

How can wholesalers stay profitable in the digital age?

Learn how the industry leaders are using EDI to fuel their growth.

Wholesale companies face unique challenges

If you are a supplier, manufacturer or factory rep doing business with a large distributor, like Grainger, MSC Industrial Supply or Wesco, these challenges might sound familiar:

Inventory management pains

Distributors are carrying less product themselves, so the burden of inventory management falls on the supplier or manufacturer. Inventory management is essential but difficult. You can't afford to not have materials in stock.

Complexity with getting paid by your distribution partners

You're not getting paid in a timely manner because your wholesale partner is struggling to reconcile products invoiced versus product delivered. How do you ensure invoices match the product that was actually ordered, shipped and delivered?

More competitive than ever

Many distributors are decreasing the number of suppliers they work with while at the same time putting pressure on those suppliers to provide more SKUs. You feel the squeeze to do more while keeping costs low. The industry is growing even more competitive.

Too many portals

As a wholesale supplier, you're stuck logging into multiple portals to fulfill and manage orders on your partners behalf. It's time consuming and requires extra maintenance.

Costly, rushed shipping

You have increasing pressure to ship faster and fulfill orders quicker. With large and heavy materials, transportation is costly.

Errors and delays damage relationships

Manual data entry leads to errors. With tight deadlines for contract jobs, any delay in order fulfillment is a major problem.

What's the solution?

Distributors and their suppliers and manufacturers know they need to invest in technology to overcome these hurdles.

It's difficult to know where to start, who to trust, and which technical investments will actually pay off in the long run.

The wholesale industry faces major disruption and transformation ahead. But there's good news. Companies that make wise technology decisions now will future-proof their business. You can become equipped to do business with major wholesalers and compete with Internet sellers.

With the right technology, it's easier than you think!

Wholesale's secret weapon? Automation.

Your business already has technical systems for orders, inventory, and customer management. These systems are complex but vital to running your business.

You gain real efficiency when your systems can communicate seamlessly with the business systems of your wholesale partners or manufacturers – when your technology is speaking the same language as your partners'.

That's where EDI comes in.

Why EDI?

Consumer retail already relies on EDI.

Most consumer retailers already require their suppliers to be EDI capable, and the wholesale distribution industry is now adopting the same strategy. From an operational standpoint, it makes sense because it reduces human errors while also streamlining the order process. With EDI, companies can fulfill orders faster, cheaper and with less mistakes.

Here's some examples of how to use wholesale EDI technology:

- Send invoices electronically and in a standard format.
- Provide order and shipping confirmations to partners.
- Create visibility to inventory in transit.
- Automate three-way-match to validate invoices for payment.
- Communicate shipment information ahead of time with the Advance Ship Notice (ASN).
- Respond quickly to recalls with order traceability including lot numbers, data codes, pallet/carton tracking numbers.

- Manage product content in a standard format through a web-based catalog.

Other wholesalers are already using EDI to get a competitive edge.

Discover how leading distributors and wholesalers are gaining efficiency from supply chain automation with SPS Commerce.

Accelerated supplier onboarding

"On our own, HDW was able to connect five suppliers in a year. With SPS, we connected with more than 100 suppliers in six months. SPS's best practices and team made all the difference."

- Wade Wilkerson, Chief Financial Officer, HDW Inc.

Better trading partner relationships without extra staff

"Our partnership with SPS has allowed us to rethink how we do business with our customers. We don't always need more IT or staff to draw closer to our customers and suppliers. Today our mentality is towards solutions that are delivered as a service, like SPS Fulfillment."

- Ron Smith, CEO/President, SIM Supply

Fulfilling customers' expectations

"Working with the large retailers has really made us a better company. It gives us insights into what's important and how to move product around the country. We are very good at being able to forecast and understand what those demands are and meeting our customers' fulfillment expectations thanks to the SPS Retail Network."

- Laura Hunter, Director of Sales Operations, USG

Ready to implement automation into your whole business?

Start by having a conversation with one of our supply chain specialists. Contact SPS Commerce today!