

# Fuel Profitable Growth for Wholesale Distributors



## Thriving in an Interconnected Economy

### Market Situation

### Profitable Growth

### Business Priorities

### SAP Innovations

The economy is complex and volatile. Customers are demanding. How can distributors thrive? By getting closer to business partners, delivering exceptional service, and carving out a value-added and differentiated role in the supply chain.

An interconnected economy calls for innovative thinking, bold initiatives, prudent investments, and top-notch execution. High-performing distributors automate rebate and chargeback processes to speed the claims lifecycle and improve cash flow.

For competitive advantage, distributors must offer value-added services to drive growth and profits. With SAP technology, they can get closer to business partners to understand, analyze, define, and successfully deliver a portfolio of value-added services.

Make better decisions with analytics and real-time insights. Continuously refine and enhance the ability to negotiate best deals with suppliers, optimize pricing and inventory levels, and proactively address operational inefficiencies.

Turn Big Data into big advantage with the power of in-memory computing. Perform cost-to-serve analysis and advanced customer, product, and supplier segmentation, and take the right actions for higher profitability and optimal customer service.

Mobile solutions give sales and service associates timely, role-specific information, at any location, to help close deals and provide a richer customer experience.

Join the family: Become a best-run wholesale distribution company.



# Fueling Profitable Growth

Market Situation

**Profitable Growth**

Business Priorities

SAP Innovations

**Successfully aligning with business partners allows distributors to:**

## **Grow Sales and Offer Value-Added Services**

Better customer understanding enables distributors to provide desired products and value-added services. Use SAP software to segment customers based on sales volume, profitability, loyalty, and cost to serve; analyze inventory mix; and optimize strategies to drive sales and profit.

## **Improve Cost Recovery and Cash Flow**

Automate rebate and chargebacks to identify and recover chargeback opportunities and eliminate costly errors and disputes.

## **Enable Operational Excellence**

SAP solutions integrate data and processes for a unified view of the business. Optimize business planning, sourcing, storing, and selling processes, and empower associates to better serve customers.

## **Best-Run Wholesale Distribution**



Differentiate the business, no matter its size, by proactively understanding customer needs. Improve insight and execution to achieve operational excellence, profitable growth, and improved cash flow.

## Best-Run Distributor Priorities

Market Situation

Profitable Growth

### Business Priorities

SAP Innovations

To succeed, distributors need to get closer to customers to better understand their needs. With advanced analytics, find and seize cost reduction and revenue growth opportunities. Use the latest technology innovations to serve customers better.

- Opportunity to Cash
- Procure to Pay
- Supply Chain Planning and Execution
- Profitability Optimization
- Human Resources
- Finance and Trading
- Information Technology
- Technology and Platform



Understanding the value drivers for these priorities is key to executing as a best-run wholesale distribution company.



## SAP Innovations

Market Situation

Profitable Growth

Business Priorities

**SAP Innovations**

Distributors face increasing demands from customers and suppliers. With SAP solutions, they can better understand customer and supplier needs, grow the business, and differentiate from the competition.

Wholesale distribution companies can access vast amounts of highly variable, internal, and external data, both qualitative and quantitative. Our breakthrough database and technology solutions, such as the SAP HANA platform, can make information available instantly at any level of granularity to business processes across the enterprise.

Making the most of that information requires flexible, scalable, and cost-effective analytics embedded within business processes. This supports real-time modeling and optimization, decision support, and effectiveness analysis to inform future planning across business functions.

Mobile devices and applications offer a differentiated customer experience and empower sales and supply associates and managers. With real-time visibility into market dynamics, mobile solutions improve operations across the supply chain.

As IT transforms from a support function to a strategic driver, new cloud-based solutions for differentiating business functions offer low-cost, low-risk deployment while enabling flexibility, scalability, and integration across end-to-end business processes.



# Wholesale Distribution Value Map

## SAP Solutions

Drive superior performance and profitable growth.

Opportunity to Cash

Procure to Pay

Supply Chain Planning and Execution

Profitability Optimization

Human Resources

Finance and Trading

Information Technology

Technology and Platform



## Opportunity to Cash

SAP Solutions

### Opportunity to Cash

#### Priorities

SAP Solutions

Managing customer relationships and collaboration, processing multichannel orders, and streamlining billing and collection are big challenges. Best-run companies are becoming more customer-centric and offering new value-added services.



# 58%

Higher quote conversion rate reported by top 25% of wholesale distributors than by the bottom 25%

Source: SAP Performance Benchmarking

Customers are highly informed on price, quality, and availability. They want to place orders anywhere, at any time, and expect high-quality service. Maintaining good relationships while optimizing customer profitability is demanding.

Custom marketing, logistics, sales, and financial services are key to customer retention. At the same time, flawless execution is required to streamline sales order management, billing, and collection activities.

Suppliers also demand more insight into distributor interactions with end customers. Thus, distributors must assume the role of the goods, information, or services intermediary who may need to direct price agreements and settle price differences.

Differentiated offerings, information-driven sales, and automated operational tasks help to maximize profits, improve cash flow, reduce costs, and improve customer satisfaction.

## Opportunity to Cash

SAP Solutions

### Opportunity to Cash

Priorities

#### SAP Solutions

# 76%

Fewer customer complaints reported by top 25% of wholesale distributors than by average wholesale distributors

Source: SAP Performance Benchmarking

### Drive customer profitability with the right product and service offerings.

Manage customer relationships, process multichannel orders, collaborate with customers to optimize inventory, and streamline billing and collection activities.

#### Agile Marketing

Market with speed and precision, and convert market opportunities before they disappear.

#### Collaborative Quote to Cash

Collaborate on customer needs and deliver on those needs at a stated price and time, enabling an accurate order experience every time.

#### Service Process and Operations Excellence

Access a real-time view of operations, key performance indicators (KPIs), and customer feedback for immediate adjustment and corrective action; increase productivity of field service technicians through real-time mobile collaboration.

#### E-Commerce

Provide business customers an advanced multichannel shopping experience with proven search and navigation, advanced personalization, self-service tools, customer-specific catalogs and pricing, and multichannel support.

### Benefits

- Improve customer profitability
- Increase revenue and market share
- Increase order accuracy
- Increase customer satisfaction
- Improve cash flow
- Improve conversion rate



## Procure to Pay

SAP Solutions

**Procure to Pay**

**Priorities**

SAP Solutions

To meet customer demand, distributors must balance inventory on hand, manage access to supplier inventories, and consider variable costs and availability. Best-run companies align with suppliers to mitigate risk and manage cost of goods sold.



# 30%

Higher average annual savings for organizations that operate a single, integrated procurement system

Source: SAP Performance Benchmarking

The continuing consolidation trend in wholesale distribution presents risks as well as opportunities for growth. Meeting the dynamic demand of the customer base requires choosing suppliers that can adjust to changing market demands and also reduce risk. Distributors must optimize the availability of materials through reliable suppliers while minimizing the cost of goods sold.

Leading distributors consider procurement a strategic imperative and a source of competitive differentiation.

Making procurement a key driver helps improve costs savings, facilitate effective collaboration with suppliers globally, enforce contract compliance, and streamline operations.

These improvements also affect other areas of the enterprise, including sales, supply chain, cost recovery, and finance – translating to a significant and positive impact on the bottom line.



## Procure to Pay

### Minimize supplier risk and help enable high service levels.

Manage supplier relationships using functionality for strategic sourcing, purchasing, supplier collaboration, and supplier agreement monitoring.

SAP Solutions

### Procure to Pay

Priorities

#### SAP Solutions

Business Network  
for Supplier  
Collaboration

Drive invoice automation and exception management. Manage cash by taking advantage of dynamic discounting opportunities.

Strategic Sourcing  
and Supplier  
Management

Find new suppliers and manage these relationships through supplier management solutions. Identify and act on sourcing opportunities, and create favorable, low-risk supply contracts.

Procure to Pay

Realize savings with compliant, user-friendly, self-service procurement, services procurement, plan-driven procurement, and efficient catalog management.

# 35%

Lower purchase order error rates when stakeholders have access to accurate and timely contract compliance reporting

Source: SAP Performance Benchmarking

### Benefits

- Reduced purchasing risk
- Reduce purchase order error rate
- Help ensure high service levels
- Minimize cost of goods sold



## Supply Chain Planning and Execution

SAP Solutions

### Supply Chain Planning and Execution

#### Priorities

SAP Solutions

It is key for distributors to maintain inventory to meet demand and minimize cash bound in stock while keeping service levels high. They must operate efficient logistics and multiple warehouse locations to deliver goods to customers on time.



To satisfy dynamic customer demand, distributors need flexible capacities in inventory and fulfillment. And they have to contend with internal mandates to optimize inventory levels while managing the complexity and costs of a global network of suppliers, warehouses, and customer locations.

Supply chain execution functionality integrates and automates logistics and fulfillment across warehousing, transportation, and distribution to deliver the right products in time to meet actual demand.

Rather than paper-based analyses and calculations, distributors need to automate analytics and calculations for proactive, optimal recommendations and insights. Performing what-if analyses helps in assessing the impact of different planning strategies before implementing them and helps in bundling orders for more cost-effective delivery.

# 7%

Higher inventory accuracy for wholesale distributors that check real-time status and track warehouse activities

Source: SAP Performance Benchmarking



# Supply Chain Planning and Execution

SAP Solutions

## Supply Chain Planning and Execution

Priorities

**SAP Solutions**

# 31%

Lower transportation spend for wholesale distributors when forecasts are dynamic and updated frequently

Source: SAP Performance Benchmarking

## Create transparent and highly responsive supply chain operations.

Control logistics, warehouse and inventory management, compliance, and foreign-trade management, and better manage customs handling and regulatory compliance.

### Sales, Inventory, and Operations Planning

Determine optimal inventory levels at each tier of the supply chain. Perform consensus planning, match demand with supply, and align plans to financial targets through a user-friendly, multiorganizational, collaborative environment.

### Transportation Management

Combine transportation and warehouse processes with full supply chain visibility. Plan, consolidate, and optimize freight shipments, and account for applicable limitations, constraints, and costs for inbound and outbound shipments.

### Warehouse Management

Fully automate warehouse and distribution operations, including inbound processing, receipt confirmation, cross-docking, outbound processing, and warehouse, storage, and inventory management.

### Supply Chain Monitoring

Gain transparency into process roadblocks, support product recalls, and protect against counterfeit products. Mitigate the potential impact of complex and distributed supply chains on timely operations and product quality.

## Benefits

- Increase customer profitability
- Lower days chargebacks outstanding
- Improve sales force utilization
- Improve cash flow



## Profitability Optimization

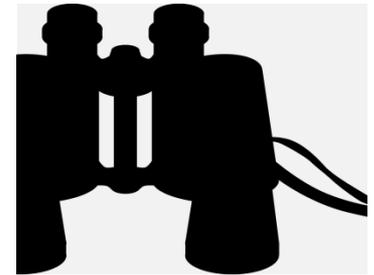
SAP Solutions

### Profitability Optimization

#### Priorities

SAP Solutions

Roughly 40% of distributor profits are based on vendor cost recovery programs. The remainder is affected by the correct stratification of the customer base and the ability to purchase the right materials from the right sources



# 58%

Fewer lost orders when system allows prioritizing customers and allocates suitably if product is in limited quantity

Source: SAP Performance Benchmarking

Cost recovery and rebate programs in the wholesale distribution industry are growing more complex and sophisticated. Frequently, wholesale distributors fail to recover all the chargebacks and rebates that are due, and recovery error rates are high.

It is essential to have true visibility into procurement spending and supplier performance in order to ensure the highest service levels at competitive prices. Uncovering quality issues and savings opportunities directly affects sales.

While every customer counts, they cannot all be considered equal. Customers need to be stratified by their performance, not based on personal relationships.

To succeed, it is imperative to understand every customer's cost to serve and net profitability.

# Profitability Optimization

SAP Solutions

## Profitability Optimization

Priorities

### SAP Solutions

# 39%

Lower days chargeback outstanding for distributors when access to real-time order, delivery, and billing information is available

Source: SAP Performance Benchmarking

## End-to-end margin visibility and control.

Best-run distributors require execution excellence in cost recovery and rebates operations, a holistic view into procurement, and accurate customer stratification.

### Customer Stratification and Cost to Serve

Analyze customer performance and cost to serve to align sales teams and incentives program and maximize net margins.

### Procurement Insight

Analyze spending, manage supplier relationships, and leverage solutions to optimize orders.

### Supply Chain Optimization

Move toward “managing by information.” Make time-sensitive decisions by monitoring and tracking informational updates. Stay up-to-date on current performance, and apply forward-looking analytics to assess future performance.

### Cost Recovery and Rebates

Automate, integrate, and track chargeback and rebates processes to improve cash flow and reduce days claims outstanding.

## Benefits

- Increase customer profitability
- Improve sales force utilization
- Lower days chargebacks outstanding
- Improve cash flow
- Reduce supplier risk
- Help achieve higher service levels



## Human Resources

SAP Solutions

### Human Resources

#### Priorities

SAP Solutions

Best-run companies attract top talent, build effective teams, and foster in their employees the skills to manage customer relationships, manage inventory effectively, and grow the business.



Attracting, developing, and retaining a skilled, experienced, and motivated workforce is of great importance to wholesale distributors in today's complex and competitive market.

Customers and suppliers are more demanding than ever. Distributors need skill, experience, and talent to get close to business partners, so they can proactively understand their product and service needs, offer innovative value-added services, and then execute.

Companies need powerful, flexible, and comprehensive HR solutions to support core functions such as payroll, benefits, and time and attendance. Solutions must also support talent management, which includes goal management, succession, compensation, and recruiting.

# 32%

Lower staff turnover when companies design, implement, and monitor workforce optimization strategies based on data analysis

Source: SAP Performance Benchmarking



# Human Resources

SAP Solutions

## Human Resources

Priorities

### SAP Solutions

### The new world of work.

Enable growth and sustainability by coupling global capabilities, integration, and real-time insight with choice in the way HR processes and services are delivered.

#### Core Human Resources and Payroll

Consolidate HR and payroll processes on a common global platform for better workforce data and legal compliance.

#### Talent Management

Improve strategic alignment, increase productivity, and accelerate results by identifying, developing, motivating, and retaining talent.

#### Time and Attendance Management

Streamline time management processes to enhance resource effectiveness and visibility into, and control over, labor costs.

# 6%

Higher employee engagement for wholesale distributors with lower employee turnover

Source: SAP Performance Benchmarking

### Benefits

- Align people to business strategies
- Support global market expansion
- Better productivity and engagement
- Get real-time business insight



## Finance and Trading

SAP Solutions

### Finance and Trading

#### Priorities

SAP Solutions

CFOs implement best practices to strike a balance between sound stewardship and value creation, while walking the fine line between entrepreneurship and caution. At the same time, they need to view the right information, whether it's the big picture, exacting detail, or somewhere in between.



During one of the most difficult and volatile economies of modern times, financial organizations are struggling to achieve excellence.

On a daily basis, they encounter persistent challenges, such as ongoing market instability, ever-changing regulations, and increasing pressure on margins. Plus, the speed of financial operations is accelerating, requiring access to insight on the go – anytime and anywhere.

Finance executives are tasked with cutting costs and providing insight into the financial impact of decisions. To achieve these goals in this high-pressure environment, finance organizations must rely on best practices that help them achieve excellence and drive business results.

With the right solutions, finance organizations can excel and become a strategic advisor to the entire business. They can help ensure regulatory compliance and effective risk management, outperform financial objectives, create sustainable value, and deliver superior service at reduced cost.

3x

Lower finance cost as a percentage of revenue for top-quartile organizations versus bottom-quartile organizations

Source: SAP Performance Benchmarking



## Finance and Trading

SAP Solutions

### Finance and Trading

Priorities

#### SAP Solutions

# 76%

Higher operating margins, where financial systems provide historical and forward-looking views into financial and operational performance

Source: SAP Performance Benchmarking

### Excel with best practices that facilitate 360-degree processes.

In the face of sustained market volatility, increasingly complex regulatory requirements, and growing pressure on margins, financial organizations must enable their staff to collaborate more efficiently and use business insight more effectively.

#### Financial Planning and Analysis

Define and execute organizational strategies, manage financial plans and forecasts, and increase profitability.

#### Accounting and Financial Close

Deliver a fast, accurate, compliant close and regulatory disclosures with less cost and effort.

#### Treasury and Financial Risk Management

Achieve greater insight and control over complex processes for managing cash, liquidity, and risk.

#### Collaborative Finance Operations

Automate transactional processes to improve efficiency, effectiveness, collaboration, and service at lower costs.

#### Enterprise Risk and Compliance Management

Protect revenue and optimize financial performance with risk and compliance management.

#### General Trading

Control trading cycles, including purchasing, sales, and financial transactions along with contract creation, expense allocation, and logistics.

### Benefits

- Provide forward-looking insights
- Deliver accurate financial data
- Enhance efficiency at lower cost
- Help ensure regulatory compliance



## Information Technology

SAP Solutions

### Information Technology

#### Priorities

SAP Solutions

Businesses enterprises should forge strategic business partnerships with their IT organizations by aligning goals. And business-oriented IT should maximize efficiency and responsiveness by running IT like a business



Research shows that lines of business want to ascertain the value of their IT investments, which means that IT organizations no longer decide alone which IT projects to fund.

The challenge is that IT management is often seen as just running the technical landscape. To become more relevant to an enterprise, IT needs to reposition itself to run like a business.

SAP offers an integrated portfolio of solutions to do just that. New technologies like mobile, in-memory, and cloud computing generate value to a business in an unprecedented way.

However, these new technologies also make IT landscapes more complex, requiring more tools to manage them. By leveraging SAP solutions – along with following best practices – CIOs, CEOs, other executives, management, and employees can tap into and help ensure efficiency, continuity, and responsiveness, making IT more strategic to the business.

# 52%

More employees use mobile solutions when business processes are redesigned to enable mobile access to supporting applications

Source: SAP Performance Benchmarking



## Information Technology

**Evaluate and control risk, enable flexibility and scale, control and optimize costs, and maximize strategic value.**

Promote business continuity, drive efficiency, increase IT responsiveness to business objectives – with IT management solutions designed for any size business.

SAP Solutions

### Information Technology

Priorities

#### SAP Solutions

Application Lifecycle Management

Use application lifecycle management best practices, methods, and services based on Information Technology Infrastructure Library (ITIL).

IT Infrastructure Management

Monitor all network assets to integrate infrastructure and application lifecycle.

IT Portfolio and Project Management

Manage projects and align the portfolio to drive innovation efficiency.

IT Service Management

Align service-desk operations with service level agreements (SLAs), resolve SLA incidents fast, and adopt ITIL best practices to meet evolving business goals.

IT Strategy and Governance

Track IT costs and risks and map risk and compliance activities to business impact.

# 28%

Lower IT spend where organizations have a consolidated single solution/platform landscape

Source: SAP Performance Benchmarking

### Benefits

- Align IT to business strategy
- Shorter IT delivery cycles
- Maximum return on IT
- Lower upgrade and operation costs
- Lower risk mitigation cost
- Less critical system downtime



## Technology and Platform

SAP Solutions

### Technology and Platform

#### Priorities

SAP Solutions

Technology solutions can make the difference between surviving and thriving. And businesses know that they need to innovate to drive transformation. Technology and platform solutions from SAP enable quick adoption of cutting-edge technology to run the business better and faster with agility and innovation.



Users expect to run a real-time business with collective insights from real-time analytics for better decision making, prioritization, forecasting and modeling of outcomes, and access to applications from the latest mobile devices. They demand that these capabilities seamlessly integrate with their favorite social platforms, allowing cross-stakeholder collaboration.

At the same time, data volumes are exploding while the window for capitalizing on opportunities is shrinking. Users must be empowered with information from real-time applications available securely on any device. And developers need a platform to innovate faster.

SAP enables the real-time enterprise with an innovative data platform to power a new class of real-time analytics and applications that help give businesses a true competitive advantage. Companies can harness the value of Big Data, while improving governance with timely, trusted, and consistent information.

Plus, SAP provides a comprehensive set of cloud solutions that include line-of-business applications as well as social and business network collaboration. The SAP HANA Cloud Platform enables customers to build new apps or extend and customize existing ones with managed and subscription-based services.

## Technology and Platform

SAP Solutions

### Technology and Platform

Priorities

#### SAP Solutions

### Drive transformation and help the business thrive with technology.

SAP technology and platform solutions enable the real-time enterprise by unleashing the power of collective insights, empowering developers to innovate, and unwiring the business.

#### Big Data

Achieve tangible results on every business priority by continually accelerating the processes of acquiring, analyzing, acting on, and applying insights.

#### Real-Time Enterprise

Power a new class of real-time analytics and applications with an innovative data platform to give businesses a true competitive advantage.

#### Real-Time Analytics

Unleash collective insight through enterprise business intelligence, agile visualizations, and advanced analytics on any device and platform.

#### Enterprise Mobility

Deliver a platform for mobile development and security to innovate employee and consumer apps for any mobile device.

#### Enterprise Information Management

Maximize the business value of data – both structured and unstructured – across the organization.

#### Application Integration

Integrate application delivery to maximize agility across people, processes, and systems – within and beyond the SAP software landscape.

#### Cloud Solutions

Extend existing on-premise apps and infrastructure to enable new innovative business processes, gain greater insights, and unlock new business value.

### Benefits

- Enable real-time operations
- Lower time to value
- Accelerate innovation
- Turn data into an enterprise asset
- Unwire the business
- Innovate customer engagement



## SAP Innovations

### SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

# 20%

Higher revenue per employee  
in organizations that use  
information to identify  
strategic and competitive  
advantages

Source: SAP Performance  
Benchmarking

To foster growth, distributors need an IT strategy to guide investments in infrastructure and software, and must align this strategy with business needs and plans. With sophisticated IT, they can keep up with customer and supplier demands and carve out a value-added and differentiated role.



Distributors that create an agile, insight-driven organization will be best positioned to thrive in an increasingly complex, volatile, and unpredictable economic environment. With a new level of IT maturity and functionality, organizations can meet changing customer expectations and differentiate themselves from the competition.

To succeed, distributors must be able to capitalize on complexity. They need to turn it to their advantage to exploit trends in Big Data, enterprise mobility, analytics, and cloud computing.

A fast, flexible distributor organization can identify opportunities for growth and cost reduction, and fundamentally turn data and information into actionable insights that differentiate the business.

SAP has a proven track record of innovation. Our new generation of technology can help companies better understand and serve the needs of business partners and help ensure that employees have access to the information they need to run the business better.

## SAP Business Suite powered by SAP HANA

SAP Innovations

### Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

SAP Business Suite software is powered by SAP HANA and enables wholesale distribution companies to revolutionize the way they analyze, forecast, plan, and optimize business processes. The software helps to offer superior customer service, reduce cost, and improve profitability.



### Finance and Trading

Investigate drivers of changes in days sales outstanding and, therefore, working capital – intuitively, interactively, and in real time. Get instant response times for reporting, new alerting and collaboration capabilities, and improved unstructured search functionality. Provide real-time insight on credit ratings, disputes, and open invoices to sales teams on any device.

### Supply Chain Planning and Execution

Faster processing of materials requirement planning runs across large volumes of data enable more accurate forecast and replenishment based on up-to-the-minute demand patterns. Obtain real-time access to complex inventory management data, enable high-performance inventory management with large volumes of documents, and run the show from the analytical inventory management cockpit.

### Opportunity to Cash

Leverage in-time, fast access, and assembly of quote-relevant data from diverse sources. Take advantage of faster transaction search capabilities within the quote-capturing process, and glean new insights from historical and actual data (including predictive and social).



## The SAP HANA Platform

SAP Innovations

Applications

**The SAP HANA Platform**

Mobile

Analytics

Cloud

# 53%

Of organizations report a large gap between the availability of Big Data and their ability to analyze it for insights

Source: SAP Performance Benchmarking

Distributors need to navigate tremendous quantities of data, such as stock keeping units (SKUs), supplier and customer master data, and pricing records. With the SAP HANA platform, they can manage Big Data with in-memory technology, perform instant analysis and eliminate lag time, and gain valuable business insights.



### Supply Chain Planning and Execution

Operational performance can vary across warehouse locations. Improve performance, speed up operations, and reduce costs by making Big Data analysis visually available in real time at distribution centers. Make the most of managers' experience and skills by providing timely analysis to help them manage inventory and staff and maximize productivity.

### Profitability Optimization

The SAP HANA platform dramatically improves the speed and depth of profitability, cost to serve, customer stratification, and spend analysis. Distributors can perform real-time analysis at any level of granularity, aggregation, and dimension. SAP software empowers business users with intuitive, self-service access to trusted profitability information – improving communication and cooperation between IT and the business, and driving better decision making.

## Mobile

SAP Innovations

Applications

The SAP HANA Platform

**Mobile**

Analytics

Cloud

# 40%

Higher employee productivity when mobile access is provided to employees at all levels of the organization

Source: SAP Performance Benchmarking

With mobile solutions, distributors can offer a differentiated customer experience and empower sales and supply associates and managers alike. They can provide real-time visibility into market dynamics as they occur, and improve operations and response times across the value chain.



### Opportunity to Cash

Increase sales associate productivity with smart phones and tablets. Mobile solutions can cut customer sales call preparation time by providing access to the latest data on pricing, order status, inventory on hand, past order history, open accounts receivable balances, new product offerings, and other contextual information.

At customer meetings, sales people can share the latest information on their mobile devices and respond to requests immediately without having to delay decisions, improving effectiveness and efficiency. To better serve customers and reduce sales cycle time, associates can up-sell and cross-sell, enter orders, and confirm product availability and delivery dates. And customers can submit sales orders and check on order status at their convenience, from any location.

### Supply Chain Planning and Execution

Delivery truck drivers can solve customer issues as they occur, and process activities at the customer location. For example, they can offer digitized proof of delivery or process returns on the spot. Empower managers to be on top of their game with the ability to analyze trends and seize opportunities in real time.



## Analytics

SAP Innovations

Applications

The SAP HANA Platform

Mobile

**Analytics**

Cloud

# 26%

Lower pick-to-ship cycle time  
for organizations with higher  
maturity of warehouse  
analytics process

Source: SAP Performance  
Benchmarking

Make better decisions using intelligent data with analytics from SAP. You can define, plan, align, and proactively monitor key performance indicators across every facet of business operations to drive superior performance across your enterprise.



### Supply Chain Planning and Execution

Measurably improve supply chain effectiveness by increasing visibility into end-to-end processes. Monitor distribution and logistics operations and their impact on supply chain and finance activities. Effectively balance demand-supply patterns with sales and operations planning to meet channel needs effectively.

### Profitability Optimization

Know cost to serve and improve net margin by zeroing in on performance issues – across products, customers, and channels.

### Finance and Trading

Improve planning, budgeting, and financial reporting effectiveness with applications that help increase accuracy and reduce budgeting and financial close cycles.

## Cloud

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

**Cloud**

# 65%

Of companies believe the cloud will amplify other technology trends, including mobile, Big Data, and analytics

Source: SAP Performance Benchmarking

The speed and flexibility offered by cloud computing is creating new opportunities for best-run wholesale distribution companies. Cloud applications from SAP and the open SAP HANA Cloud Platform allow companies to build differentiating solutions at the point of engagement – establishing nimble global business networks or connecting faster and more directly with customers.



### Procure to Pay

The Ariba Network combines industry-leading, cloud-based technology with the world's largest Web-based trading community. With the business commerce network, distributors can connect to trading partners anywhere, at any time, and from any application or device. They can buy, sell, and manage cash more efficiently and effectively.

### Human Resources

Integrate talent management processes to recruit the best people, effectively develop and leverage their skills, align their efforts with corporate goals, and retain top performers. Software offerings from SuccessFactors, an SAP company, can provide a single, accurate view of a company's workforce worldwide. The software is available as both an on-premise and on-demand cloud solution.

## Best-Run Customers

### Best-Run Customers

Our customers distribute more than 71% of the world's food.

ASKUL

Our customers distribute more than 73% of the world's healthcare products.

Casa Oliveira

GC Europe

Network Services Company

Tech Data

Why SAP?



JEBSEN & JESSEN



TOYOTA TSUSHO CORPORATION





Best-Run Customers

**ASKUL**

Casa Oliveira

GC Europe

Network Services Company

Tech Data

Why SAP?

**ASKUL Corporation is a member of the PLUS Group, a major stationery manufacturer and supplier.**

As its legacy mainframe system became outdated, the company decided to install the SAP ERP application as its backbone software system.

**Key Benefits**

- Real-time sharing of performance indicators with management
- Sophisticated analysis of daily and weekly data
- Lower maintenance costs
- Needs of Web-oriented business cycle met



Real-time visualization of sales performance



Faster IT response to evolutionary changes in business

“By implementing SAP ERP, we were able to achieve real-time visualization of sales performance. The ability to share daily profit and loss information and performance indicators with a number of involved parties has been a significant benefit.”

Shigeru Ogawara, Executive Officer, Business Platform Design and Customer Solutions, ASKUL Corporation





Best-Run Customers

ASKUL

**Casa Oliveira**

GC Europe

Network Services Company

Tech Data

Why SAP?

**Casa Oliveira was founded by Portuguese immigrant Americo Oliveira in 1962 to bring the fine taste of Portuguese cuisine to the people of Venezuela.**

Casa Oliveira wanted to leap ahead of its competitors and sought ways to boost sales and cut costs. It did not take long to spot a clear opportunity: sales, purchasing, finance, and other processes were disjointed and almost entirely manual.

### **Key Benefits**

Casa Oliveira found that the SAP ERP application spanned the gamut of its business needs with its financials, controlling, materials management, inventory management, and sales and distribution functionality.

**90%**

Less labor to process orders and associated invoices

**10%**

Tasks done manually, down from 70%

“We believe that deploying SAP ERP on an IBM-hosted infrastructure has optimized processes at Casa Oliveira, making us faster, more agile, and more efficient.”

Moises Paula De Souza, Partner, Casa Oliveira C.A.





Best-Run Customers

ASKUL

Casa Oliveira

**GC Europe**

Network Services Company

Tech Data

Why SAP?

**GC Europe N.V. is the European distributor for GC Corporation of Tokyo, Japan – one of the largest global suppliers of dental products.**

To support growth and its aggressive plans for expansion, the company chose an SAP Business All-in-One solution, which is designed specifically for small and midsize companies.

**Key Benefits**

- Gained support for rapid growth of over 11% annually for a 7-year period (double the speed of the market)
- Achieved a single version of truth with a real-time view across the business
- Improved ability to deliver full orders (around 99% of the time), while expanding from 800 to 2,000 SKUs
- More than doubled sales with a minimal increase in general and administrative personnel
- Reduced days in inventory by 17%



Increased operating margin by more than 14% since migrating to SAP software



Reduced days sales outstanding by 22%

“As a small-to-midsize company, we got exactly what we needed from our SAP Business All-in-One solution: rich functionality, good vendor support, and the scalability to support our commitment to growth and expansion.”

Jean Guns, CFO, GC Europe N.V.





Best-Run Customers

ASKUL

Casa Oliveira

GC Europe

**Network Services Company**

Tech Data

Why SAP?

**NETWORK boasts US\$10 billion in annual revenue and 25,000 employees worldwide. It is a global enterprise that provides distribution services to corporate accounts with multiple sites in the healthcare, commercial real estate, industrial, commercial printing and public sector markets.**

Network Services Company (NETWORK) needed to centralize financial management for a complex business network of over 100 corporate accounts in a number of industries. The IT team chose the SAP Business All-in-One for Wholesale Distribution solution to help merge disparate business systems.

### Key Benefits

Transaction flow stays visible all the way from order entry through product delivery. Details of pricing and item mix, for example, are clear from the beginning, so errors don't have a chance to propagate. The software enforces data validation among applications, so distributor data no longer passes through headquarters' books unexamined. As a result, both the collective and its individual distributors simply perform more efficiently and more profitably.

"In our larger vision, it wasn't enough to handle today's processing efficiently. We also wanted to be able to accommodate new customer needs and offer new services tomorrow."

Paul Roche, CIO, Network Services Company

75

Back offices integrated in the NETWORK community





Best-Run Customers

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Why SAP?

**Tech Data Corporation, Clearwater, Florida.**

As one of the world’s largest wholesale distributors at the center of the IT supply chain, Tech Data Corporation needs to ensure streamlined processes and smooth operations in its warehouses. To help ensure nimble operations, the company implemented warehouse management functionality within the SAP ERP application.

**Key Benefits**

- Significant enhancement in data analysis, resulting in bottleneck reductions and improved labor management, slotting capabilities, and overall processes
- Automated work assignments and directed picking
- Ability to extend cutoff times and still meet shipping commitments
- Electronic validation of picking and putting
- Paperless picking via radio-frequency handheld devices

**20%**

Reduction in logistics-related operating costs over 3 years



Double-digit gains in productivity for picking, packing, and put-away functions



Real-time availability of inventory

“Within just a couple of months of going live with the warehouse management software from SAP, we started seeing impressive benefits, including reduced costs and improved productivity in our warehouses.”

Tammy Gardner, Director of IT Supply Chain Systems, Tech Data Corporation

## Why SAP?

### Best-Run Customers

ASKUL

Casa Oliveira

GC Europe

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Tech Data

### **Why SAP?**

SAP delivers industry-specific innovations, and our solutions enable wholesale distributors to differentiate the business and fuel growth. Our customers are lowering costs and improving chargebacks, sales growth, and customer satisfaction.

### **Tightly Integrated, Comprehensive Business Solutions**

SAP offers a comprehensive portfolio of solutions for the wholesale distribution industry, so companies can focus key business processes and activities on their customers.

### **Leveraging Key Breakthrough Innovations**

The SAP solution portfolio is based on an innovative technology foundation that includes the SAP HANA platform, mobile solutions, analytics, and cloud solutions. The solutions help to enable business process optimization and efficiency at the lowest possible cost.

### **40 years of Delivering Value to Wholesale Distributors**

The world's leading wholesale distribution companies, across every major segment of the industry throughout the world, continue to rely on SAP to enable every aspect of the business.



# Find Out More About How Your Organization Can Become Best-Run

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Position your organization for dominance in this new economy with the business performance benchmarking program from SAP – available free to SAP customers and select prospects. The SAP benchmarking program has helped more than 3,000 organizations assess their strengths, uncover areas for improvement, and identify best practices and IT strategies that generate clear, tangible value – not someday, but today.

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