

# Tech transformation for wholesale distribution

From quick fixes and workarounds to proactive  
planning and streamlined solutions



# Contents

Introduction	2
Are your systems fit for purpose?	5
1. Issues slip through the cracks	5
2. Inaccurate inventory tracking	5
3. Multiple warehouses, multiple problems	6
4. Lack of collaboration and communication	6
5. Data-entry double-ups	6
6. Order fulfilment issues	6
7. No single source of truth	6
Tech transformation for wholesale distribution	7
Smoother inventory management and stock control	7
Built-in financial management tools	8
Better tools for you, better service for your customers	8
Visibility of everything	8
Streamline, simplify and find your competitive edge	9

# Introduction

The wholesale distribution sector is being pulled in all directions – supply chain issues, inflation and rising prices, rapidly changing customer demand, and competition from major new market players, not to mention ongoing disruption caused by COVID-19.

Many businesses in the industry are struggling to keep up. Managing supply chains, ordering, inventory, delivery and customer service has always been complex, and the recent pressures are only making things more difficult. Delays are increasing, profitability is suffering and some businesses will inevitably go under.

As disruption continues, tech solutions are proving their worth.



Newer wholesale distribution systems have shifted from inventory management or customer service software to platforms that combine key business tasks in a unified system. As a result, business leaders get a clearer view of supply chains. They can coordinate purchasing, warehousing and ordering, which delivers the analytics they need to make better business decisions and boost profitability.

While tech can't solve every problem, businesses with powerful, flexible and future-proofed systems will be more likely to survive – and thrive – even as new challenges emerge.

Although every wholesale distribution business has its unique pressures, several broader trends are impacting the industry.





## Changing expectations and increasing competition

In our increasingly online world, customer expectations no longer align with traditional wholesale distribution systems. In a retail context, people are used to online ordering, 24/7 support and real-time updates – they expect the same of importers and suppliers.

The sector is also experiencing disruption from massive multinational companies like Amazon and eBay. These major players are stepping up their direct sales to retailers, and even cutting retail out altogether to sell directly to the consumer. Because they're so huge, they can often negotiate great deals on product, undercutting prices offered by traditional wholesalers. These companies also have cutting-edge tech infrastructure, support and distribution systems. Smaller businesses – with less buying power and less to invest in tech – find it hard to compete.



## Supply chains and stock issues

Supply chain problems have claimed a lot of media attention in recent years, with COVID-19 disrupting manufacturing and supply on an unprecedented level. Factory closures, limitations during quarantines and sickness among staff impacted manufacturing and delivery, while travel restrictions limited or delayed imports.

Almost three years later, with COVID-19 issues still lingering, the sector is in catch-up mode. Other factors have had an impact as well – extreme weather, global conflict and events like the blockage of the Suez Canal in 2021. The ongoing problems have exposed the surprising fragility of our global supply systems. When things go wrong, everything grinds to a halt, and products we rely on are no longer so easy to access.



Supply chain problems have an obvious impact on wholesalers and distributors – delays mean orders can't get out to customers and can hold up payment for those orders as well. If shortages go on too long, customers look for alternative suppliers or products, meaning loss of orders and the income that comes with them. While some importers try to mitigate this issue by buying large amounts of product and keeping it in stock, this also has risks. They'll need to pay for warehousing, and if demand goes down, they could end up with unsellable stock.



## Unprecedented inflation and lack of visibility

Inflation is up, and that means product, storage, staffing and fuel costs are all rising, which isn't ideal for an industry already working with tight margins and cost fluctuations.

When you're trying to balance expenses against the cost of your products, even tiny price changes can have a major ripple effect, cutting into your profit margins.



Worse, many wholesale distribution businesses have poor visibility across their organisations, and delays or cost increases are difficult to identify. As a result, you may not be able to adjust the cost of your product to make up for changes on the supply side. Keeping track of profitability is crucial, particularly when your business has so many moving parts.

# Are your systems fit for purpose?

Wholesale distribution businesses can't do much about the external forces shaping the economy or competitors encroaching on their markets, but they can optimise their internal systems to maximise resilience and flexibility.

A wholesale distribution business with streamlined workflows, real-time visibility and efficient systems is better positioned to identify upcoming issues and respond proactively, rather than scrambling to deal with problems when they arise.

If you're not using the right business management software, you could be missing those benefits – and even damaging your business in the long term.

Here are seven signs your current system isn't working for you:

## 1 Issues slip through the cracks

An effective business management system should be able to flag problems at an early stage, so you can resolve them promptly. For example, if price changes on the supply side are flagged early, you can tweak your pricing to suit.

## 2 Inaccurate inventory tracking

If your system isn't keeping track of inventory, customers will face delivery delays or disappointment when a product isn't available. Staff will waste time hunting down lost items or reordering, and the business may overspend on unwanted stock.



### **3 Multiple warehouses, multiple problems**

Managing stock levels across multiple warehouses can be complicated. If your system can't track stock movement across multiple locations, monitor inventory levels, split orders between warehouses and allocate stock as needed, it is very likely to slow you down.

### **4 Lack of collaboration and communication**

Effective communication between warehouses, offices and other locations is essential to running a wholesale distribution business. If your teams are using disparate systems without an easy way to connect, communication can break down. This creates a range of problems: bottlenecks that slow workflows, delayed or incomplete reporting thanks to lack of data sharing, and a general lack of cohesion between teams.

### **5 Data-entry double-ups**

With an effective system, data entry and other manual processes should be minimal. Recording stock details by hand, using spreadsheets for data analysis, and manually entering information into multiple systems are a waste of precious hours – and a sure sign that you need to look at other options.

### **6 Order fulfilment issues**

Getting the right items to the right places at the right times is the chief purpose of a wholesale distribution business. If you're not getting orders into customers' hands, you won't last long.

### **7 No single source of truth**

Keeping tabs on inventory, orders, multiple warehouses, office locations, staff and customers is difficult without a central point of reference for your business. Disconnected software systems mean you don't get at-a-glance updates – for example, there may be no easy way to see the day's sales numbers or check stock levels for a specific item. As a result, you don't have the information you need to make good business decisions in the long term – without visibility of upcoming orders, it's difficult to replenish stock at the right levels.





# Tech transformation for wholesale distribution

Older wholesale distribution software tends to focus on one business area – for example, inventory management or customer service. Modern enterprise resource planning (ERP) solutions are integrated, with all the essentials on one platform, so they can manage day-to-day processes and longer-term business management tasks. All customer, pricing, ordering, quoting, warehousing and inventory data is accessible in one place for simpler, streamlined decision-making and detailed tracking. If your business is facing multiple obstacles and struggling to keep up in a tough market, an ERP solution offers several benefits in one accessible package.

## **Smoother inventory management and stock control**



Inventory management and replenishment are the bread-and-butter of a wholesale distribution business – if they don't work, you're in trouble. They can also be incredibly complex – you have to anticipate demand, plan for new stock intakes, ensure that warehouse space is available, avoid overstocking or understocking, move stock between facilities, manage deliveries and more.

With an insight-driven ERP system, you get

visibility of every piece of product that moves through your business, with up-to-date data, accessed in the cloud, that gives you a view of stock levels in different locations, as well as incoming stock and upcoming orders. Even better, an intelligent system can help you forecast future demand and ensure the right levels of stock availability by analysing past sales and orders. You can optimise stock levels to prevent stockouts – and keep your customers happy.



## Automation, accuracy and time savings



By automating key ordering, inventory management, delivery and customer service processes, an ERP system can help you save time and money. It's about accuracy: reducing human input means fewer mistakes, fewer unhappy customers and less time-consuming rework. This consistent, reliable customer service can also help with retention, as customers are more likely to stay with a supplier they trust to deliver.

## Built-in financial management tools

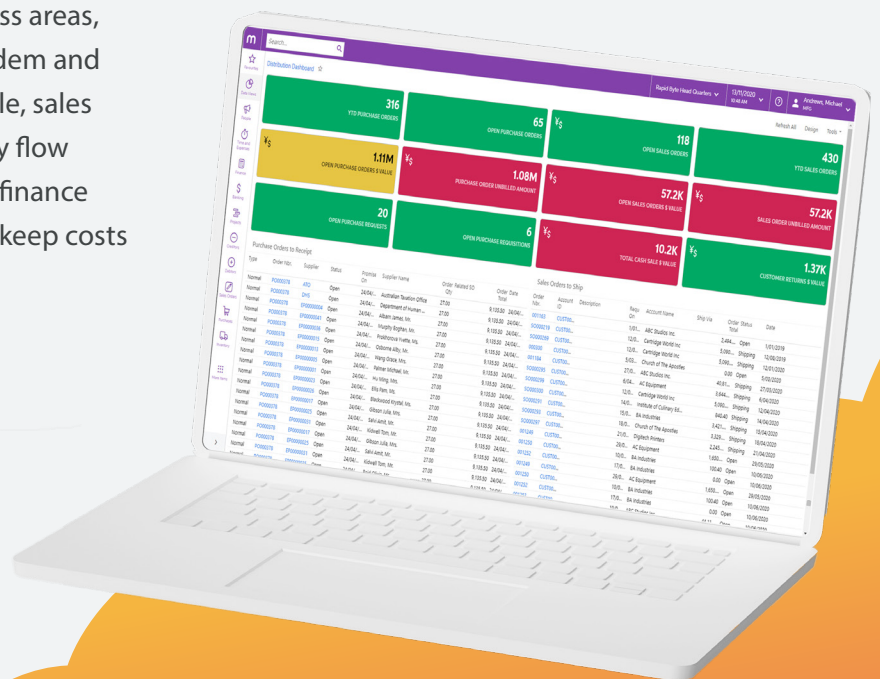


With built-in accounting, financial management and payroll, an ERP system helps to connect the operational and financial sides of your business. This means that instead of disconnection and lack of consistency between business areas, finance and operations work in tandem and information flows freely. For example, sales figures and order data automatically flow to your accounting system, so your finance team can spot cash flow issues and keep costs under control.

## Better tools for you, better service for your customers

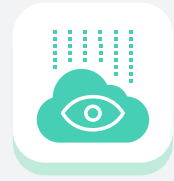


When your CRM system isn't linked with your order or inventory software, it's difficult to give customers the information they need. With an ERP solution, your CRM system is fully integrated, helping you deliver the seamless service today's customers demand. Efficient systems minimise delays and errors, accurate real-time information means you can update customers if orders are delayed, and automation helps streamline ordering and delivery processes. This results in improved services for your customers and better retention rates for your business.





## Visibility of everything



What if you could see everything happening in your business at any moment, including external supply chains and outgoing orders? With an ERP system, that comprehensive visibility is part of the package. Instead of struggling with gaps, blind spots and unexplained delays, you get real-time insight into every part of your business.

This helps you better understand availability and upcoming orders, optimise replenishment processes and ensure you have the right product in stock. In your day-to-day operations, you can see in-stock product, be notified when product is about to expire or your supply is about to run out, and respond quickly.

For example, if a product item is nearing its expiry date, you can discount it before it needs to be thrown away. If a particular product is in high demand, you can reorder to ensure you don't run out. If you're receiving a high volume of complaints about one product line, you might consider a different supplier.

The more you know, the better informed  
you are, and the better you can do.





# Streamline, simplify and find your competitive edge

When you're working in a complex sector and facing multiple issues, you may spend all your time putting out fires.

It's easy to put off major change until after the next crisis, but in today's competitive and ever-changing business environment, that could mean you're left behind.

While individual wholesale distributors can't do much about the wider issues affecting the sector, they can work to optimise their internal systems. That's where ERP solutions come in. Investing in a purpose-built ERP platform can be transformational, improving every part of your business and helping you switch from crisis-management mode to a proactive, growth-focused approach.

MYOB Advanced Business is the ideal solution for wholesale distribution organisations. Our ERP platform is designed for businesses in Australia and New Zealand, with a full suite of integrated business management tools to help you streamline the way you work. Increase productivity, simplify key processes, automate manual tasks and gain complete visibility across your business and wider supply chains.

If recent events have taught us anything, it's that disruption can come from any direction. Businesses that take a leading position in the market are those with robust systems, built-in flexibility and an eye on the future.

Want to know whether MYOB  
Advanced Business is right for you?  
Talk to our expert sales team now.

[Learn more](#)



Phone  
1300 533 361

Website  
[www.integratedlogic.com.au](http://www.integratedlogic.com.au)

