

Wholesale Distribution ERP in 2024: The Future of Inventory and Supply Chain Management



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Enterprise Resource Planning (ERP) software has become an invaluable asset for wholesale distributors of all sizes looking to streamline operations, reduce costs, and scale efficiently. By integrating key business systems and data into a centralised platform, ERP systems like NetSuite provide wholesale distributors with the visibility and control needed to make better decisions across the enterprise.

The wholesale distribution market relies heavily on efficient supply chain management, inventory control, and seamless order processing. ERP offers an integrated system to manage everything from purchasing and logistics to accounting and sales in one place. This provides wholesalers with a competitive advantage in demanding B2B markets.

Leading ERP vendors like Oracle NetSuite offer solutions tailored specifically for wholesale distribution requirements. This includes robust inventory management capabilities, automated workflows for procurement and order fulfilment, integrated CRM and accounting, real-time reporting and analytics, and ecommerce integration.

The Challenge of Disconnected Software Systems

Wholesale distributors who still rely on a patchwork of disconnected software systems and spreadsheets often face critical inefficiencies that threaten growth and profitability. Key challenges include:

- Limited visibility into real-time inventory across warehouses
- Inaccurate demand forecasting and production planning
- Difficulty managing promotions, contract pricing and sales incentives
- Order errors and delays due to manual processes
- Inability to identify profitable vs. unprofitable customers and products
- Supply chain disruptions and stockouts

By implementing an integrated ERP solution designed for wholesale distribution, companies can modernise operations, reduce costly errors, and make informed business decisions. The improved automation, reporting, and planning capabilities drive greater productivity, customer satisfaction, and profit margins.



"ERP systems are critical for wholesale distributors, providing a centralised platform for streamlined operations and informed decision-making. This technology is key for inventory management, order processing, and maintaining a competitive edge in B2B markets."

– Tiernan O'Connor, Sales Director, DWR Consulting

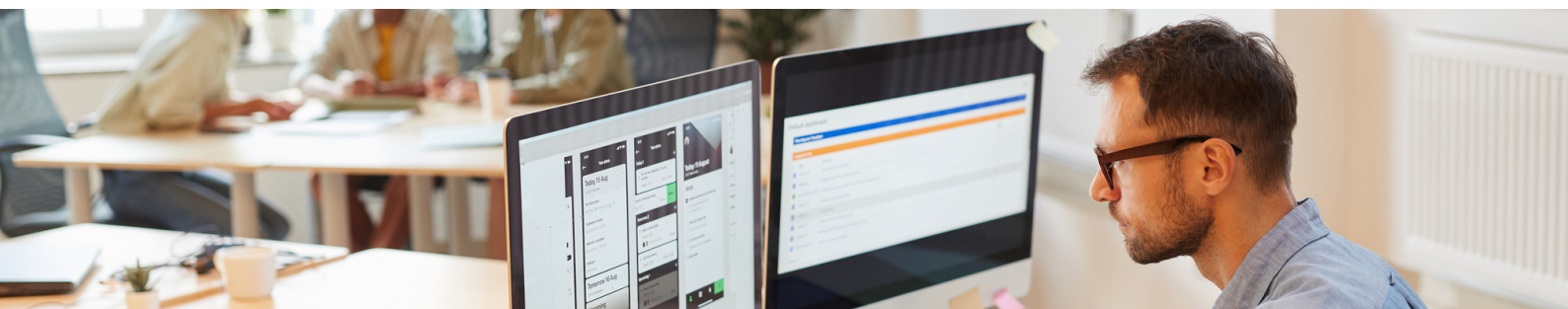
Optimising Inventory Management with ERP

Effective inventory management is crucial for wholesale distributors to maintain optimal stock levels and ensure high service levels. However, managing inventory efficiently across multiple locations and sales channels can be challenging without the right technology. A good ERP system will provide real-time visibility into inventory across all warehouse locations as well as extended supply chain locations such as 3PL partner warehouses and distribution centres.

Integrated order processing in ERP allows inventory levels to automatically update as sales orders are entered and fulfilled. Another key capability is the automation of inventory planning and replenishment based on historical data and forecasts. ERP helps create automated reorder points and safety stock parameters. As inventory levels deplete, the system can automatically generate purchase orders to suppliers.

NetSuite's ERP system for Wholesale Distribution also includes inventory optimisation engines that take into account factors like seasonality, lead times and variability in demand. These engines recommend the optimal inventory policies to maintain high fill rates while minimising carrying costs.

By providing real-time oversight and automation of inventory activities, ERP enables wholesale distributors to significantly improve turns, reduce stockouts and write-offs, and lower overall inventory costs. This leads to better customer service, optimised cash flow and a leaner supply chain.





Streamlining the Order-to-Cash Process

Wholesale distributors can significantly improve cash flow and working capital by streamlining the entire order-to-cash workflow with NetSuite. With NetSuite, distributors can achieve end-to-end workflow automation for faster and more accurate order processing. As soon as a sales rep generates a customer quote, the information flows directly into the inventory management dashboards. If the quote converts to an order, it is seamlessly updated in the system by upgrading the transaction to an order, rather than creating and linking new transactions for each step of the sales process.

Once an order is fulfilled, the integrated transaction is routed to the invoicing module for immediate invoice generation. Instead of waiting for accounting staff to manually create invoices, the financial system is updated in real-time through simple workflow rules that can be customised by product, category, location or any other custom segment needed by the user.

This accelerates billing cycles so invoices go out faster. Payments are applied as soon as they are received to provide an updated cash position. All of this results in improved cash flow, higher working capital, and better insight into accounts receivable.

By removing manual bottlenecks in the quote-to-order-to-cash cycle, an ERP system enables wholesalers to speed up key financial processes. Orders get billed faster, payments arrive sooner, and cash flow improves.

ERP Support for Omnichannel Distribution

Wholesale distributors today need to manage multiple sales channels to serve their customers, including brick-and-mortar stores, ecommerce sites, online marketplaces, mobile apps and more. An ERP system optimised for omnichannel operations can provide the integration and visibility distributors need across channels.

Key capabilities that leading ERPs provide for omnichannel distribution include:

Managing multiple sales channels with one system

A unified ERP platform connects data and processes across all sales channels, providing a centralised view of inventory, customers, orders and fulfilment. Distributors gain real-time visibility and operational efficiency.

Real-time inventory visibility across channels

The ERP gives access to current inventory quantities and status across physical stores, websites, marketplaces and other customer touchpoints. This prevents overselling and provides accurate promise dates.

Seamless order creation and fulfilment

As orders arrive via different channels, the NetSuite automatically routes them to the most optimal warehouse or retail location to fulfil based on inventory availability, proximity and other factors.

With an omnichannel ERP, wholesale distributors can deliver a unified brand experience across channels while fulfilling orders accurately and efficiently based on real-time inventory data. This enables maintaining high service levels and optimised operations even with complexity across multiple sales touchpoints. The right ERP removes channel silos to provide the visibility and integration needed for excelling at omni channel distribution.





Data-Driven Pricing, Promotions and Sales

Wholesale distributors are increasingly leveraging ERP systems to optimise pricing, promotions and sales performance. By integrating data across finance, inventory, sales history and market conditions, ERP systems can provide automated support for intelligent pricing decisions.

Rather than relying on manual price lists, ERP-enabled pricing tools can automatically calculate optimal prices for each product based on associated costs, desired margins, sales trends, seasonal factors, and competitive market analysis. Price elasticity modelling helps determine ideal price points to maximise revenues.

Promotions management is streamlined by tracking promotion calendars, eligibility rules, redeem rates, and ROI. By centralising promotions data in the ERP, distributors gain visibility into which offers are truly driving sales. Analytics can also identify which customer segments respond best to different types of promotions.

Understanding sales performance is critical. ERP reporting and dashboards can track sales by product, brand, region, rep and other dimensions. Distributors can see which products are trending, identify high-margin vs low-margin items, and adjust sales strategies accordingly. Analytics empower informed, data-driven decisions to optimise promotional spending, sales operations and overall profitability.

By leveraging ERPs to integrate pricing, promotions and sales data enterprise-wide, wholesale distributors make better decisions to boost margins, increase turns, drive revenues and gain a competitive advantage.

"NetSuite's ERP solutions transform the order-to-cash process for wholesale distributors, enabling faster, more accurate order processing and improved cash flow. This integration streamlines operations, accelerates billing cycles, and enhances financial visibility."

– Tiernan O'Connor, Sales Director, DWR Consulting

Improved Supply Chain Visibility and Efficiency

ERP systems provide wholesale distributors with real-time visibility into their supply chain and logistics operations. By integrating purchasing, supplier management, inventory planning, and logistics, ERP enhances supply chain efficiency.

Purchasing and supplier management modules in ERP consolidate procurement processes onto a single platform. This provides a centralised view of purchase orders, supplier performance, costs, and lead times. Automated workflows for purchase requisitions, approvals, and PO creation streamline procurement.

Supply Chain Planning

Supply chain planning and automation features in ERP generate accurate demand forecasts, set optimal inventory targets, and automate replenishment. This minimises stockouts and excess inventory while improving turn rates. ERP also allows "what-if" scenario planning to model the supply chain impact of new products, sales promotions, and other changes.

Logistics Management

For logistics management, ERP integrates order fulfilment, shipping, and transportation on one system. This connects sales orders to inventory allocation and shipping execution. ERP provides real-time tracking of shipments and can rate shops across carriers for cost-effective delivery.



Compliance Management

Compliance is a critical concern for wholesale distributors, especially those dealing in regulated industries like food, beverage, and pharmaceuticals. ERP systems provide robust tools to automate compliance processes and ensure adherence to industry regulations.

Lot Traceability and Recall Management

For food, pharmaceutical, and consumer goods, the ability to quickly trace products through the supply chain is imperative in the event of recalls or contamination issues. ERP systems like NetSuite enable distributors to assign unique batch or serial numbers and track expiration dates down to the lot and SKU level. If a recall occurs, they can instantly generate reports showing which customers received impacted products. This rapid traceability minimises liability risks and damage to the brand.

Automated Customs and Export/Import Compliance

For companies that import or export goods internationally, customs compliance is essential but extremely complex. ERP provides automated customs management tools that calculate duties and tariffs, screen for

restricted parties, manage licensing and declarations, and integrate with customs filings. This improves compliance accuracy while accelerating the export/import process

Analytics and Business Intelligence

Wholesale distributors handle massive amounts of fast-moving inventory and transactional data on a daily basis. An ERP system with embedded business intelligence and analytics capabilities can help distributors gain actionable insights from this data to guide smarter business decisions.

Key analytics features that leading ERPs provide include:

Embedded BI and reporting

Modern ERPs have built-in reporting and dashboards to visualise key performance indicators (KPIs) without needing separate business intelligence software. Users can easily generate reports on sales, inventory, purchasing, financials and more.

Data warehouse and dashboards

A data warehouse collects and organises data from across the enterprise into one central repository for analysis. Dashboards offer at-a-glance views of KPIs with drill-down capabilities. This enables executives and managers to continually monitor the pulse of the business.

Trend analysis and forecasting

Analysing historical data trends allows businesses to spot patterns and predict future outcomes. ERP analytics can generate forecasts for demand planning, inventory, sales pipeline predictions, budgeting and more.

With embedded analytics and business intelligence, wholesale distributors can turn their data into actionable strategic insights. Having the necessary visibility to understand business performance helps distributors react quickly, spot issues before they escalate, and capitalise on new opportunities.

Scalability for Business Growth

The right ERP solution provides the flexibility and extensibility to support changing business models and growth. As a wholesale distributor's business evolves, the ERP system needs to adapt as well.

Flexible to support new business models

A modern cloud ERP system allows wholesale distributors to rapidly implement innovative new business models like direct-to-consumer, recurring orders or usage-based billing. Configurable workflows, business rules and data structures enable launching new initiatives without extensive custom coding.

Easy integration and extensibility

Wholesale distributors need to connect many applications for ecommerce, CRM, payments, shipping and more. An API-first ERP platform with pre-built connectors makes integration seamless. This avoids custom coding and speeds implementation of new technologies.

Scalable cloud deployment options

ERP systems must scale to support business growth. A true cloud ERP platform provides flexible deployment options to ramp usage up or down. This allows supporting growth in users, transactions, locations and data volumes cost-effectively. Leveraging the cloud's scalability and pay-as-you-go pricing optimises costs.



The Wrap Up

Wholesale distributors stand to gain immense benefits from implementing an ERP system optimised for their unique business needs. As we've covered, NetSuite helps distributors gain control over inventory, streamline order fulfilment, enable omnichannel operations, make data-driven decisions on pricing and promotions, achieve supply chain efficiencies, ensure compliance, and harness valuable analytics.

With real-time visibility and automation across the business, ERP acts as a growth enabler for wholesale distributors. It provides the foundation for scaling up revenue, expanding into new markets and channels, onboarding new suppliers and customers, launching new product lines, and future-proofing operations. ERP implementation lays the technology groundwork to support business growth and evolution.

The time is now for wholesale distributors to bring their business into the digital age with a robust ERP platform. With the right solution in place, distributors can transform outdated manual practices into integrated digital processes for improved productivity and profitability. There's simply no better way for wholesale distributors to optimise operations, reduce costs, drive revenue growth, and gain a competitive advantage than to adopt ERP.