



Vision33



# Warehouse Management 4.0

## A guide to modern and efficient wholesale distribution.

A Vision33 eBook

# Introduction

Warehouse management has never been easy, but with today's global competition, same-day delivery, and industry powerhouses like Amazon and Walmart, the stakes are higher than ever.

Wholesale distributors must increase efficiency, open new distribution channels, and rethink processes and technology to optimise warehouse functionality and attract employees.

This eBook outlines some of the top challenges facing wholesale distributors in their warehouses as reported by Vision33's wholesale distribution customers. It also explains why automation and integration solutions are critical to overcoming these challenges.

# The Modern Wholesale Distributor

Wholesale distributors historically have thin profit margins, but when they're lower than calculated, it's time to identify inefficiencies—and fix them. Vision33 has decades of experience implementing software for wholesale distributors so they can streamline operations and compete in today's marketplace.

Many small to midsize enterprises (SMEs) use multiple software applications to manage their inventory—for example, a combination of QuickBooks and Excel. This means their data is siloed between different systems that must be forced to communicate—if they even can—or that employees must manually enter identical data into multiple systems for reporting.



And because wholesale distributors need reports to make everyday decisions—e.g., procurement, order acceptance and fulfilment, shipping, and billing—manual processes create problems like:

- Inventory that's received and put away but not yet posted, so it's not visible to customers
- An inability to see whether a customer order is staged for picking, being picked, or ready for shipping
- Customers ordering out-of-stock products because inventory wasn't updated quickly enough

In addition, timing is critical to inventory balances, so if anyone in the chain is late performing data entry, makes a data entry error, or loses paperwork, the effects multiply exponentially.

Worsening this, many wholesale distributors have data strewn not just around multiple systems but also in emails and filing cabinets and on paper and desks. Sometimes, it's transferred between people by hand, increasing the risk of errors and making reporting even more difficult.

When you have multiple disconnected business management systems, technology consolidation is impossible. Each application has its own processes, features, reports, and dashboards—all competing for finite server resources. And if you add new applications, you'll need to jury-rig them to fit into your existing setup.

You'll also need to understand every application's requirements, stay on top of changes as new versions are released, and constantly review/rewrite existing customisations to accommodate changes.

# Other Issues Facing Wholesale Distributors

## Inadequate Inventory Management

Good inventory management practises help companies manage detailed warehouse data, including tracking and recording stock movements.

If your inventory management solution isn't integrated with your other applications, getting reliable, real-time information about inbound and outbound shipments is difficult.

# Inaccurate Cost and Profit Margin Estimations

Costing can also be a headache for inventory control. When considering the standard costs of a product—e.g., freight, import tariffs, and insurance—some business management systems can affect the actual profit margin.

## For example:

- A business purchases 1,000 units of a product at £1 each
- Several weeks later, invoices start coming in
- Adding the inventory's associated costs—e.g., taxes, labour, and overhead—means the units now cost £1.25 each
- That raises the initial cost from £1,000 to £1,250
- If the product was priced at £2.00, the actual profit margin dropped by 25% when the standard cost became apparent

To account for this, the new standard cost must be entered into a cost variance account and spread across your product lines. An integrated solution handles this step automatically.

Margin affects everything from the product's pure gross profit margin and your sales team's commission to your company's net profitability. If your software doesn't account for costs like freight and you pay the sales team a commission based on the initial price, your realised margin can be much lower than expected.



## Meeting Product Traceability and Other Industry Regulations

The hot topic for industries such as pharmaceuticals and food and beverage is traceability.

The UK's Medicines and Healthcare Products Regulatory Agency (MHRA) and the US's Food and Drug Administration (FDA) are the regulatory authorities responsible for authorisation, renewal, and suspension related to pharmaceutical, food, and beverage products.

SMEs throughout the supply chain struggle to meet deadlines set by the US Drug Supply Chain Security Act (DSCSA), the EU False Medications Directive (FMD), and other traceability mandates. Because standards are high and government regulations strict in these industries, companies need a flexible and comprehensive tool with quality tracking functionality.

## No Product Traceability

Implementing product traceability faces multiple challenges with unintegrated software systems: How do you enable collaboration with thousands of stakeholders throughout your supply chain? How do you keep pace with changes in the regulatory environment? How do you share the unstandardised data your supply chain partners need to do business with you?

## Inability to Integrate with Online Retailers Like Amazon

SMEs engaged with retail channels or influenced by Amazon might struggle to stay compatible with newer integrated systems. For example, as a wholesale distributor, you would receive reports from Amazon that update you on how many products have sold. Then, you would invoice Amazon for those products.

If your unintegrated system requires two weeks to deliver an invoice and Amazon another few days to a week to pay, you're losing money waiting for the payment. In an integrated system, the turnaround time is much faster, and sales and margin reporting is much more accurate.

You must also ensure Amazon has enough product to fulfil orders as they come in—otherwise, they'll look to another vendor. As product demand grows, your sales can go from 100 units a week to 1000 units a day. You can capitalise on this growth with integrated software that monitors inventory in real-time and allows you to set up alerts so you never run out of stock, get dropped by Amazon, or lose customers.



**But it's time to stop talking about problems and start talking about solutions.**

## Technology Solutions for Your Warehouse

It's time to accept that multiple software systems and spreadsheets can't forecast demand, lean out inventories, or produce products on time.

You can only overcome your warehouse management challenges by embracing digital transformation and adopting an integrated business management solution.

### **That's where Vision33 comes in.**

To capitalise on new opportunities, wholesale distributors are partnering with qualified technology partners to equip them with transformative technologies to help automate and integrate their businesses.

By implementing an integrated solution with an expert partner like Vision33, you can modernise your business model, leverage your vast wealth of data, make better decisions, increase the number and type of customers you can work with, and remain competitive in the industry.

The following are essential technologies for today's wholesale distributors.

## Enterprise Resource Planning (ERP) Solutions

Many basic business management systems that run startups support little more than the accounting function. As you grow and need to support more functions, the next logical step is an ERP solution.

### How Does ERP Work?

ERP solutions are robust business management systems that automate daily operations from a single integrated platform. ERP solutions store all your data in a central database so you can access accurate real-time information anytime, anywhere—no more importing, exporting, converting, or standardising data from multiple sources.

The right ERP solution provides visibility, analytics, and efficiency across every aspect of your business. With real-time information available company-wide, you can make data-driven decisions, monitor performance, and manage customer relationships, inventory, financials, and distribution.

And because ERP solutions are scalable, you'll never need a new solution to match your business's size—your ERP solution will grow with you.

# Electronic Data Interchange (EDI)

EDI is an essential technology for opening new channels. With EDI, wholesale distributors can electronically exchange information with other businesses and business systems using a standardised format.

This allows you to ditch faxes, emailing, and paper invoices, eliminate manual data entry and re-entry for fewer errors, faster order completion, and higher customer satisfaction, and widen your reach with companies like Amazon and big-box retailers.

## How Does EDI Work?

When a supply chain partner wants to place an order with you, they create a digital purchase order.

Your EDI software standardises that purchase order, so even if your business uses a different technology than the buyer, their order system can receive information from you—and vice versa. You can then acknowledge the order and send an invoice in a compatible format. And with integration, you can easily integrate your EDI with your ERP system for one streamlined solution.

All your backend data—sales, invoicing, production, scheduling, and shipping—can be fully integrated through EDI to eliminate any manual processes associated with sharing data with business partners.



# Which ERP Solution Is Right for Me?

## SAP Solutions: Affordable and Scalable

SAP S/4HANA Cloud Public Edition and SAP Business One are excellent ERP solutions for wholesale distributors. Whether you distribute soft goods, hard goods, heavily regulated pharmaceutical products, or fresh produce, SAP's ERP solutions have all the features you need to gain control of your inventory with improved planning strategies and control processes.

## A Single Integrated Business Management System

A single integrated solution provides clear visibility into your entire business and complete control over every aspect of your operations.

SAP S/4HANA Cloud Public Edition and SAP Business One capture all critical business information for immediate, company-wide access and use.

Unlike accounting packages and spreadsheets, these solutions deliver what you need to manage your critical business areas, reduce costs, and eliminate duplicate data entry and related errors.





## Greater Inventory Management

SAP's ERP solutions are an affordable way to manage your supply chain and enhance customer satisfaction. With SAP S/4HANA Cloud Public Edition and SAP Business One, you get reliable real-time information about inbound and outbound shipments and inventory data, so you can extract insights and meet customer demands.

Whether you handle hard or soft goods, food, or other items with complex serialization and lot tracking, or your services combine drop ship, 3PL, and stock and ship, ERP will smooth your operations and improve your operating margin.

## Product Traceability to Meet Industry Regulations

SAP solutions allow companies to create user-defined fields (UDFs) to ensure they're gathering information to comply with industry regulations. SAP also offers several industry-specific extensions and validation protocols that further improve companies' quality-tracking needs.

For example, pharmaceutical companies can create UDFs on goods receipts for better quality control. If an employee doesn't fill out the required line items when an item is received, an alert will require additional information before proceeding. This allows accurate and complete reporting and gives executives insight into their vendors' performance.

In addition, EDI is more critical than ever. As more systems are phased in over the next decade, wholesale distributors will be expected to meet the data-sharing requirement, have an active role in the product, and take on the responsibility of product visibility throughout the supply chain with a system that supports easy information exchange.

# Solutions Overview

## **SAP S/4HANA®**

SAP S/4HANA Cloud connects your processes and streamlines operations through access to real-time information for improved decision-making.

With built-in artificial intelligence and machine learning, warehouse managers can eliminate downtime and get products where they need to go faster. Real-time and predictive analytics and routine task automation keep businesses competitive in a fast-changing market.

## **Business One**

Leverage data, maximize efficiency, and transform your warehouse operations with SAP Business One, a robust, easy-to-use ERP solution that handles every aspect of warehouse management.

Integrating warehouse systems is the lifeblood of business agility and gives distributors an advantage in today's fast-moving industry.

Available on-premises or in the cloud powered by Amazon Web Services (AWS), SAP Business One offers improved inventory control, automated processes, streamlined order entry, and a transparent view of their entire operation.



## Critical Benefits

Secure your leadership position in the wholesale distribution value chain with an SAP solution. Plan, source, stock, sell, recover, and analyze—all on one unified IT platform.

By integrating workflows and technology with your customers, suppliers, workforce, processes, and the internet of things, you can find hidden ROI and deliver meaningful customer experiences.

### **SAP solutions modernise your warehouse operations with benefits like:**

- **Greater efficiency** through automated processes and integrated production functionality
- **Increased profit margins** through adopting a lean approach to operations and distribution that grows the company without additional overhead costs
- **Improved customer service** through fewer shortages/stock-outs, ensuring customers get their orders when expected
- **Better visibility** through a single, transparent view of operations and inventory across multiple locations
- **Reduced inventory costs** through better demand forecasting, material planning tools, and stock control
- **Faster time to delivery** through streamlined order entry processing, including real-time available to promise and instantly generated pick lists

# Critical Features

SAP S/4HANA Cloud Public Edition and SAP Business One offer solutions for most wholesale distributors' business functions.

## Business functions and benefits include:

### Supply and demand planning

- Improve service levels
- Reduce stock
- Lower capital investment across supply chain networks
- Improve forecast quality
- Optimise transportation capacities to reduce costs and increase customer retention

### Procure to pay management

- Bundle purchases to maximise purchasing power and improve profit margins
- Manage contractual agreements to optimise quantities ordered and reduce the cost of goods sold
- Time orders to take advantage of price changes and limited offers from suppliers

### Supply chain execution

- Manage rebates efficiently and accurately
- Allocate warehouse tasks to avoid resource bottlenecks
- Support direct store delivery
- Ensure compliance with regulations
- Support multiple trading practises

### Order to cash management

- Streamline processes to improve customer satisfaction and reduce costs
- Optimise processing of back-to-back orders
- Act as a broker of products and services
- Support direct price agreements between suppliers and customers and settle price differences
- Manage chargeback and commission processes efficiently and accurately



### Financial management and analytics

- Manage general and industry-specific processes in, finance human capital, operations support, and corporate services
- Develop insight and visibility with business intelligence and analytics functionality

### Integration for information, people, and processes

- Operate with a uniform technical architecture and solution platform
- Create a flexible IT infrastructure encompassing SAP and third-party applications
- Leverage existing IT infrastructure and reduce total cost of ownership

# SAP Solutions for the Wholesale Distribution Industry

Digitally transforming your warehouse operations with a warehouse management system (WMS) enhances efficiency and boosts production, pushing small and mid-sized distributors into the next growth phase.

Warehouse management systems help distributors eliminate manual processes, reduce errors, and save time.

## With a WMS, your warehouse can:

- Track inventory in real-time
- Increase productivity
- Increase accuracy
- Improve space utilisation
- Eliminate error-prone processes
- Create performance reports and analytics

SAP's warehouse management options can help every warehouse distributor fulfil business requirements, achieve optimal performance, and accelerate growth.

## Vision33 has partnered with SAP to implement and support multiple solutions for small, mid-sized, and large enterprises, including:

- SAP S/4HANA Cloud Public Edition
- SAP Business One

These solutions offer inventory management capabilities like optimising and streamlining operations from end to end.



## Real-time Inventory Management

By enhancing warehouse visibility, SAP solutions allow you to track inventory levels and stock movements in real-time, so you always know where your products are. And because you can match physical inventory in the system, you'll experience less shrinkage.

High inventory visibility also allows you to maximise space utilisation, minimise carrying costs, and ensure product availability.

## Warehouse Optimisation

Seamlessly integrate order management processes across warehouses with tools that streamline order fulfilment processes, from order creation to picking, packing, and shipping.

Cutting-edge tools minimise human errors, automate order prioritisation, and increase accuracy so customers get their orders when and where they want them.

Robust reporting further optimises warehouse performance with data-driven inventory. SAP solutions centralise data in a single location, improving data quality and eliminating duplication with up-to-the-second master data.

And because SAP S/4HANA Cloud Public Edition and SAP Business One are fully integrated systems, everything you need to meet changing demand is at your fingertips.



## Logistics Functions

In addition to the core business functionalities you'd expect in a single, integrated solution, your business also gains these functions:

- **Inbound logistics: Goods receipts, put-away**
- **Location management: Bulk and pick locations, cross-docking**
- **Outbound logistics: Multiple picking algorithms, shipping**
- **Additional logistic processes: Cycle-counting, return logistics, intercompany warehouse transfers**
- **Automatic stock replenishment**

## Quality and Traceability

Vision33's warehouse management solutions offer industry-specific quality management and traceability functions to help you fulfil obligations efficiently and reliably. With these functions, you can manage the quality of the goods you've traded and ensure the traceability of product flows so you can act fast in incidents like product recalls.

Vision33's solutions also streamline administrative and financial processes and integrate them with the logistic operations in your warehouses and on the shop floor.

# Cloud EDI for SAP Solutions

Cloud EDI connects SAP solutions to a network of over 55,000 retailers, manufacturers, suppliers, and 3PLs and is the gateway to building your trading partner relationships by complying with today's retailer-specific EDI standards.

EDI helps you build, manage, and improve your supply chain operations by reducing the complexity and cost of manually coordinating your EDI with your trading partners' EDIs and integrating with trading partners worldwide.

## Use cloud EDI to:

- Produce standardised documents
- Increase cash flow by reducing your invoicing and payment cycles
- Effortlessly send and receive real-time catalogue, inventory, order, and shipping information
- Eliminate the need to build individual point-to-point connections with each trading partner
- Save significant time and resources

## The Role of an Implementation Partner in Technology Selection and Implementation

The right technology ensures you meet industry regulations, giving you more time to focus on what's important: quality products and customer satisfaction.

But the right technology isn't the whole story. You need a partner to ease the selection and implementation process and customise the software for your needs.

Vision33 provides experienced project managers, senior software developers, and implementation experts who coordinate your implementation, handle customisations, train users, get you up and running, and support you long after your software has gone live. In addition, Vision33 is an integration expert with The Saltbox Platform, our exclusive integration platform as a service (iPaaS) solution to help you get the most value from your complete business solution.



## Case Study

# Asmodee Trades in Its Limited Systems for Unlimited Growth

Headquartered in Hampshire, United Kingdom, Asmodee distributes board games, playing cards, miniatures, and collectibles to independent and national retailers. For over 40 years, Asmodee has served as the glue between publishers and retailers.

Asmodee's ability to meet customer requirements helped the company expand into new regions, but distribution became too widespread for its software to handle. Disconnected systems led to delays in sales processing and goods distribution and missed opportunities.

Implementing SAP Business One gave Asmodee a responsive, all-in-one solution that integrated financials, order processing, and purchase order processing. With the software's improved visibility, the company could respond to any need at any time.

Then, using Vision33's The Saltbox Platform, Asmodee integrated its eCommerce to simplify sales and shipment processes.

[Case Study Video](#)

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We chose SAP Business One based on its integration ability. It's an entry-level ERP system that provides us not only our financial systems but also our base level of order and purchase order processing.

**James Greenman**  
*IT director at Asmodee*



## Your Business Partner for Success

Vision33's in-depth experience with wholesale distribution companies, including regulated industries, means you get world-class expertise working for you. We can help you through the supply chain stages—from purchasing, goods receipt and storage, labelling, route planning, inventory management, production, and packaging to product dispatch. Vision33 has the largest and most qualified team of SAP consultants across North America, with local teams of consultants to provide personalised service. Vision33 has delivered hundreds of successful implementations to manufacturers and distributors in the US, Canada, and Europe.

Vision33 helps you challenge your business processes and find efficiencies to accomplish your business goals and vision for growth and success. Whether you're a growing business with one location, expanding into new markets, or a large enterprise running SAP with subsidiary operations, you can rely on Vision33 to bring extensive business process knowledge, detailed product expertise, and innovative strategies to unlock the potential for your business. We're here to help you leverage the best of technology for your business and ensure you get superior value from your technology investment today and into the future.



# Conclusion

For efficient warehouse management, you must understand your industry's challenges and trends, and adopting an ERP solution gives you an edge in this highly competitive market. SAP's ERP solutions and Vision33 offer an opportunity for you to position your business for success.

The right ERP solution differentiates you from the competition. By identifying risks and gaining better supply chain visibility, you can improve customer confidence and satisfaction.

So, the question for small and mid-sized wholesale distributors is, "Is technology leaving you behind?"

Your business is growing, and maybe you'd rather invest in new revenue-generating opportunities, not new software and the upheaval and training that goes along with it.

However, if you can't respond to the demands of your trading partners, customers, suppliers, or today's digital economy, it's time to upgrade.



Vision33 transforms business processes and results for customers by delivering value through the promise of technology and its benefits for growing businesses. For over 30 years, Vision33 has helped companies integrate and automate their processes and applications to better serve their customers, employees, and stakeholders. The technologies may have changed drastically in 30 years, but Vision33's mission has never wavered.

With over 1,000 customers worldwide, Vision33 helps businesses make successful technology investments to outperform their competition and lead their industries. Vision33's nearly 500 employees offer product expertise, business experience, and innovative technology leadership. Whether it's a global company with 100 subsidiaries or a small business, Vision33 works alongside every customer to meet their goals.

Vision33 also has formal partnerships to resell, implement, and support leading ERP applications, is a leader in cloud deployment, and has developed exclusive products, including The Saltbox Platform ([saltbox.io](https://saltbox.io)) and iDocuments ([idocuments.io](https://idocuments.io)).

**When you're ready to take the next step, speak with a qualified Vision33 consultant in your area.**



**For more information  
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