a result of their ERP solutions. The overall top benefit was improvement in inventory turns. The top 6 benefits of an ERP solution chosen by participants in the survey are shown below.

Benefit Achieved through ERP	Best-in-Class	All Others
Improvement in inventory turns	51%	39%
Reduction in operational costs	20%	9%
Reduction in administrative costs	17%	11%
Improvement in complete and on-time shipments	17%	16%
Improvement in internal schedule compliance	15%	11%
Improvement in cycle time of key processes	19%	16%

By taking advantage of the efficient processing and visibility enabled by their ERP, top wholesalers and distributors are effectively able to plan for customer demand changes and increasing global competition by providing dependable experience to customers and delivering products on-time.

Days Sales Outstanding

Day's sales outstanding (DSO) is one of the most useful indicators of a business's financial health. DSO is the measure of the average number of days that a company takes to collect revenue after a sale is finalized. A low DSO number means that it takes a company fewer days to collect its accounts receivable. A high DSO number indicates that a company is selling its product to customers on credit (terms) and has an extended period of time to collect money. The more money you have, the more resources to invest back into the business. As a result, the lower the DSO, the better for the company.

The formula is $AR/Total\ Credit\ Sales * Number\ of\ Days$. When the number goes over 30 days (a month), the DSO gets higher. This is a trend with a lot of smaller companies that wait for payment from vendors. Optimizing the way the collections process is managed through your wholesale distribution ERP software can help.

DSO gets even trickier when you take into account the three ways a wholesale distributor gets paid.

One way is vendor managed inventory, the retailer sells the item to a consumer, which is when the inventory leaves the supplier's balance sheet. Then, the retailer might pay the wholesaler on net 30 terms after the sale, with some hold-back for returns. This is usually done by multi-billion dollar retailers that have that weight of negotiation. This is similar to drop-ship, where the retailer sells the item and the wholesaler ships directly to the customer.

The second way is stock supply credit or terms. This is when smaller retailers use credit (30, 60, and rarely 90 day terms) to stock their stores or warehouses. Terms are usually set on credit of the retailer, and can also depend on how fast the category is expected to sell. The third option is to purchase outright (when a retailer has a loan or cash and pays prior or upon shipping arrival). This is usually done with smaller retailers with little credit that are trying to build up volume credit.

Having an integrated accounts receivable credit and collections module in your ERP system is ideal but most ERP systems for wholesale distributors don't provide this functionality. As such, many wholesale distributors implement software like [Anytime Collect](#) which integrates with their wholesale distribution ERP software and allows them to calculate DSO with automation and workflow to create letters and emails sent to customers with prioritized call lists so they can proactively work on their receivables and flat out get paid faster. Software like Anytime Collect can help most small to mid-size businesses save time and utilize account receivable employee activities. According to Paystream Advisors, the implementation of this kind of software can:

- Reduce time spent prioritizing and preparing for calls from 15% to 6%.
- Reduce time spent managing disputes from 40% to 13%.
- Increase the time they spend soliciting customers for payment from 20% to 62%

The ability to have customers pay directly from the email using a credit card will allow you to have more cash on hand by improving your invoice collection process. This can also greatly influence keeping the organization's DSO low. The ability to keep track of the different net terms, sales, and purchase order numbers is something a mid-large wholesale distributor should take full advantage of, further improving customer service and satisfaction. The added bonus of Anytime Collect; it works with most ERP accounting integrations!

[Average DSO in Your Industry](#)

The following key business ratios were obtained from the public domain creditguru.com. {2} They provide some insight into the average DSO for the wholesale industry and other industries, how do you measure up?

	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Ag, Mining, and Construction	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Agriculture	1.31	0.39	1.33	2.52	19.00	2.58
Mining	1.19	0.77	0.48	0.00	52.00	0.00
Construction	1.44	0.98	1.31	4.74	43.00	1.74
Manufacturing	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Leather, Textile, and Apparel	1.50	0.62	1.48	6.05	34.00	1.64
Chemical, Petroleum, and Metals	1.54	0.75	1.33	6.94	48.00	2.23
Wood Products	1.43	0.62	1.41	6.46	33.00	2.16
Machinery & Transportation Equipment	1.54	0.74	1.34	5.89	51.00	2.38
Transportation & Communication	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Transportation & Communication	1.03	0.70	1.64	0.00	34.00	1.84

Wholesale	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Non-Durable	1.53	0.66	1.70	4.63	39.00	1.40
Durable	1.42	0.69	1.60	7.36	31.00	1.11
Retail	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Hardware	1.68	0.43	1.30	4.20	22.00	1.11
General Merchandise	2.14	0.15	0.59	3.81	4.00	0.16
Automobiles	1.23	0.19	2.61	4.75	9.00	0.84
Apparel	1.90	0.14	0.91	2.96	2.00	1.35
Furniture	1.61	0.38	1.33	4.03	16.00	0.92
Restaurants	0.73	0.18	1.24	35.65	1.00	0.43
Services	Current Ratio	Quick Ratio	Debt to Equity	Sales to Inventory	DSO	Profit Margin %
Financial Services	1.18	0.34	0.72	0.00	1.00	1.29
Business Services	1.36	0.84	1.11	0.00	42.00	1.75

Benefits of Utilizing an ERP System

Having an integrated ERP system also gives companies the ability to share data with the extended enterprise and with customers. Using CRM and Ecommerce modules, along with other technologies, continues to make it easier to communicate and work with customers. Using a customer portal allows a seamless customer experience and can lead to keeping customers happy. The integrated ERP system can also have a substantial impact on employee performance. Enabling employees to view the data that is most essential to them allows for a better work flow. The ease of data flow is essential for understanding where the organization is, and how it can improve.

Having an ERP system that allows the user interface to be personalized to suit the company to further help with this data stream is a plus. The ability for users to have access from mobile devices can allow data entry at the point of activity, which can help eliminate errors in reading copied paperwork. User interfaces can trigger an alert at ordering if there is a stock issue, like a backorder, right away. A few measurable benefits from utilizing your ERP system are:

- Advanced reporting
- Complete visibility into business processes
- Improved regulatory compliance
- Improved access to data
- Improved customer service
- Improved department collaboration
- Improved product tracking
- Improvement in analytics solution tools
- Improvement in complete & on-time shipments
- Improvement in inventory turns

- Improvement in internal schedule compliances
- Improvement in cycle time of key processes
- Improvement on data quality
- Improvement of system workflows
- Improvement on supply chain efficiency
- Reduction in operational costs
- Reduction in administrative costs

Eliminate Duplicate Data and Processes

A main issue that concerns all aspects of an organization is— acquiring, reconciling, and manipulating data. ERP systems apply a single set of data across the company. All data is entered into the system once, and shared to all of the other divisions that need and have access to that information. This makes all data in the system easily accessible. ERP systems eradicate the problems previously associated with data collection making all data available, compatible, and readable. Company-wide data collection is no longer tedious, time consuming and costly.

With point of entry data availability, employees can upload information into the system when it is given, further reducing mistakes in data entry. This step helps eliminate human error. No need for one person to obtain the information, then pass it along to another person to input into the system. It can be entered and verified from the beginning, making all processes, from order to collecting payments, run smoothly.

Quick Access to Consistent Information

The effect of an ERP's ability to provide access to consistent data, leads to an accurate representation and greater reliability of the outcome. As a result, reusability of the functions are increased, permitting less time to recall information. This also provides the leverage to construct more complex reports to include factors and variables that would previously have been overlooked or thought of as too time-consuming to collect. Increasing the flow and organization of information will allow a deeper understanding of business operations to emerge.

This deeper understanding will show a complete financial standing of the company as well as the future forecasting. The availability of what stock you have, what you are expecting, and what needs to be ordered will be available to allow for streamlining and maximizing of your supply chain.

Continuous Availability to Reports and Financials

Financial analysis is complex and time consuming. Throw in the different styles and layouts done by different divisions within the organization and it complicates it threefold. Having an ERP system in place that can access all data and streamline identical information can allow each division to see where they stand, and the company can see the overall outlook as a whole. The advantages are cohesive reports and financial statements company-wide that are accurate to the minute they were run. This can greatly cut down time of having individuals

make the reports off data days, weeks, or months old. Furthermore, it can increase monthly, quarterly, and yearly close of books. The availability to see where the organization stands at any time is an advantage to any company, as it helps with forecasting and purchasing information. The benefit of having crystal clear visibility into the organization is that it cuts down surprises and allows for any error or delay to be dealt with immediately, further saving time and money.

Increased Efficiency

Organization-wide efficiency is the goal for every company. Often, managers and top executives evaluate efficiency performance based on cost savings during any fiscal period. ERP systems will allow for total cost analysis over the entire organization at any given time. This will create new perceptions for defining more precise performance metrics within the organization. You can then compare month-to-month or year-to-year, creating a continual or set interval cost analysis schedule to minimize cost and increase performance. More trends will appear to show when ups and downs occur naturally in the yearly cycle.

ERP systems can provide the outline for real-time problems that could further save the company time, money, and frustration. For example, a refrigeration unit goes down. An alert will go off letting the appropriate employees and managers know of the problem. At a glance, they can see what temperature the unit was set to, what the current temperature is, and if other units in the vicinity have room available. The personnel can quickly salvage the items into new containers, thus saving the loss of all of the inventory in that unit.

Adaptable Programming

Wholesale distributors must be able to meet a customer's demand for products regardless of any unique terms, time schedule, or location of the customer to remain competitive. The company is often required to provide the customer with a delivery time when the customer places an order, normally with consequences if it is late. Conventionally, this time frame was provided by a customer sales representative, usually with little knowledge of current inventory levels or scheduling. ERP systems allows the sales rep to simply and simultaneously look at the inventory-on-hand, raw material availability, work-in-progress, and production capacity across the organization. This in turn allows for real-time adjustment across the organization to adapt to any new demand. Customers are incorporated into the planning process and are provided with the best possible delivery date, while supply chain output is maximized.

ERP systems are intended to rapidly respond to new business demands, and can be simply altered or updated without disturbing the course of business. Creating a list of rules to restrict or allow a certain number of system updates at specific times or days allows for a better seamless workflow.

By taking advantage of the efficient processing and visibility enabled by their ERP, top wholesalers and distributors are effectively able to plan for customer demand changes and increasing global competition by providing dependable experience to customers and delivering

products on-time. Utilizing an ERP system and having it customized to meet your specific company needs and demands can:

- Increase your businesses visibility, efficiency, & integrity
- Optimizing your growth, workflow, inventory management, & forecasting
- Give you better overall control
- Reduce the overall cost
- Help give timely and accurate information at a glance
- And show where growth is possible

CONCLUSION

It is important to note your company concerns and problems and look into how quickly solve them. An ERP system is a valuable and important part of any company. It can help keep track of and show up-to-date information for trends, forecasting, taxes, cost, profit margins, financing, sales, purchasing, CRM, HRM, inventory, & WMS. Most problems or concerns can be easily addressed utilizing a wholesale distribution ERP Software. Creating a “one-stop-shop” with an ERP system lets you know what is going on for your entire company: if there is a problem, projections, cash flow, depreciation, when stock will be received, shipping routes, and more.

Standardizing and streamlining business processes across your organization is a must. By doing so, your company will have a better understanding and insight into your needs, demands, customer needs, and create a “one-stop shop” for critical information from quote to cash.

Choosing the right ERP software can take time, but when selected, planned, and implemented correctly, it will help your company grow leaps and bounds. If you need further assistance in deciding which ERP software is right for you, there is more information [here](#).