Vision33

Inventory Management
in a Changed Marketplace

Top considerations to improve your distribution operations.

A Changed Marketplace

The effects of economic uncertainty have been profound for distribution businesses and manufacturers with distribution operations. Some have adjusted to new methods of selling, but others haven't. Many are still figuring out their ideal operations model.

Why? Because whether the current business climate is hurting or helping businesses, one thing is certain—operating in the new marketplace has changed and will continue changing.

Customers have changed. As they experience supply chain difficulties and their customer base evolves, what they order from you—and how—is in flux.

Inventory demands have changed. There are more orders, possibly thousands of smaller orders your business must fulfill faster. Keeping up requires creativity due to labor shortages.

Channels have changed. Channel variation is the new norm as distributors go direct to consumers, skip steps in the B2B chain, and nurture a new or growing eCommerce presence.

ECommerce growth has changed everything. Many distributors rapidly established an eCommerce channel—but for many, the eCommerce platform remains a non-core system that hasn't been integrated into a cloud-based enterprise resource planning (ERP) solution or other critical business system.

Distribution business owners know their environment and processes must change to succeed in a new distribution world.

Inventory Management Woes Abound

What happens when introducing eCommerce and other channels dramatically increases order volume? Chaos.

What do we have?
With all the supply chain and customer channel changes, many businesses struggle to know their inventory.
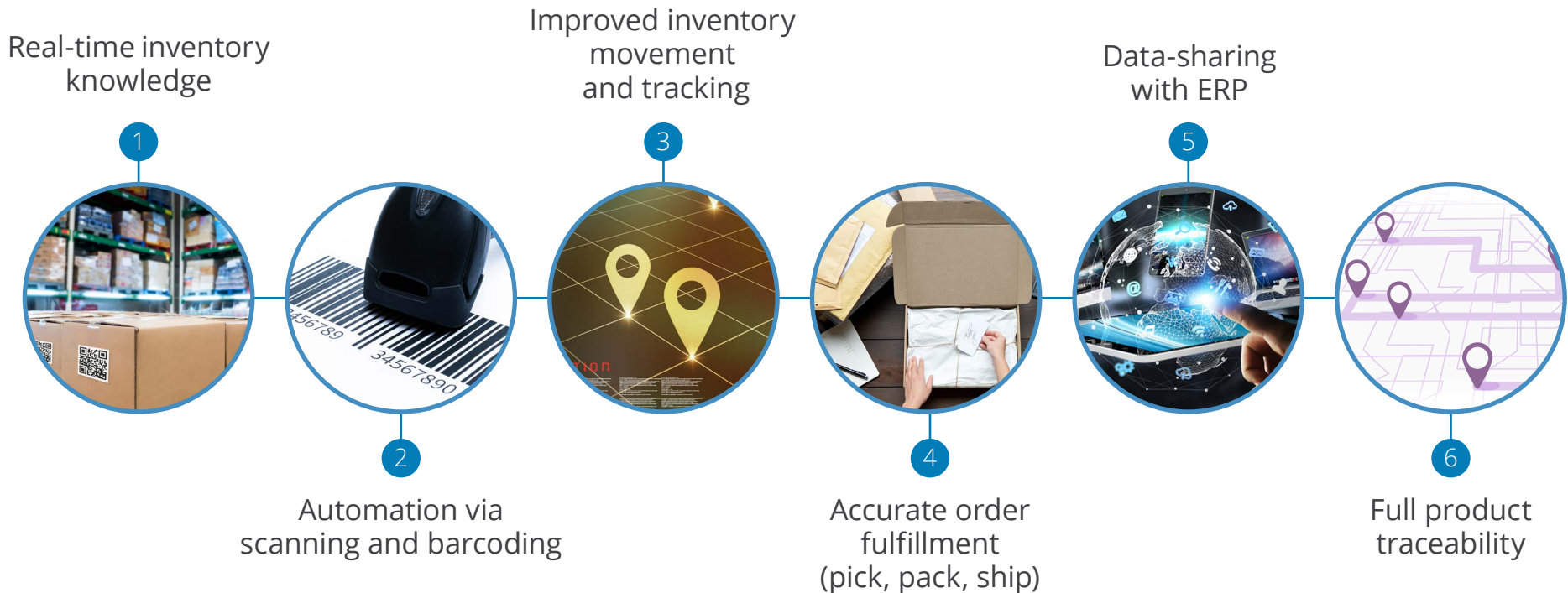
What's wrong with our fulfillment?
With a more complex set of customers, varied order sizes, and changing fulfillment needs, distribution operations aren't keeping pace because they're too dependent on manual processes and data-sharing between systems.

Why can't customer service answer basic questions?
With no visibility into real-time inventory, customer service teams must visit the warehouse systems to see what's in stock or why there was a fulfillment error, mis-ship, or delayed shipment. This causes customer churn.

A warehouse management system (WMS) brings order to chaos and will soon be the top technology purchase for distribution-focused businesses. A WMS addresses these process needs.

Improved inventory management processes will achieve:

1 Real-time inventory knowledge

2 Automation via scanning and barcoding

3 Improved inventory movement and tracking

4 Accurate order fulfillment (pick, pack, ship)

5 Data-sharing with ERP

6 Full product traceability

Integrated Inventory Management

Do you have enough product in stock for the next Amazon order?

Can you satisfy the 150 people who just ordered directly from your online site?

How much stock of your top five products do you need this month? Next month? Three months from now?

From dips in demand to keeping products in stock, it's hard for distribution business leaders to keep up—much less forecast. That's especially concerning in today's economy because Amazon and other B2B buyers prioritize vendors who can meet their fast-changing needs.

Consumers are no different. If you can't fulfill their instantaneous desires, competitors are just a few clicks away.

But if you can forecast and fulfill demand, you'll immediately surpass 80% of your competitors.

You need automation and integration. Managing inventory in a non-integrated environment—such as using entry-level software like QuickBooks and spreadsheets—results in manual updates that cause inaccurate reporting and forecasting. You don't know what you have in stock, how fast you can ship, or the status of inbound and outbound shipments.

In an integrated environment, everything happens in real-time based on a single transaction, virtually eliminating errors.

Then, when you integrate inventory management and cloud ERP, forecasting based on historical and projected demand accurately pinpoints your current and future inventory needs.

A best-in-class WMS provides automation and integrates easily with popular ERP systems.

How to Consider Automation & Integration

Business owners rarely make massive changes simultaneously. Many start by fixing their biggest pain points. Others are so overwhelmed they don't know where to start.

Vision33's experience with hundreds of distribution clients shows that manual processes are the number one problem to fix.

Automation is critical for distribution businesses.
Manual processes cause many mistakes, but you can eliminate those nagging errors by automating critical warehouse processes.

What about integration hassles?
Integrations are much easier thanks to new, simplified platforms, and you'll find options that will work with you today and grow with you tomorrow.

Modern integration platforms allow you to select the BEST systems for your inventory management needs.

Ask yourself the right questions:

- Where can we automate?

- Which automations will have the most significant impact?

- What can we do with integrated automations, such as barcoding, sharing data with suppliers, updating ERP information, etc.?

The sky's the limit on ways to automate the warehouse and better track inventory.

How Can Easy Integration Drive Your Innovation?

Today, fast movers at distribution-focused businesses run 10+ applications to optimize inventory management and other operations.

They're doing so with modern, cloud-based integration platform as a service (iPaaS) solutions like Vision33's The Saltbox Platform.

Saltbox makes integration easier because it uses cloud technology instead of standalone, on-premises systems.

For example, if your shipping software solution no longer works well with your WMS, you can switch to a solution such as ShipStation. With Saltbox, you won't need a big integration project—just a simple connector.

No matter where the data comes from, it all ends up in one Saltbox repository, allowing distributors to manage their logistics more efficiently and effectively.

Here's a common use case:

1. A distribution business has a cloud ERP solution

2. It adds an eCommerce system like Shopify or Magento

3. It adds a solution like ShipStation for the warehouse

After evaluating its pain points, the company decides to integrate these systems.

Saltbox makes it happen quickly with:

- Integration, workflow, and collaboration between the different applications

- Connection of transactional data between systems

- Continuous expansion of pre-built connections for common business applications, such as Shopify, WooCommerce, and Magento
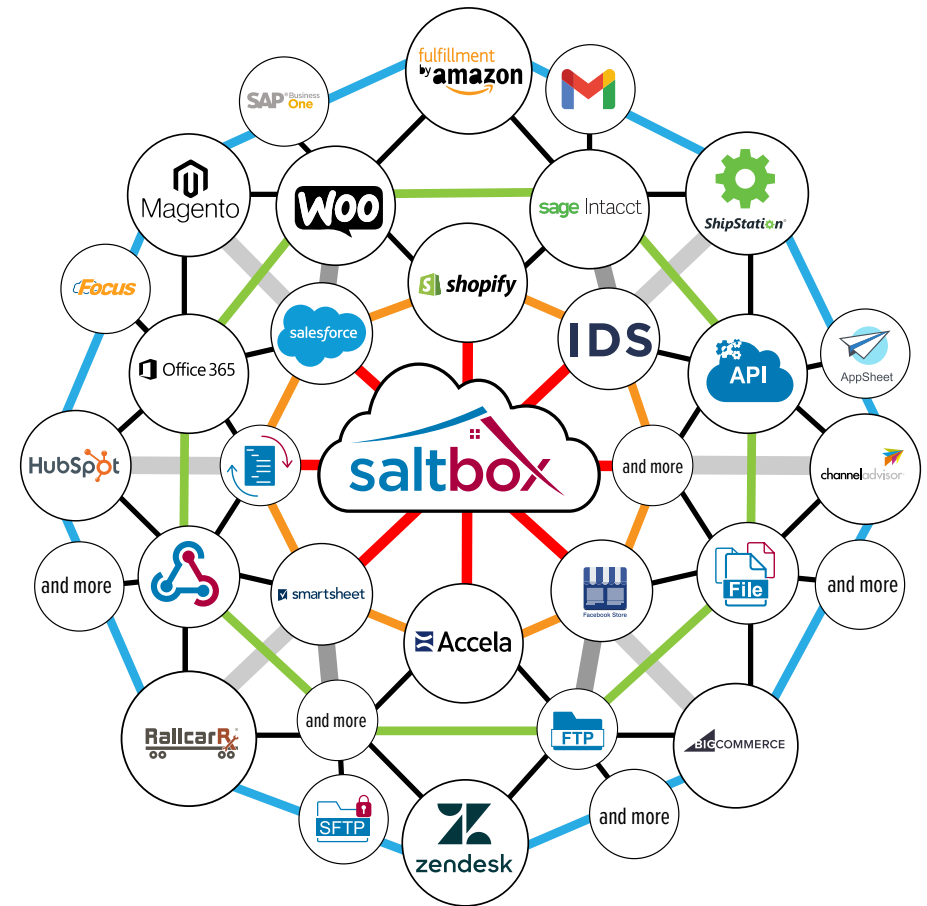
Ask, "Which systems can make my business better?" Then ask, "How much better when they're integrated?"

Which ECommerce Solution Is Best for Your Business?

ECommerce is changing the game for distributors and distribution-reliant manufacturers. New eCommerce solutions have improved and now integrate easily with cloud ERP solutions.

But which eCommerce is best for your business?

There are many quality eCommerce solutions, so choose the one that fits your industry and level of eCommerce maturity.

Some solutions are ideal for small start-up businesses, while others cater to large-scale operations. Solutions like WooCommerce, Shopify, and Magento are well-known, but each has a different focus.

For example, Shopify is for companies that do business on multiple channels. It focuses on simplifying transactional processes while giving customers options. It easily handles fluctuations in purchases and order amounts and is perfect for companies that operate as B2B and B2C.

You need a solution that aligns with your business's operational needs. And though it seems unusual, you can mix and match a customized solution because different eCommerce solutions and adjacent apps present an almost infinite number of options for addressing every type of sales and logistics challenge.

Select an eCommerce solution that aligns with your current operational reality and your strategic direction.

Tip: Don't limit your choices. It's better to change eCommerce platforms later than restrict your long-term operational strategy.

Strategic Questions
That Set Your Operational Path

Consider how the changed marketplace is affecting your business. Add the growing importance of eCommerce, and you quickly recognize the need to chart a new course.

Start by asking the big questions—the answers will guide your long-term strategy.

Questions you should ask:

- What will our business look like in three to five years?
- Which capabilities do we need to function then (and now)?
- Do we have the right people? If not, can we hire them?
- Do we have the right processes? If not, which are missing?
- Do we have the right systems to get us where we want to go?
- What will it cost to implement the right solution(s)?
- What will the ROI of these changes be?

Vision33 can help you answer these questions and understand the challenges and trends you face so you can better position your business in the market. Adopting a cloud-based ERP solution like SAP S/4HANA Cloud, public edition, SAP Business ByDesign, SAP Business One, public edition or an integration solution like The Saltbox Platform keeps your business competitive with solutions that manage fluctuating conditions, enhance workflows, and improve supply chain visibility.

Start the conversation with Vision33 and learn how we can help you get a better handle on your processes, improve strategizing, and unlock business opportunities.
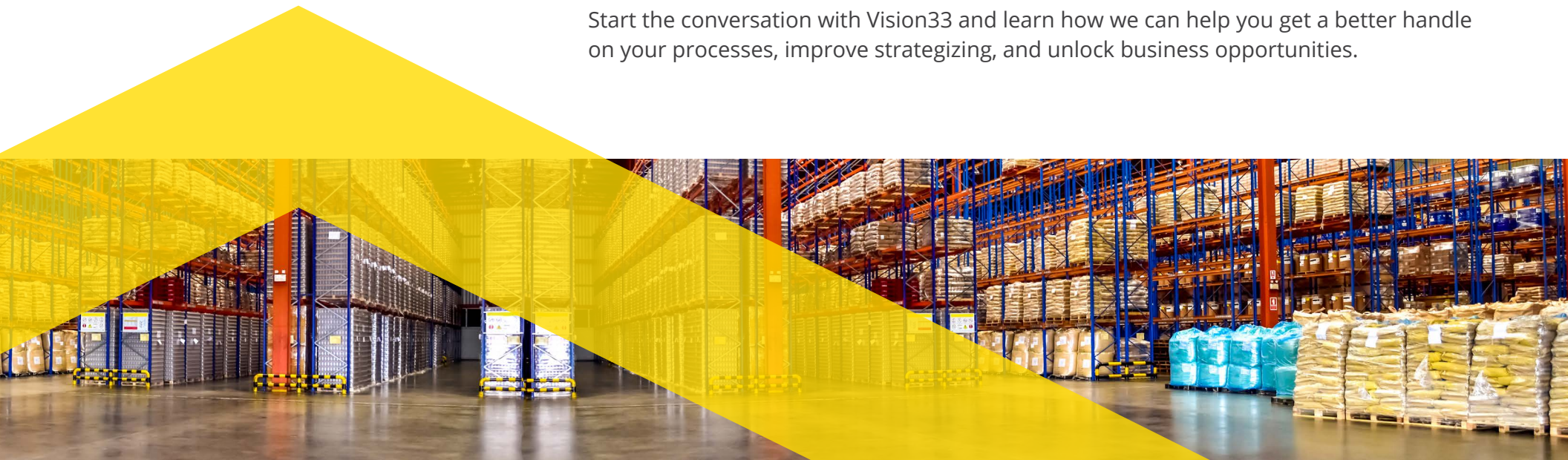
Vision33 transforms business processes and results for customers by delivering value through the promise of technology and its benefits for growing businesses. For over 30 years, we've helped companies integrate and automate their processes and applications to better serve their customers, employees, and stakeholders.

With customers worldwide, Vision33 helps organizations outperform their competition and lead their industries with successful technology investments. Our nearly 500 employees offer product expertise, business experience, and innovative technology leadership.

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