



Enterprise Software Tailored to Family-owned Wholesale Distributors

ORACLE NETSUITE
Solution Provider

PROJECTLINE 
The human side of ERP

What's inside?

Learn how a leading cloud enterprise resource planning (ERP) platform supported by an expert implementation partner can help you overcome challenges and tackle future disruptions as you hand off the reins to the next generation.

As younger generations move into leadership roles at growing wholesale distribution companies, they're replacing homegrown business systems with unified solutions that provide complete visibility, real-time inventory management, easy integrations, and eCommerce portals for their suppliers, customers and sales partners.

Your wholesale distribution business serves as a central link in the world's supply chains, sourcing and distributing products to consumers and business buyers around the globe. With continued industry growth, you face challenges like increased costs, lower margins, new competition, ever-changing customer demands, labor shortages and pandemic-driven supply chain disruptions.

Whether you're a generalist that offers a wide range of goods or a specialized distributor that focuses on a particular customer or product segment, you operate as an aggregator of demand, buffering your supplier partners (usually manufacturers) from having to manage small orders and the complex logistics associated with those orders. You also place inventory closer to customers for faster delivery and better accessibility – a key vantage point in today's supply-constrained operating environment.

Efficient inventory management and fulfillment processes are key to maintaining your profitability and executing your respective roles

in the supply chain. These foundational elements help you hold your ground in a competitive environment and even gain an edge over new entrants like online-only sellers, which focus primarily on price. You can also stand out by offering value-added services to customers, including same-day order delivery to job sites, vendor managed inventory (VMI) services, and kitting and assembly services.

Family-owned distribution companies that have been operating successfully for decades and are now being taken over by the next generation face tough challenges in the current selling environment, where the next competitor is often just one mouse click or screen tap away. In a sector that still relies heavily on legacy solutions, spreadsheets and manual processes, your business needs software that provides:

- ▶ Complete procurement visibility
- ▶ Real-time inventory management
- ▶ Easy integrations with shipping solutions
- ▶ eCommerce portals for suppliers, customers and sales partners

Managing Key Challenges

Encompassing about 410,000 organizations with **combined sales of \$9 trillion**, the US wholesale distribution industry is highly fragmented and dominated by smaller companies that specialize in certain customer segments. Within the space, the 50 largest distributors generate about 25% of total industry revenue. In Canada, about **98,000 companies are involved with wholesale trade** and have combined revenues of \$58 billion.

If you run your operations with legacy systems, disparate solutions and labour-intensive spreadsheets, you're not alone. Data silos and duplication are common challenges, creating limited visibility across the business – from inventory to supply chain management to finance. These visibility gaps create delays in shipments, late payment collections, poor decision-making and unhappy customers.

As a family-owned wholesale distribution company, you might also be facing some of these challenges right now:

- ▶ Too many functional gaps in your collection of homegrown, legacy and disparate systems
- ▶ A need for faster inventory turns

- ▶ Difficulty managing pricing and deliveries when dealing with supply chain and logistics delays
- ▶ Inefficient receiving, picking and packing processes (i.e., those using barcode equipment and scanners)
- ▶ Loss of customers to competitors when you can't respond to their needs quickly enough
- ▶ The need to adapt quickly to eCommerce (e.g., B2B, B2C and customer portals) and set up payment gateways to make it easy for your customers to do business with you
- ▶ Customer attrition in light of the current supply chain delays and an inability to deliver orders on-time
- ▶ The need to source alternate or local suppliers to meet increased demands from your customers
- ▶ Difficulty maintaining margins with the recent global disruptions, high transportation costs and other outside factors that continue to erode profitability



When you rely on spreadsheets and outdated systems, you miss out on the key benefits of automation.

Having helped many wholesale distributors in Canada and the US implement NetSuite, ProjectLine's Business Development Manager, David Meyers, said many companies use generic general ledger programs like QuickBooks or QuickBooks Enterprise to run their financials. Others have developed their own programs, most of which haven't aged well as the companies have grown and expanded into new lines of business, and may be difficult to support. As they turn to spreadsheets to help fill in the gaps, these companies miss out on the key benefits of automation. (Perhaps this sounds familiar?)

"A lot of distributors would love to expand or have had to turn down opportunities because they're just treading water, trying to run their businesses using homegrown systems and manual processes," Meyers explained. "Their owners' time, which is absorbed by manual tasks, sifting through paper and tracking down answers, could be much better spent on growing the business."

This scenario is starting to change as new generations of owners and managers come onboard. Aware of the value that unified, cloud-based technology brings to the table, these new faces are quickly becoming frustrated with manual workflows. They're interested in automating business processes and want comprehensive, real-time data that they can use for good decision-making.

"These younger family members may have worked elsewhere and already learned the value of having an integrated business system in place; they want to bring that benefit to the family business," said Meyers. "And even if they haven't worked for another company, most of them are familiar with technology and its capabilities."

Understanding Mindsets, Fears & Challenges

Distributors have to modernize and automate their systems now if they want to stay competitive.

Working with North American wholesale distributors that have annual revenues between \$5 million and \$50 million, ProjectLine uses NetSuite as a foundation and then adds company-specific customizations as needed. “Software is a mere tool; it’s how we implement it that makes all the difference,” said Meyers.

As a NetSuite Partner, ProjectLine helps growing wholesale distributors bring their operations into the 21st Century using tools like barcode equipment and scanners; payment gateways; customer portals; material requirements planning (MRP); blanket order and price management; order to cash; procure to pay and shipment automation.

By moving to a system-driven business, you can manage by exception rather than micromanaging your procurement, finance, inventory and other processes. “We combine the technology and people to make a big difference for our customers,” Meyers added. “Furthermore, many of our customers are family-owned businesses, and we understand their mindsets, fears and challenges.”

With an average NetSuite implementation time of 4–6 months, ProjectLine assuages those fears and helps customers drive higher financial performance in a business model that’s known for having thin profit margins. And while value-added services can help boost these margins (if customers are willing to pay extra for them), you also must be able to compete effectively against online-only companies that focus largely on price.

By automating some or all of your manual business processes, you can minimize errors, reduce inventory carrying costs and give your employees time back in their days to manage more important tasks like winning new business and serving customers. Equipped with accurate, real-time data, associates can be more responsive to customer needs, increase order volume and retain more customers.

The Human Side of ERP Implementations

We understand that the shift to a new ERP system can be daunting and disruptive.

But it doesn't have to be.

Once you can make actionable decisions based on real-time data, you can also open new revenue lines and explore other growth opportunities that may have been previously out of reach. Those that ignore these realities will continue to “tread water” or possibly even drown in the competitive marketplace, where hiring more people to manage a growing list of manual tasks is no longer a viable business model.

“For any distributor that’s constrained by its systems right now, the situation is only going to get worse,” Meyers predicted. “It’s getting way too expensive to just hire more people to accommodate company growth. Distributors have to get modern and automate their systems.”

For second or third-generation family-run distributors that have been operating on disparate technology and manual processes for decades, this might sound scary. But it doesn't have to be. ProjectLine has deep expertise working with companies like yours. We know how to blend NetSuite, any necessary customizations and our own best practices into a successful ERP implementation.

Some distributors assume that their current collection of systems will translate into a long list of costly customizations, but that’s usually not the case at all. In fact, NetSuite’s native functionalities meet most of the typical wholesale distributors’ needs with very few exceptions. “We simplify the transition for companies and give them exactly what they need,” said Meyers, who adds that the ProjectLine team understands the importance of strong relationships to family-owned entities and doesn’t take that responsibility lightly.

“The distributors we work with don’t just want someone to come in, implement the software and walk away,” said Meyers. “The human side of ERP is our core focus and a real draw for family-owned wholesale distributors that want to create longevity for successive generations.”

We sell, implement and support best-in-class ERP software for small and mid-size businesses. We believe putting people first is the best way to make technology work for them. It's a conviction that sets us apart.

The shift to a new ERP system can be daunting and disruptive. But it doesn't have to be. We ease the inevitable uncertainty that comes with an ERP project, helping you transition with the highest level of empathy, consideration and fit.

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