



# Wholesale distribution software eBook.

Data analytics software for wholesale  
distribution businesses

**Phocas.**  
Got data. Get results.

# Table of Contents.

<b>Data analytics software for wholesale distribution businesses</b>	<b>3</b>
<b>You need better software</b>	<b>4</b>
<b>Why you should upgrade your data analytics software?</b>	<b>5</b>
<b>1. Data frequency/currency</b>	<b>5</b>
<b>2. Speed of reporting</b>	<b>6</b>
<b>3. Robustness of system</b>	<b>6</b>
<b>4. Formats &amp; Ad Hoc data discovery</b>	<b>7</b>
<b>5. Product mix, pull-through, and cross-selling opportunities</b>	<b>7</b>
<b>6. Margin enrichment</b>	<b>8</b>
<b>7. Gross margin return on inventory investment (GMROI)</b>	<b>8</b>
<b>8. Activity-based costing for profitability</b>	<b>8</b>
<b>9. Dead/slow moving stock management</b>	<b>9</b>
<b>New era of analytics and insight</b>	<b>10</b>
<b>Get in touch</b>	<b>11</b>

# Data analytics software for wholesale distribution businesses.

Turn your wholesale distribution data into actionable intelligence

The wholesale distribution industry is a massive business, totaling over \$5.35 trillion in 2015, and according to some estimates, there are more than 330,000 companies in the industry.

While the market decelerated at the end of 2016, leaders of the National Association of Wholesalers expect the trend to reverse as we move into 2017, driven by an economy that sees employment rising, banks lending, retail sales increasing and construction improving.

A growing economy also means that competition is fierce with so many companies fighting for the same customers. Never has it been more important for distributors to build and maintain a competitive advantage. To set themselves apart from competitors, some distributors are doing more with their data, leveraging their wholesale distribution software to mine actionable intelligence for better business decisions.

Distributors generate large volumes of data every day from a variety of sources and departments. In many cases, the data is stored in disparate silos that make it difficult to aggregate and use the data to better the business. Information is becoming critical to help companies understand how their businesses are performing and where they can improve. Data is a driver of revenues, and according to a [Capgemini](#) survey of 1,000 C-suite and senior executives, is as valuable to the business as products and services.

# You need better software.

**Most businesses rely on their wholesale distribution software such as ERP systems to aggregate their information in a central location so that it can be accessible to everyone in the organization.**

While ERP systems collect the information and improve accessibility, they aren't known for making the data usable. In some cases, legacy ERP systems may be causing more harm than good, particularly if they are difficult to use, aren't kept up-to-date and don't reflect the current state of your business.

Many companies in the wholesale distribution sector are family-owned and multi-generational small and mid-size companies. In many cases, wholesale distribution software which collects, stores, and manages business data was built 20-30 years ago; prior to the Web, the cloud and the emergence of the digital age. It was fine when the company was a fledgling business, but fast-forward to the demands of modern business today, and many of the legacy wholesale distribution software simply can't keep pace with the speed of commerce.

Business data needs to be accurate and current. This should be a top priority for every company because what your development, supply chain and sales teams don't know about their products, trends and customers can hurt them. Armed with outdated sales analytics and legacy ERP systems can ultimately cost sales and damage customer relationships.

In addition to updating ERP systems, an increasing number of distributors are adopting business intelligence (BI) systems to turn their raw data into actionable insights and support the critically important function of business analytics.

A robust BI system can have a positive impact on a company's competitive edge and growth by providing management with unprecedented new insights into their business processes and performance. Data mining, analysis, querying, and reporting can provide the intelligence your staff needs to actively reduce costs, identify new opportunities, develop targeted strategies, and improve overall decision-making, even for companies that already perceive themselves as efficient, up-to-date and successful.

## How can your wholesale distribution business benefit from a modern and powerful BI system?

If you are experiencing an increase in competition and need to grow profits, cut costs and improve visibility into your business, you can benefit from enhancing your current infrastructure analytics/Enterprise Resource Planning (ERP) system with new BI software.

# Why you should upgrade your data analytics software?

Below are nine key reasons why you should upgrade your wholesale distribution software with a business intelligence system:

## 1. Data frequency/currency

Legacy systems and technology infrastructures are typically assembled to deliver month-by-month and/or annual reporting, leading to an out-of-date analytical process.

Your business is collecting data every minute of every business day. Reporting and analytics is a process that needs to happen in real-time at any time.

**A new BI system can show days, weeks and months that make up any period you need to review results, show customers sales reports or forecast future performance. A BI system such as Phocas enables users to find and review trends across any time dimension.**



## 2. Speed of reporting

Many businesses continue to use outdated reporting processes because they don't have access to the data they need to do it themselves or their software is too old or too hard to use.

The reporting process requires an intervention with the IT department who documents the request and delivers the reports the next day via email or hard copy. In some cases, the software or the custom reports could take days or weeks to run, based on the schedule and availability of the IT personnel responsible for running them.

**By updating to modern a BI system, reporting can be done by anyone who needs it. It is instantaneous and no longer a laborious and time-consuming process. This helps shift the efforts of sales, product development, finance and other teams from running reports to more critical activities of data analysis and business management.**

## 3. Robustness of system

It's no secret that for many legacy infrastructures, the more users, the slower the systems.

Heavy use of a reporting system by multiple users can slow down its response time and theoretically shut drag the speed of business to a sales pace. Many legacy or homegrown ERP systems were not designed to serve growing enterprises, and even with regularly patching, can't keep pace with the modern requirements of large sales teams and remote workers who need access from any location and any device.

**A modern BI system can easily accommodate company-wide use from in-house computer systems or any of today's broad range of mobile devices, tablets, and other electronic mediums. Flexible and scalable systems with broad connectivity ensure widespread and reliable use from a variety of channels across the company.**

## 4. Formats & Ad Hoc data discovery

When working with legacy systems or older analytics systems, users can typically only choose a date range and a pre-determined report format.

This confines them to linear, static, and constricted analyses.

In many cases, reports delivered through IT teams are in spreadsheets or PDF printouts that are static and immediately outdated. Sales teams working with hundreds of products and dozens of customers across large territories need the ability for ad hoc data discovery and reporting.

**Modern BI systems provide the ability to ‘drill down’ into granular layers of data and ‘peel the onion’ from every angle. BI enables the configuration of any variation of data that users desire and allows users to change their mind and request different types of analyses without having to request an IT intervention or to start all over. The end user is in control.**

## 5. Product mix, pull-through, and cross-selling opportunities

Older ERP and analytics systems were designed to show only a few key statistics, such as what customers were buying.

What’s equally important, is understanding what customers are not buying, what they are buying less of than they should be, or what they have stopped buying over time.

These are indicators that customers could be purchasing products from a competitor. Identifying these negative trends early can have a significant impact on the bottom line.

**A BI system can identify all complementary products you should expect to see customers buying if they’re buying certain other products. Armed with this intelligence, your sales team can work with customers to understand why there’s a shortfall so that you can fill the gap. Whether it’s pricing, a misunderstanding or the customer simply was unaware of all your products, this intelligence can help you easily identify new sales opportunities or lead to the discontinuation of less successful strategies.**

## 6. Margin enrichment

**Tracking profit margins is a full-time activity and a key performance indicator for executive teams.**

Out-of-date reporting systems with no visibility to detail beyond bottom-line sales could result in your business spending more money to sell products to customers than the cost to stock or manufacture them. Even if revenues are up, unless monitored closely, product margins within individual sales can erode, leading to sales strategies that may be not in the best interest of your business. Reasons for margin erosion are many and diverse, so it's important to track if and when product pricing changes, whether at the distribution center or the point of sale.

**With modern wholesale distribution software such as BI, you can 'drill down' into granular layers of data, where your salespeople can view margin by customer and product in many ways. This can help direct optimal sales strategies and product mix decisions while helping to improve the quality of decision making and support sales growth.**

## 7. Gross margin return on inventory investment (GMROI)

Being confined to pre-programmed GMROI reports can limit your ability to maximize turn-and-earn potential and optimize investments in inventory based on profitability. You need access to the intelligence and the flexibility to create and analyze reports that can help you make more profitable business decisions.

**BI systems give proper visibility to inventory costs of specific products versus their selling price. It can also help you identify opportunities to sell more of the most profitable items for greater turn-and-earn success.**

## 8. Activity-based costing for profitability

**Using static reports or inflexible analytical tools makes it difficult to identify all of the costs associated with a product sale (shipping, invoice processing, etc.) to determine a customer's profitability to your business.**

There are many factors that can impact the final sales price of your products, some of which are affected by the needs of individual customers. Dynamic reporting ensures these factors are included in the reporting and taken into consideration for future margin calculation and enrichment.

**Granular-level analysis of customer and product data identifies customers, vendors, reps, etc. that cost more to serve. A new BI system enables companies to manage out their less-profitable customers and streamline their businesses in the most productive and lucrative way.**



## 9. Dead/slow moving stock management

Legacy wholesale distribution software or ERP Systems are often limited in what they can identify in terms of sales.

While they can report on what you sold in the last 60 days, 90 days, or year, etc., the analysis is often not tied into purchasing, making it challenging to reconcile products that are moving or staying on shelves relative to what the company was purchasing. In other words, the right hand of the business may not know what the left hand is doing. These systems are not able to set a threshold regarding the number of products sold and the last time they sold or how frequently they sell. Even if a product sold once in the past year, it might not show up as “dead,” meaning stagnant inventory could be costing you money.

**BI systems consider both sales and purchasing activities. This enables strategic decisions regarding actual inventory on hand and how it is managed. With this intelligence, you can develop creative strategies such as special promotions to customers who most recently purchased the dead or slow-moving items. You can also open a dialogue with a customer about why they haven't purchased items recently rather than employing a shotgun approach to getting rid of the inventory.**



**“Phocas is indispensable** in our analysis of sales and inventory.”

Sam Levin, President at Blodgett Supply Company

# New era of analytics and insight.

The availability of powerful and easy-to-implement BI systems has ushered in an exciting new era of data analytics and insight.

The demands of a modern business require tools, such as BI systems, that can respond in real-time, and make it easy to aggregate and analyze data so you are ideally positioned to make more informed, strategic business decisions.

## The leading edge in business intelligence.

**Phocas Software was built from the ground up to empower users of all skill levels to capitalize on the power of business intelligence.**

No longer limited to the IT team or a select-few trained experts, Phocas is business intelligence for the every day users, empowering them with the business decision-making process using intuitive data discovery and visual/graphics output.

Phocas offers the following unique benefits to wholesale distributors that are ready to use their data to make more informed and intelligent business decisions. Below are several key factors driving the adoption for Phocas in the wholesale distributor industry:

- 1 Simple, user-friendly technology that enables staff outside of the IT or Finance Department to perform in-depth and insightful data analyses
- 2 Strong on-demand data and visual discovery capabilities
- 3 Easy accessibility from any of today's variety of desktop or mobile interfaces
- 4 Easy-to-configure 'dashboard analysis' capabilities which enable a quick overview of key metrics unique to each customer
- 5 Ability to connect to any organization's back-end ERP system cost-effectively, allowing companies to remain with their existing systems for another 5-10 years or more
- 6 Outstanding feedback from thousands of satisfied customers around the world

**If you are ready to use your business data to better understand your products, customers and business; to increase confidence in your management decisions; and gain more proactive control over your company's growth and future; visit [phocassoftware.com](https://phocassoftware.com).**

# Get in touch.

Learn how Phocas can help you achieve your business goals.

Give us a call:

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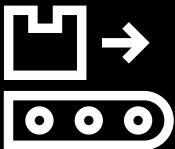
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## Want to know more?



**Phocas Software is used by Wholesale Distribution customers globally.**

See some of these leading businesses [here](#).



**Want to see how Phocas has improved sales, reduced costs and enabled better inventory management?**

See our Wholesale Distribution customer testimonials [here](#).

**Visit our [Wholesale Distribution + Phocas page](#)**

**Book a demo – <https://phoc.as/BookDemo>**

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