

Profitable wholesale distribution powered by technology

A unified ERP solution

Gain insight into why your business systems are critical to remain a valued intermediary in a global marketplace where success hinges on agility and customer experience - and discover the ideal solution to cement your spot in the supply chain.

Leverage Technologies 2021



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Note from the author



How does the wholesale distributor turn a profit? By being indispensable, providing skills and services that customers can't achieve by themselves, and can't live without.

Few businesses can manage every aspect of the supply chain perfectly, so working with a professional distribution company gives them the scope they need to flourish—without having to establish their own connections and infrastructure, or hire new employees.

But as markets shift and customer demands change, your viability as a wholesale distribution business relies on being more than a third party. Manufacturers and retailers are looking for every possible foothold to make gains in customer acquisition, brand loyalty and revenue growth.

The gap you're able to fill for business customers will become narrower, unless you continue to adapt and improve your offering. What does that mean for your business?

- › Becoming even more efficient across every aspect of your operations.
- › Fine-tuning the alignment between purchasing, sales and your stock turnover rate.
- › Having clarity and control over costs so you can maximise profit margins at every turn.
- › Superbly managing and nurturing vendor and customer relationships and expectations.
- › Honing your market knowledge and sales insights to anticipate and respond to trends.

I've worked directly with distributors and seen first-hand the complexity involved in staying abreast of product trends, stock levels, cash flow, customer service and operational efficiency. I've also seen those same distributors achieve astonishing levels of visibility, agility and customer satisfaction by embracing integrated business management software.

This white paper explores the innovation imperative facing wholesalers and outlines a comprehensive solution we have developed to help you remain indispensable and increase your own capacity to flourish.

Brett Mundell
Managing Director
Leverage Technologies

Are you confident your decision making is based on reliable data?

Running a successful, mid-market wholesale distribution company involves complex decision-making and networks, and unified systems are needed to achieve the speed and accuracy your customers expect. This white paper looks at the challenges facing distributors in the digital era and showcases a solution configured by Leverage Technologies specifically for your industry.

CEOs of wholesale distribution companies need to find equilibrium in a constantly shifting business landscape. It's less a simple see-saw of supply and demand, and more like juggling ten flaming torches without getting burnt.

Not only do you need to anticipate trends and customer needs; make sales and acquire new business; and source, store and deliver the right mix of products required to meet demand—you need to do everything with expert timing, at the best possible price, and with superior customer service.

Technology is key to being able to run an efficient operation and quickly turnover stock. Whether you're dealing in general merchandise, food and beverages, medical products and supplies, or capital equipment, once your turnover grows beyond \$10 million you need sophisticated business process management systems.

Outdated approaches and basic software makes everyone's life harder, from the finance manager through to your warehouse manager, pickers and packers.

Whereas the right Enterprise Resource Planning (ERP) solution can help you competently juggle the intricacies of purchasing, shipping, inventory, warehouse management, logistics, customer service and finance, in a holistic fashion.





**Wholesalers
need to**

innovate

to thrive

Wholesalers need to innovate to thrive

Savvy wholesalers understand the importance of bringing more nuance to their ability to source products, work with vendors, fulfil orders and interact with customers.

Today's consumers care more about sustainability, customisation, immediacy, and experience—and they're empowered. They know they have a choice and they're willing to shop around. You need to make it effortless for the B2C or B2B businesses you support to meet and exceed customer expectations, or risk obsolescence.

Your retail and manufacturing customers expect you to facilitate a positive customer experience for their end consumers, which highlights the urgency of systems that enable you to identify and implement continuous improvement.

Customer experience is also an important consideration for wholesale distribution businesses to remain an attractive partner to vendors and customers alike. Integrated software gives you a better platform to introduce initiatives that make working with you easier, such as: e-commerce platforms; self-service ordering options; personalised communications; integrated transport management; and automated reminders.



You need an edge in a competitive space

Another trend that threatens wholesalers is increasing contraction and consolidation within industries: large, global players are becoming more dominant and looking to control every aspect of their industry vertical through acquisitions and expansion.

Even if they're not subsuming distribution, large companies are looking to streamline and will expect their supply chain partners to adapt accordingly. Supermarket giant Coles recently announced plans to introduce SAP to improve the efficiency of procurement processes and remove obstacles associated with legacy systems such as 'latency, complex landscapes and manually-driven processes.'**

Many major retailers now require you to use **EDI (Electronic Data Interchange)** to do business with them, because it simplifies and standardises the way they send and receive documents across thousands of different suppliers.

Margins are already tight, but competing on price will become even trickier as the gap between discount and luxury consumers widens.

Recent research by Deloitte found that retailers selling a premier product and those that differentiate based on lowest price are outperforming those in the middle***. This indicates that meeting retail customers' needs in future will be predicated on supply chains that enable either extremely low margins, or value-added, highly differentiated products and experiences.

**SAP things are happening at Coles, CIO, 12 February 2019 (<https://www.cio.com.au/article/657619/sap-things-happening-coles/?fp=16&fpid=1>)

***The great retail bifurcation, Deloitte Insights, 14 March 2018 (https://www2.deloitte.com/insights/us/en/industry/retail-distribution/future-of-retail-renaissance-apocalypse.html?cid=dcom_promo_featured|au;en)



Overcoming the challenges: begin with business systems

In addition to marketing and industry trends, there are multiple operational issues you need to effectively manage to remain an indispensable part of your customers' supply chain. Some of the daily challenges facing wholesale distribution businesses include:

- Long leads times and shipping costs.
- Keeping enough stock on hand to satisfy current and future sales.
- Taking accurate stock counts so you can improve turnover.
- Tracking lots, serial numbers and expiry dates to manage traceability and stock age.
- Running an efficient warehouse with accurate picking and fast delivery.
- Reducing returns, professionally managing warranties.
- Being able to meet requirements of major retailers' distribution centres.

All of these factors are firmly nudging wholesalers towards running a leaner business—with just the right levels of stock and efficient, cloud-first approaches. Holistic business systems make it possible to trim the fat because they offer greater visibility and control across your business.

That is why Leverage Technologies has implemented solutions specifically for wholesale distribution companies.

W9 Wholesale Distribution Dental, medical, healthcare 15 staff

Tracking healthcare products across Australia with SAP Business One

As a major importer and wholesale distributor of dental and medical products, W9 distributes its extensive range of products Australia wide to customers including dental and medical distributors, government clinics health funds and universities. To streamline its inventory and operations and introduce a scalable platform to support growth W9 adopted the SAP Business One application with the help from Leverage Technologies, an SAP gold partner.

Value-driven results

- ▶ **Scalability.** W9 leveraged SAP Business One to scale the business from handling just 12 orders a day to handling hundreds of orders a day;
- ▶ **Control.** SAP Business One helped W9 streamline picking, packing, order fulfilment, procurement and supply chain logistics.
- ▶ **Confidence.** W9 can rely on a robust platform to help them grow and expand throughout Australia.

"The recent enhancements from Leverage Technologies has allowed us to reduce our processing time by over 50%."



Noah Shroot
Manager



**Harness up-to-date
data across**

all aspects

of your business

Transform quickly with robust functionality

Our solutions are based on the robust ERP functionality and offer a secure and reliable way to harness up-to-date data across all aspects of your business, including across multiple warehouses, business entities, and countries.

By working with us you'll achieve a Configured implementation of an Enterprise Resource Planning solution that **provides your business with:**

- A single database and complete view of how your business is operating in real-time.
- An integrated way to manage finance, purchasing, inventory, and customer service.
- A solution that is straightforward to deploy in the cloud, helping you improve quickly.
- The ability to easily scale or add new warehouses without the need for new technology or training.

Our solution will allow you to remain competitive—a valued lynchpin between suppliers and sellers—by **enabling you to:**

- Forecast demand and plan purchasing to manage lead times, costs, MRP, and replenishment.
- Optimise shipping costs and container loads to ensure the best use of space.
- Stocktake and report on turnover accurately to adjust your re-orders and sales tactics.
- Minimise dead or ageing stock and know the value of stock in each warehouse at a glance.
- Stay abreast of product life cycles and manage product succession.
- Increase the efficiency and speed of warehouse management, picking, packing and delivery.
- Streamline processes to satisfy requirements of major retailers' distribution centres.



Cement your place in the supply chain

Leverage Technologies' ERP solutions for wholesale distributors will ensure that you're optimising every stage of purchasing, storing, selling and delivering stock. Developed specifically for your industry, we have combined the ideal mix of functionality. Improving customer service, cash flow and pick accuracy.



Advanced planning and forecasting



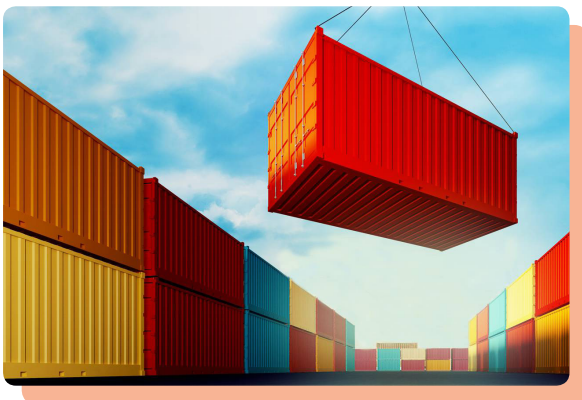
Every time you make a purchasing decision you need to weigh up multiple variables including: lead times for shipping; current orders; anticipated demand; what products are available; what stock you already have on shelves; what stock is in-transit, and more. Balancing cash-flow and on-time in full delivery.

A robust ERP solution made for distributors simplifies purchasing.

Our solution helps you to access the information you need, analyse and accurately forecast demand, calculate your economic order quantity, minimum order quantity, and gives you access to accurate materials requirements planning (MRP). You can also evaluate suppliers, in order to easily determine the best price, and the most reliable source, of the products you need.



Container management



Purchase planning can give you clarity about when and how much stock to order to balance supply and demand, but the actual acquisition of stock is complicated by the practicalities of shipping goods from overseas.

You don't want to leave an order too late and end up having to fly the goods out at five times the cost.

Equally wasteful is half-filling a container because you don't have the insights needed to effectively determine what you need or how to maximise the container space available.

Our solution for wholesalers includes container management tools that enable you to optimise your container load and shipping costs by:

- Ordering the right amount and mix of stock to fill a container, based on stocking needs.
- Determining the best way to pack different items based on size, weight, durability.
- Ensuring accurate reporting of inbound stock arrival dates, back orders and expected customer deliveries using 'available-to-promise' reporting.



Sales, finance, inventory and purchase analysis



Imagine a system where your stock count accuracy is spot on, and you can even be sent alerts when fast-moving item falls below a pre-determined number of units so you know it's time to place an order? Our solution makes it possible. You'll have total visibility of stock within each warehouse, and across multiple warehouses.

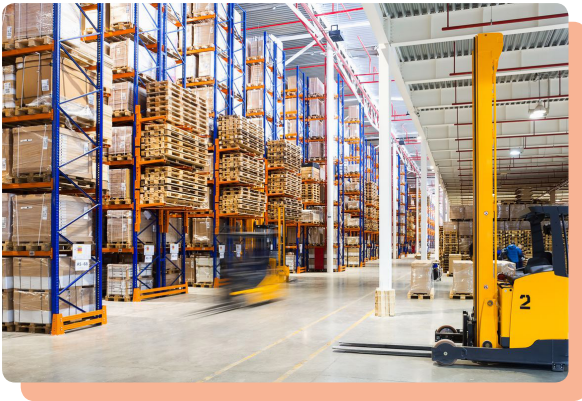
You can easily run reports to discover:

- Your total stock counts including by multiple unit types.
- Your minimum and maximum stock levels.
- OTIF reporting
- Fast-moving stock, to help you minimise stock outs.
- Stock turnover, to reduce excess stock.
- Stock ageing reports, to minimise dead stock or manage expiry dates.
- Stock holding reports so you know the precise value of stock in any particular warehouse at any given time.

In particular, our comprehensive solution for wholesalers makes it easier to avoid the costs associated with dead stock. Dead stock costs you in two significant ways: loss of value of the items, and loss of value from wasted space in your warehouse. If stock has been sitting on the shelf for too long or is about to expire, you need to know so you can take action—whether that's initiating a sale or promotion, writing it off, ordering less in future, or discontinuing the product.



Accurate picking and warehouse management



As well as having stock available, you need to locate and deliver goods quickly to satisfy your customers. From the instant goods arrive at a warehouse, the actions your team take will affect your end customer.

You need a sophisticated system that tracks every aspect of your inventory and guides an efficient picking and packing process.

Our solution ensures your team's actions are informed, precise and highly organised:

- Receiving goods is methodical as deliveries are matched to purchase orders in the system to ensure accurate stock information is captured on arrival.
- You can generate and assign serial or batch numbers to items received so you can trace them easily, which is important for highly regulated products like food and drugs.
- You can optimise and precisely control the allocation of goods to specific sections and bins within a warehouse, and manage items across multiple warehouses.
- Pick lists are automatically generated and supported by bar-coding integration.
- The packing process is streamlined, with multiple queues and scan-packing integration.
- You can track serial numbers and automatically create warranty records to better manage returns.



Mobile, paperless warehouse



Traditionally your warehouse manager and employees would rely on a paper trail to manage order fulfilment on the floor, including the best way to pick and pack items. The danger is, paper can be lost and human error can mean mistakes creep in.

The end result can be picking the wrong items or items being sent to the wrong address.

Our solution enables you to move to a wireless system using handheld scanners: your pickers get specific detail about the correct aisle, bin and shelf to pick from. The device validates at every step against order information in the system, so if the wrong barcode is scanned, the picker knows instantly. Picking and packing not only becomes more accurate, it's also much quicker.



Meeting all major retailers' needs



Big retailers like Coles, Myer, and Bunnings have a comprehensive network of distributors across the country and want to streamline their processes, to ensure the arrival of goods at their large distribution centres is a smooth process.

Most large retailers want the wholesale distributors they work with to use systems that are compliant with their electronic processes.

This requires using an **Electronic Data Interchange (EDI)** to manage transactions, order acknowledgements, and shipping orders. Our solution supports you to meet multiple Australian EDI standards to ensure you can remain compliant with your large and lucrative customers.

These are just some of the features of the unique solution Leverage Technologies can implement to help you gain control over your inventory, improve cash flow, and excel at customer service within your wholesale distribution business.

Because these features come as part of a unified ERP solution, you can customise your business systems to ensure data is shared across functions including finance, manufacturing, production, sales, and customer service.

Markris Foods Wholesale Distribution Food 10 -15 staff

Food wholesaler runs fast with SAP Business One

Queensland business Markris Wholesale Foods has a reputation to uphold: as a “purveyor of fine foods” and the kind of business that will go the extra mile for their clients. That means being fast and flexible enough to make ad-hoc deliveries, multiple deliveries in one day, or source special one-off products. Our tailored, cloud-based solution built on SAP Business One enabled Markris to connect their supply chain to their financial, procurement and Customer Relationship Management systems to streamline processes and grow smart.

Value-driven results

- **Straemlined processes.** Markris Foods leveraged SAP Business One to connect every aspect of the business into a single, scalable platform.
- **Efficiency.** The business relies on SAP Business One to manage evry aspect of the distribution process including purchasing, stock takes, bin locations, reporting and more.
- **Confidence.** The system enables Markris Foods to plan and actuate growth plans with confidence, knowing that the platform with scale seamlessly.

“We would definitely recommend Leverage Technologies to any other business looking to implement a new ERP system.”



Chris Cole
Manager

Built on Outstanding Technology

Leverage Technologies represents ERP solutions from world leading providers - SAP, Sage and MYOB.

 SAP[®] Business
One myob sage X3

The team at Leverage Technologies works closely with wholesale / distribution companies to deliver digital transformation across finance, inventory, purchasing, sales, manufacturing and service. The team at Leverage Technologies focuses on achieving business benefits for our customers:

- › Improved cash flow through inventory optimisation
- › Better customer service - by assisting with on time, in full delivery
- › Happier team members by providing easy to use systems that allow team to focus on what is important to your business
- › The delivery of better information for improved decision making.

Our solutions include:

- › EDI - Electronic Data Exchange to the major retailers in Australia
- › E-commerce integration to ERP / inventory and ordering
- › Inventory optimisation - for improved picking and packing accuracy
- › Wireless warehouse - to assist with pick accuracy
- › Container management - to assist with reducing the cost to ship goods
- › Transport management - to ensure goods are shipped on time and to manage shipping costs
- › Purchase planning - to help streamline the purchasing process
- › Sales integration - to streamline customer relationship management and the sales ordering process
- › Dashboards, KPIs and reporting - to provide you with the information you need - where and when you need it.

Is your business being held back by poor systems?

Remaining competitive in today's global marketplace isn't straightforward. Wholesale distributors need real-time visibility and connectivity, and ultimately that means an operation that's enabled by superior technology.

Look at the existing disjointed or paper-based systems used in your offices and warehouses, and ask: How is this affecting cash flow? How is this influencing your customer experience and service?

Our solutions provide you with more efficient back-end operations and a smoother flow of information and insights across your finance, marketing and customer service teams. That kind of integration is essential to drive improvements that enable you to streamline, meet and exceed changing customer expectations, maximise profit margins, and grow your business.

The future awaits. Take the next step and talk to Leverage Technologies

Visit www.leveragebusinessone.com.au

Phone 1300 045 046



The future

awaits.

**Get in touch
today**

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THANK YOU

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