



5 REASONS WHY DISTRIBUTORS NEED TO BE LOOKING AT ERP

Much of this modernization can come from running a digital business with the help of an enterprise resource planning system. ERP is important for all digital businesses beyond the mom-and-pop variety, but it is especially useful for distributors because it brings together all parts of a distribution business and makes the lifeblood of the business, logistics, far more efficient.

Here are five reasons that you should be looking at ERP if you run a distribution business today

1



Go Head to Head with Larger Firms

Ecommerce giants such as Amazon are using their platforms and logistical expertise to expand from the business-to-consumer model to also include business-to-business offerings. The lines are also blurring among manufacturing, wholesale and retail, with online sales channels, reducing the role of distributors as manufacturers sell directly to consumers.

2



Connect Distribution with Warehousing

Issues with inventory management is one of the major reasons that distributors fail. Small failures with inventory management quietly reduce already thin margins and frustrate customers. This is something of a dividing line between businesses that won't survive the digital revolution and those that will, because real-time visibility and efficient inventory management are table stakes as a result of modern IT.

3



Improve E-commerce

ERP is essential backend technology for e-commerce, because it connects all aspects of your distribution business, from back-office and supplier networks to inventory management and the e-commerce platforms where sales and returns take place.

4



Better Customer Relationships

ERP helps distributors engage on more communication channels and store all customer information in a single, centralized system so there is a single snapshot of customer interaction history.

5



Drive Overall Operational Efficiency

A fifth reason that distributors should be looking at ERP right now is because it improves operations across the board. In the competitive distribution landscape where margins typically are thin, efficiency equals greater profit.

There are so many ways that ERP improves distribution business efficiency, the full list can't even be outlined here. But a few of the most important ways that ERP improves efficiency include:



Pricing and Shipping

Customer-specific pricing based on volume, timeline and discounts are easy when all data is within a single ERP system.



Purchase Order Management

Purchasing and complicated procure-to-pay processes can be automated with ERP, including products and supplier management, requisitions and approval creation, conversion to purchase orders, receiving inventory, invoice creation, match and pay, etc



Financials

With all transactional data in a single system, financials and accounting such as accounts receivables, payables, credit card processing and budgeting are automated or significantly less time-consuming.



Planning

Determining the right products and order quantities, and overall market dynamics, becomes a lot more efficient through embedded analytics and business intelligence dashboards that make the data a distributor already has more visible and actionable.

