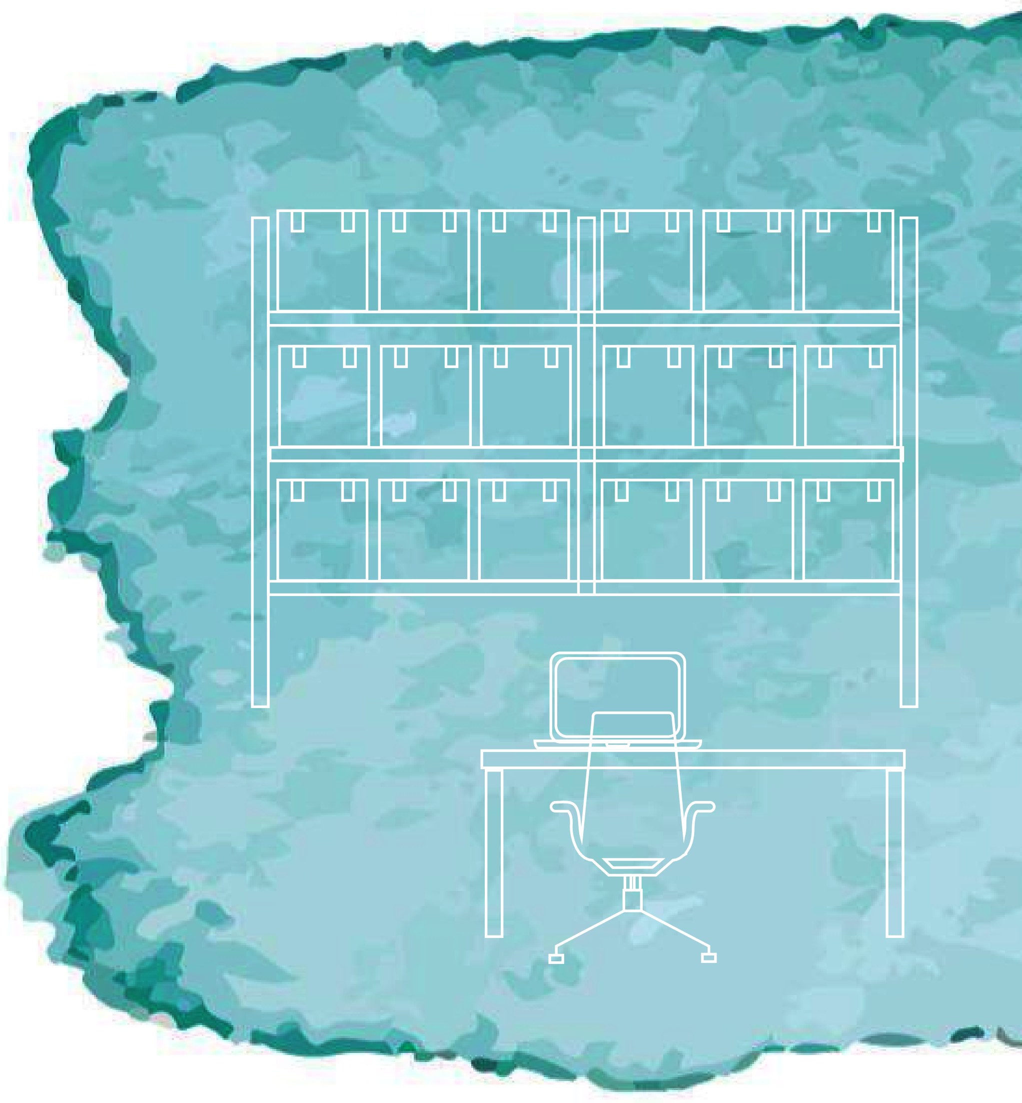
2019 WHOLESALE DISTRIBUTION TRENDS

1. E-COMMERCE

In 2019, leading wholesale distribution companies will invest further and deeper in the myriad capabilities that a robust e-commerce strategy and platform can provide. Implementation of integrated e-commerce platforms enables wholesale distributors to address challenges such as customer segmentation and pricing to improve customer service and reduce overhead costs. E-commerce capabilities continue to mature across the wholesale distribution landscape, and for good reason.

Many of the challenges wholesalers have overcome in their ERP system can now be extended to digital platforms. The ability for real-time pricing incorporating quantity tier pricing, discounts, associations, and promotional pricing can be seamlessly incorporated into an integrated e-commerce platform thus encouraging customers to now trust and rely on this method of ordering. The e-commerce sales capability is further enabled with order history, order status, purchase order, and invoice visibility. Elevating some of the functions once filled by sales rep while increasing customer satisfaction, capabilities like this allow for a greater focus to the customer and customer sales.

The integrated platform also further enables customer segmentation by integrating with CRM systems in distinguishing the specific characteristics and buying trends of the individual contact conducting the transaction. This enables marketing to segment those characteristics for direct promotions and coordination with sales reps to improve focused customer service based upon those characteristics and trends.



2. MERGER, ACQUISITION + DIVESTITURE

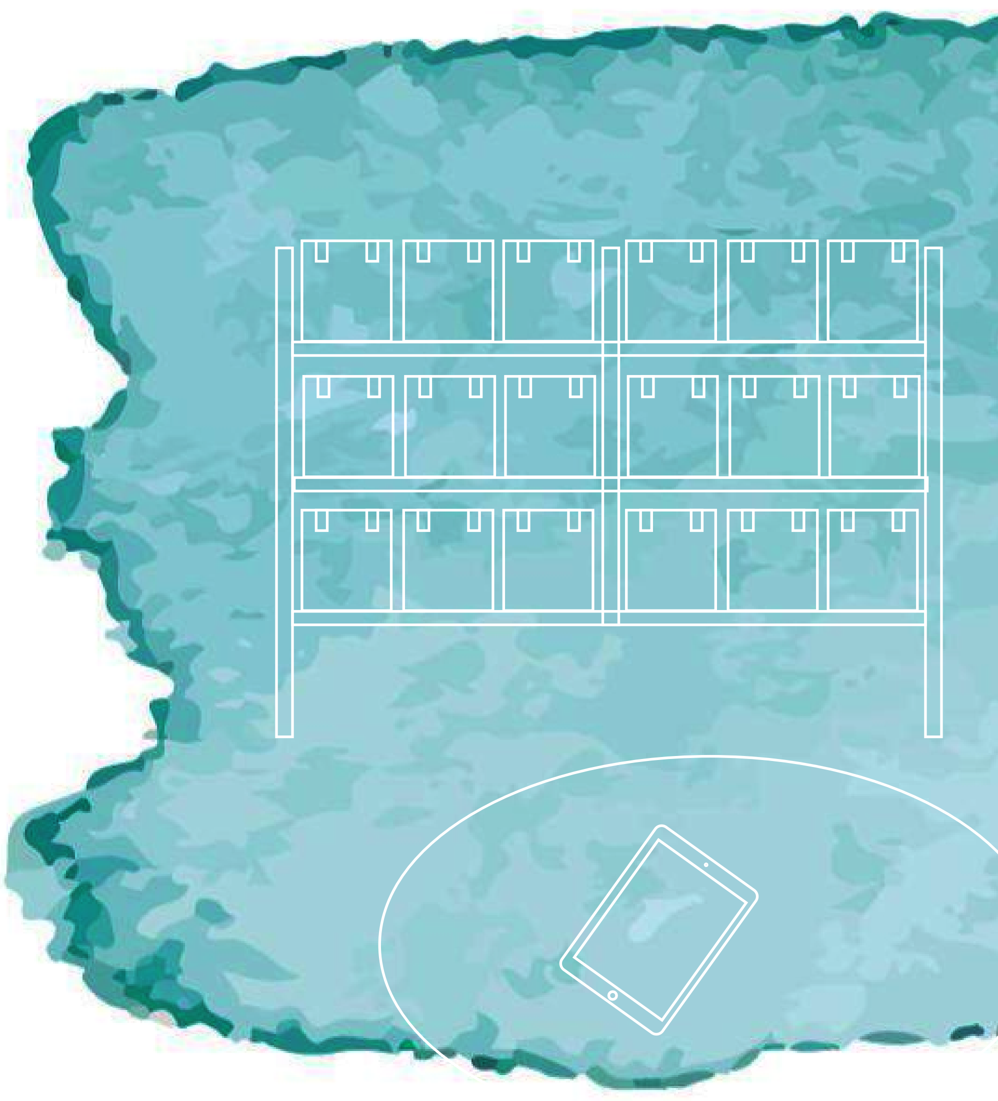
Mergers, acquisitions, and divestitures are still occurring at a rapid pace within the wholesale distribution industry – 2019 will reflect this continuing trend. The dynamics and competition created in this ever-changing environment has created a challenge for wholesalers to maintain market share and share of wallet. The consequence is a continued push for innovation in product offering, speed-to-market, operational efficiencies, and other customer delighters to maintain or grow relevance in the market. The need to attain these capabilities, however, can be costly if grown organically – making acquisitions in the industry quite appealing as businesses looking to improve operational efficiencies or increase complementary product offerings.

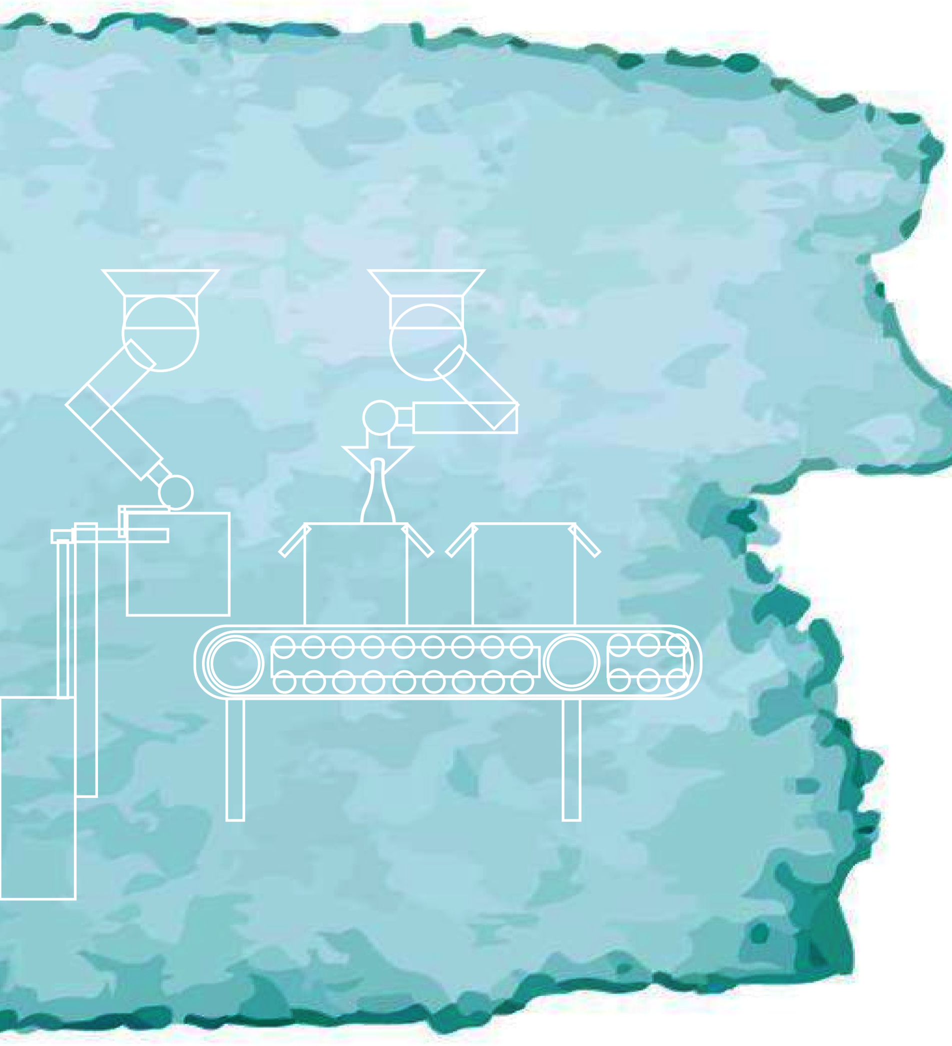
Conversely, strategic divestiture helps position a company to focus on core line of business activities to become a premier supplier or provide an opportunity to increase fund availability. No matter the reason for the merger, acquisition, or divestiture, the ability to enable processes, systems and platforms to support the transformation is a necessity for success in 2019.

3. DIGITAL TRANSFORMATION

IoT and increased data generation will drive a greater need for advanced analytics capabilities and data management systems in 2019. Data warehouses and predictive analytics can be leveraged to drive critical business strategies and enhanced decision-making.

However, companies are often utilizing the wrong data models and struggle to define and build appropriate models and analytics to support use cases. Digital transformation in the industry has generated greater data but not the ability to manage and interpret it. Wholesalers must continue to explore embedding these capabilities within their business via new talent or managed analytics to enable data-driven decision-making.





4. WAREHOUSE AUTOMATION

Robotics, artificial intelligence, and automation are now allowing warehouses to operate nearly or fully autonomous operations – 2019 will allow greater opportunities for realizing automation within your wholesale business. Wholesalers have begun investing in these advanced technologies to achieve tremendous ROI through speed of processing, increased accuracy of the put-away and the pick, pack and ship processes, and reduced overhead.

The labor overhead is transforming from warehouse associate to a technical support role. With challenges in attracting millennials in wholesale distribution, these types of career opportunities have become a fringe benefit in positioning wholesalers to attract the best and brightest. The operational improvements delivered by robotics, AI, and automation translate directly to increased customer satisfaction, decreased re-work and inventory impacts, and improved cost position enabling the wholesaler to distinguish themselves in