10 Questions Every Distribution Company Must Ask Before Buying Accounting Software

(and the answers)

By **CAL Business Solutions** Microsoft Dynamics® GP Partner

Welcome

The legacy systems that served you well in the past cannot support the speed of commerce today. Disconnected data and manual processes don't deliver the level of service that customers expect or the data exchange that vendors require.

To thrive in the new, connected world, you need business management systems that will put you back in play, to compete with the best. That's the only way to win, and it's achievable.
As you evaluate replacements for your accounting software, ask the right questions. Your success depends on your ability to optimize processes and the supply chain through technology. We've assembled a list to help:

1. Will we have access to centralized order and customer information?

2. Can we monitor orders at every step in the process?

3. How will we check inventory status during the order entry process?

4. Will the sales team have access to customer and sales information on their mobile device?

5. Does the purchase order process automate drop ship and replenishment?

6. Can we automate all customers notifications?

7. Will we have insight into pricing and margins at the line item level?

8. Can employees customize screens to meet their needs?

9. Will managers be able to analyze sales data to monitor unique KPIs?

10. How will we improve the efficiency of our picking processes?

11. Next Steps

#1

Will we have access to centralized order and customer information?

When a customer calls to place an order, your sales rep should be able to access all the information needed to process the order in one application, better yet, one screen. Customer's don't appreciate being put on hold while they wait for the service rep to look up their discount terms or why there is a credit hold on the account.

The right answer

To stay one step ahead of your customer throughout order process and beyond, customer-facing employees should have a single application that provides:

° Access to customer history, including quotations and notes.

° Inventory availability and shipping times.

° Line item pricing with associated margins and/or discounts.

° Display and automated calculation of the volume and other variable discounts.

Ideally, since every person works a little differently, the screens of the application should be customizable to support efficient look-ups. The same screens that serve order entry may not be the best configuration for returns and service reps.

The bottom line

The bar for customer service has been permanently raised.

Amazon.com and other online suppliers have changed expectations in our business lives, just as they did in our personal lives.

Your customers expect you to know them, to know their past orders and to know what you have in stock. Immediately, at your fingertips.

1

#2

Can we monitor orders at every step in the process?

As orders, the lifeblood of your organization, flow through your business management systems, they should be visible and monitored from entry to delivery. Batch processing in most legacy systems doesn't allow your team to handle exceptions proactively and answer customer inquiries quickly.

The right answer

Distributors on the leading edge are using rules-based workflow that ushers orders through the system to leverage inventory and supplier data. Dashboards that monitor how many orders are in the pipe and the value at each stage allow managers to plan ahead. Automating the order workflow supports:

° Rules to automatically complete credit and margin checks.

° Orders managed at the line item level to drive faster fulfillment like identifying out of stock items to drop ship from the vendor.

° Dashboards that allow employees to monitor each order at every step and focus on exceptions.

° Orders combined for more timely and cost effective shipping schedules.

Making it easy for employees and managers to monitor order status at every step of the fulfillment process will keep exceptions from falling through the cracks and creating unhappy customers.

The bottom line

As your organization grows, with higher order volume, more suppliers and more complex shipping requirements, you need to automate the flow of orders.

#3

How will we check inventory status during the order entry process?

While this question may seem obvious, it is surprising the number of distributors who are still taking orders without basic inventory information. Customers don't appreciate being put on hold while the service rep calls the warehouse to see if a critical item is in stock.

The right answer

Order takers – whether they are in a call center or in the customer's office – should have inventory information to provide answers and options. Complete inventory information, in-stock, available and on order, allows service reps to set expectations and build customer confidence.

As you evaluate business management systems, make sure that they can:

° Show availability across multiple warehouses.

° Give field sales reps access to the inventory information through mobile devices to close the deal on the first call.

° Include inventory status of vendors in addition to in- house items.

° Guide reps to suggest alternative products when items are not in stock.

As a fundamental building block for customer service, full visibility into inventory is a requirement for today's distributor.

The bottom line

It is easier than ever before for customers to find alternate vendors. When you can provide accurate information to set expectations, they will have no reason to search. Having accurate, real-time inventory information at the tips of your fingertips is priceless.

3

#4

Will sales have access to customer and sales data on their mobile device?

Making it easy for your field sales team to do business in the field means full access to information through their mobile device. No switching to the laptop to take notes, or telling the customer you will have to call them back with answers. Immediate information at their fingertips.

The right answer

Getting information in the hands of your sales people should be easy. The tech savvy millennials who are joining the workforce expect to use their mobile device for everything.

With complete information sales reps can work proactively with customers. When a shipment is stuck on a cargo ship that has been delayed by weather, letting the customer know immediately gives them time to adjust schedules.

The ERP solution you choose should empower your sales team to:

° Check on the status of orders and enter orders,
° Enter notes in one place instead of switching into CRM,
° Provide inventory status and estimated delivery dates.
° Negotiate with confidence based on line item margin information.
° Monitor their sales metrics.

The best answer will be to provide all this functionality with a down-loadable app that the salesperson can manage on their own. Simple to install, simple to use.

The bottom line

Technology and the connections to information in the organization should be seamless. Mobile devices have become the fundamental tool for all field based personnel.

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#5

Does the purchase order process automate drop ship and replenishment?

In the past, the practice of accumulating backorders over the day or week to place a master purchase order was the norm.

Manually matching up the backorders when stock arrived was a time consuming and error-prone process. Orders sitting on the dock were held up waiting for that one last item to arrive. Those are not the processes that work in today's world of immediacy.

The right answer

We've come a long way, and technology fuels those advances. A fully integrated ERP system synchs the order and purchasing processes to optimize inventory and fulfillment.

The process should go something like this:

° The sales rep sees the out of stock status when the order is placed so they can set expectations with the customer.

° A purchase order request is automatically created and linked to the customer's order.

° Depending on urgency, the purchasing agent can combine the request into a master PO, choose a preferred vendor or request drop ship of the item.

° In the case of special orders, it should be easy to enter detailed information that will flow with the order.

° At receiving, the item is immediately matched with the original order.

The bottom line

Through smart application of technology's potential, you can make huge leaps in both efficiency and accuracy. True productivity gains will allow you to grow the business without added headcount.

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#6

Can we automate all customers notifications?

In business, surprises are usually not a good thing. Most of the time, an unexpected turn of events leads to delays and missed deadlines. Automated status updates that keep your customers informed of progress and delays help them plan and avoid situations that cost them money.

The right answer

Just as we have become accustomed to with the purchases that we make in our private lives, we want transparency from our business vendors.

When the container ship is delayed an automated customer service notification is sent out. Transparency builds customer loyalty. The best way to manage customer expectations is through continuous communication including:

° Order verification.

° Backorder notification and expected delivery time.

° Notice that the product is in production and expected delivery time.

° Order has shipped and expected delivery date.

° Order is delayed and the reason.

Customers are more comfortable doing business with you when they are receiving notifications. It tells them that **you** know where the order is.

The bottom line

Making life easier for your customers can be as easy as keeping them in the loop on the status of their order. Information is today's currency, so share that valuable data with your customers.

6

#7

Will we have insight into pricing and margins at the line item level?

There was a time when pricing was simple. Yearly or quarterly product catalogs included columns listing standard prices at lot quantities. Now that customers can search online for anything and compare prices easily, static pricing is a thing of the past. To compete on price your sales reps need to know the margins for each item so that they can negotiate with confidence.

The right answer

A system that allows your sales reps to see order profitability and negotiate at the line item level has a powerful competitive advantage. Especially important for distributors who deal with volatile supplier pricing – like grain, metals and food – margin based pricing can mean the difference between profit and disaster.

Support for complex pricing matrices, delivered to your sales people in an easy to understand format, allows them to offer creative pricing scenarios. With full insight into margins, a salesperson can cut the price to the bone on one item with a hefty profit balance from another.

In addition, with real-time data connections your sales people can pass on savings from manufacturer promotions as soon as they hit the market. Never again miss an opportunity to close the deal on the first call.

The bottom line

When your sales reps have full insight into line item margins they can close the deal faster. No need to go back to the office to reprice or call the manager to ask for a special offer.

7

#8

Can employees customize screens to meet their needs?

Every person thinks and works a bit differently. In the past workers had to adjust to the way the system presented information. There was no choice unless you enlisted the help of a programmer to customize the application for certain users.

The right answer

The proliferation of apps has changed everyone's perception of what software should look like. When you are evaluating accounting and ERP systems, usability is critically important to user adoption.

Screens should be easy to navigate out-of-the-box, with a modern interface. Each person wants to view information on their terms and should be able to customize screens to meet their own needs.

Employees with screens that work the way they do are more efficient and provide better customer service. As people become more sophisticated in their use of personal apps, they expect software to be easy to use.

When the system doesn't work the way employees want it to, they work around the system. Creating spreadsheets or notebooks, they separate data from the shared knowledgebase of the organization.

The bottom line

Making technology easy to use is the key to keeping data in the system and building productivity. When using the system is the easiest way to get work done, everyone wins.

#9

Will managers be able to analyze sales data to monitor unique KPIs?

The sales managers that oversee the day-to-day operation of your sales organization know what it takes to be successful. They aren't interested in dashboards that were designed by someone else. They want access to detailed order data and KPIs (Key Performance Indicators) that they can slice, dice and display what they know is important.

The right answer

The metrics of your sales success are unique to your organization. if you have a team of more than one, your sales manager needs to be able to evaluate individual productivity as well as the aggregate.

With sales analysis tools that your managers can manipulate themselves, they can monitor:

° Sales by day, week or month with comparisons to previous results.
° The number of orders per sales rep, tracking to quotas.
° The value and number of orders by product line.

To compete in today's fast paced environment, you need managers armed with the data that tells them exactly where sales stand.

The bottom line

With real-time information, your sales managers can work with other departments to be proactive in response to sales variations. Working with marketing to build promotions for lagging products. Giving a heads up to production when an item is trending up.

#10

How will we improve the efficiency of our picking processes?

Picking processes are as unique as the distributors that deploy them. Efficient and flexible picking systems need to factor in all of the variables, from expiration dates to shipping methods, that are unique to the products and the company procedures.

The right answer

The number of variables involved in optimizing the picking process for your organization are more than the human mind can master. While your organization may have been depending on spreadsheets or an aging system to help with the process, there is likely to be lots of room for improvement.

An ERP or accounting system that integrates information from all the functions and factors that affect picking can crunch the data to recommend the best options. Collecting data through integrated wireless devices further fine tunes operations.

Systems should be able to optimize:

° Picking routes from multiple picking locations.
° Bulk, pallet and partial pallet picking.
° Picking rules based on inventory status, item type, area of warehouse and/or customer.
° Replenishment that supports efficient picking.

The bottom line

To improve the operational efficiency of your supply chain, you need processes that get the product out the door as quickly as possible. Picking is often a bottleneck for distributors that the computing power of technology can streamline.

10 ▶

Next Steps

If you have recognized issues that you need to address, you are in good company. Many mid-size distributors are playing catch up in a world that has been transformed by the internet. If you want to thrive in the new, connected world, you need to implement systems that support better business processes.

The good news, actually great news, is that ERP software systems have never been more affordable and within your reach.

If you want a system that will address all the areas outlined in this white paper, add Microsoft Dynamics GP (formerly Great Plains) to your shortlist. Microsoft Dynamics GP from CAL Business Solutions is a strong core financial system for growing distributors that addresses these core functional areas:

Microsoft Dynamics GP is quick to deploy and easy to use – either on your servers or in the cloud. But don't overlook the next important step – choosing a business partner you can trust – with experience in your industry.

CAL Business Solutions can help

CAL Business Solutions is a Connecticut based company focused on Microsoft Dynamics GP (Great Plains) accounting/ERP software sales, installation, integration, training and support. We work with over 250 customers in 23 states, with a focus on small and mid-sized distribution companies like yours.

"Nuts and bolts guys"

One distribution client described us as the "nuts and bolts guys." We don't wear fancy suits or close deals on the golf course. We don't try to sell you extra bells and whistles that you don't need and we don't speak in "techno jargon," When you work with us, you get honest advice, clear goals, straightforward answers, and a software system that works.

Dedicated to our client's success

Our clients include distributors of sports equipment, office supplies, medical devices, furniture, engine parts, industrial equipment, specialty chemicals, food and beverage and more. Their results include increasing order accuracy to 98.5%, cutting order entry time by 50%, increasing order processing by 150%, eliminating 48 hours a month in manual processes and saving $150,000 a year by increasing production without adding additional staff.

Watch our client's videos at: www.calszone.com/distribution

If you are considering new accounting software, upgrading your existing system, or if you currently use Microsoft Dynamics GP (Great Plains) and want the best local support and training from distribution experts, let's talk.

Email sales@calszone.com or Call 860-485-0910 x4.