Improving Your Distribution Business
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Improving Your Service

Wholesale distribution companies need to constantly stay one step ahead of the planning process in order to stay on track. While manufacturing companies are typically evaluated by the quality and performance of the product sold, distribution-oriented industries rely on organization, communication and reliable technology in order to best execute their strategies.

Whether it’s B2B or B2C, discovering key elements to improve customer satisfaction while enhancing the business’ bottom line can be troublesome. However, a well-thought out business system and effective software makes business management and expansion effortless and straightforward.

Customers base their perception of a company on the quality of service given. Enhancing business efficiency and enforcing transparency to the customer is the most direct path to building and maintaining positive customer experiences.
Key Areas that Prompt Calls for Help

Operating in an efficient and timely manner is essential for wholesale distribution companies. Centralized systems that are easily accessible company-wide are vital, especially for proper distribution and customer service.

Many companies have inefficient practices of maintaining their records; using spreadsheets, paper records, emails, and employee memory works temporarily but inhibits room for long-term growth.

The ability to store and manage company data in one, centralized system enables wholesale distribution companies to properly execute projects and to take responsibility for the distribution of their products.
Problems that Impact the Ability to Grow

Flexibility is important in business. Improving upon current business practices and carrying out new practices enable business to grow and expand. Human expertise is required when properly carrying out these new practices. The larger the organization, the more challenging it is to set up a system with a connection strong enough to function throughout the entire company.

For wholesale distributors, it is extremely important to consider the needs of the customer when creating and executing new projects. Keeping customers satisfied is vital to maintaining positive customer service experiences and creating new customer relationships.

Increasing revenues is the first step to profitability. Attention to customer service, effectiveness in getting the right technicians dispatched, solving problems and good preventative maintenance strategies are all factors in impacting the customer’s perception of value.

A comprehensive system allows the user to track repair calls and schedule/track preventative maintenance activities. Effective preventative measures benefits the customer by reducing the occurrence of inconvenient failures during operations while benefiting the service provider through the opportunity for a recurring and predictable revenue source.

More powerful tools provided by a good software system are the ability to identify and track trends, perform analysis of the trends, explore ‘what-ifs’ related to the given information and suggest ways to capitalize on presented opportunities. This includes tracking usage patterns and customer locations.
**Bettering the Bottom Line**

While increasing revenues through the growth of a satisfied base of customers is the best way to improve profitability, a good software system can also boost profitability by pointing out ways to be more efficient.

Analyses can provide answers to questions such as which practices are obsolete and which newer practices should be in place. These can aid in problem solving and discovering preventative measures within the company.

With legacy systems or manual systems, the answers to these sorts of questions may only come at the end of the year or quarter when the final numbers are in; in some cases, the answers are not readily available at all. Newer systems can provide real-time answers to those questions and immediate feedback as adjustments are made.
Typical Software and Hardware Tools to Help

A number of tools are available to help improve the service end of your business.

A customer relationship management module allows the company to keep track of customer data and integrate it with the rest of its business.

A service module, which is typically separate from the CRM module, tracks equipment location and information, service calls for that equipment, materials used, warranties in effect and preventative maintenance schedules.

Mobile tablets and smartphone apps make working on-site easier and allow service technicians to remain connected to the company’s system while out of office.

Depending on the company’s needs, other modules, such as inventory control, purchasing orders, material planning, accounting and financials are other items on the menu of modules that can enhance a company’s operations.

It is beneficial for some companies to include mapping software integrated into the system in order to determine the correct technician for the job. Rather than relying on luck, the system can help identify the best team for the task.
How LBSi Can Help

LBSi matches its customers with accomplished and successful partners to enable companies to reach their goals. Action Industries (now Torsion Group) of Cleveland, Ohio is an excellent example of LBSi’s success.

Action Industries is a wholesale distribution company that works with garage door parts. When the time came to replace their legacy software with integrated business software, they connected with LBSi to implement SAP Business One. Action Industries selected SAP Business One due to its superior project management and manufacturing planning functionality and quickly found the partner solution affordable with a rapid return on investment. The application used an intuitive graphical user interface, rapid implementation and streamlined integration, which worked to their advantage.

LBSi and its partners faced the challenge of helping Action Industries meet a number of key challenges. They needed a solution that would provide better cost control, supply a single source for all business data and integrate current and new business processes. Action Industries needed to replace their legacy software with a modern, easy-to-use software system that would enable them to provide visibility of data across the entire business unit and assist in future planning.

With LBSi’s help, Action Industries implemented the transition following best practices to guarantee success. Thorough training and consistent focus on successful migration of the data from legacy systems to the new system were organized to customize their specific needs.

This implementation resulted in measurable improvements in Action Industries’ operations and bottom line. The company saw a 15% increase in sales efficiency. Invoice creations were cut from taking seven hours to only taking one to complete and real-time sales reports were more easily created. Action Industries was then able to implement more reliable order-to-shipment process that allowed for same-day delivery for 98% of orders. Procedural and management improvements, such as increased visibility into operations, real-time financial analysis, better quality data, faster decisions and improved customer service were made apparent after
implementing SAP Business One. The company was able to reduce accountant costs by 80%.

“Implementing SAP Business One was one of the best business decisions I have ever made in my past 15 years running the company,” said Pat Marron, president of company. “It would have been impossible to accomplish all we have in the last two years without SAP Business One.”

Is it your turn now?

Sources: LBSi, SAP Business Transformation Study: Melinks