

# 3 Factors That Influence a Distributor's Productivity



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### Introduction

Today's modern distributors are leveraging innovative technologies to boost customer service and logistics processes. Like all commercial endeavors, distributors need stable growth, consistent profits, and productivity improvements to compete effectively, acquire new customers and expand services.

Productivity is typically measured by efficiency factors and business ratios of output versus input. However, one limitation of this viewpoint is that it focuses exclusively on the effort-to-output ratio for current activities. It doesn't take into account other aspects of the business that may impact productivity.

This white paper will help you view productivity in a broader sense—from optimizing processes and giving your people the best tools available, to making your existing capital assets more efficient. Focusing on these three factors can help distributors hone their operations and improve output—driving growth and profitability.

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### Processes

When most people think about productivity, they think about human or machine output—how can you improve efficiency to get more out of the same process? Whether that means upgrading equipment or providing resources for employees to complete their tasks more efficiently, this is often the first factor business leaders examine when exploring productivity improvements.

This is a logical first step for leaders, as it's not uncommon to find many processes that were put in place with good intentions but ultimately don't provide real value to the business. Leaders should identify any archaic processes that can be eliminated, combined, or streamlined by leveraging other systems or processes. This is especially true for processes that were designed to be automated but—through the course of time and/or custom modifications—became cumbersome, time-intensive tasks that steal hours from your workers' higher-priority duties.

Investing in new technology or making improvements to existing systems to fully leverage their capabilities can increase process efficiency. However, leaders may be hesitant to embrace this change because of the perception of high capital investment, the time it takes to implement changes, or the notion that they're too entrenched in their current system to make any changes. These concerns are valid, but the companies that do invest in technology enhancements typically find that the improvements more than pay for themselves with faster processes and fewer errors.



Transitioning from multiple systems to a single technology platform can also make it easier to conduct operations across business units and locations by reducing the effort it takes to find information from disparate systems. Integrating processes—such as order management, production orders, kitting, delivery, and shipping—can streamline information and reduce the potential for human error.

### People

After processes, leaders often look at ways in which they can assist their employees with improved productivity. That said, some leaders simply request that employees increase output without providing additional resources. This is a shortsighted and ineffective solution—you can only expect so much from employees before the increased pressure leads to decreased efficiency, disengagement, and—ultimately—retention issues.

Instead, business leaders should consider how technology can aid in employee productivity and efficiency. Many systems are able to automate daily routines, prioritize work queues, and provide access to collaboration tools like instant messaging. Additionally, providing mobile access to critical system data can improve productivity on many levels—such as making sales performance data, inventory levels, and material shortage information available to representatives in the field.

Technology may also increase efficiency with human resources tasks—including onboarding and performance reviews, as well as knowledge and information sharing. Many companies also rely on technology to better educate their workforce with user training, videos, and online support portals that allow employees to learn new information quickly.

### Capital Assets

For the purpose of this white paper, capital assets considered for optimizing productivity include inventory, warehouse and facilities, and business systems.

### Inventory

The methods employed to make purchasing decisions may be honed to increase inventory productivity. You can gain efficiency in this area through technology like advanced forecasting tools that review historic demand and modify current demand based on present business levels.

Modern enterprise resource planning (ERP) software can provide purchase recommendations based on current stock levels, known demand, anticipated demand, and historic demand for products. Advanced demand forecasting software can provide a range of best-fit recommendations that employees can review and confirm or modify before placing orders with vendors via an integrated ordering system.



To achieve the highest possible productivity with your inventory, examine tools that enable you to coordinate orders across multiple sites, track incoming orders, and analyze forecasts. Ideally, the ERP system will automatically alert employees when to move product from one site to another, suggest alternate products to consider for out-of-stock products, or create special order requests when needed.

### Warehouse and facilities

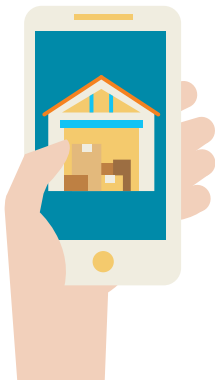
Warehouse productivity improvements require you to closely match your business practices to the warehouse layout, the inventory characteristics, and the business' requirements. An ERP system—or a dedicated warehouse management system for larger distribution centers—can help distributors improve efficiencies in their warehouse.

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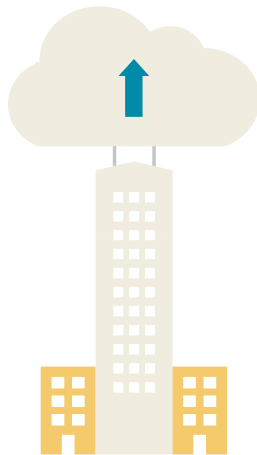
Utilizing radiofrequency (RF), bar codes, and wireless technologies along with handheld devices has increased warehouse productivity for many distributors. This technology can help your staff efficiently handle receiving, stocking, and the pick/pack/ship process. RF warehousing can significantly reduce reliance on paper forms and automate the cycle-count program used to update inventory levels—resulting in greater confidence in the inventory numbers and improved fulfillment rates.

### Business systems

Business software is a critical productivity factor for any organization. Today's technology includes well-integrated systems that are optimized for individual industries, including the distribution sector. These systems can significantly increase productivity by reducing opportunities for errors and helping your staff gain proficiency with less training.



The most significant productivity improvements in recent years have been the addition of mobile technology and cloud deployments. While the capability for employees to work remotely has existed for years, the ability to sign in with a mobile device to view and act on information in an ERP system has opened new levels of access, collaboration, and responsiveness.



Cloud-based business applications are very similar to traditional software—but with a big difference in asset productivity. Instead of buying hardware, operating systems, databases, application software, and utilities, a company pays a monthly fee to use a system that already exists. From an asset productivity viewpoint, the risk and cost are significantly reduced, while the functionality and value remain the same.

### Software That Enables Success and Enhances Productivity

In today's highly competitive marketplace, distributors may find themselves pressed to squeeze productivity from every facet of the business. Forcing the issue without thinking it through can lead to short-term successes and disengaged employees.

Modern business systems—like Epicor ERP solutions—are designed to integrate processes and maximize productivity. Business systems from Epicor can also support the unique processes of a wholesale distributor like no other software provider. For more than 45 years, Epicor solutions have enabled distributors to improve their productivity by eliminating or connecting disparate systems and streamlining tasks.

Visit [www.epicor.com/distribution](http://www.epicor.com/distribution) to learn how Epicor ERP solutions can help you grow, thrive, and compete in the ever-changing distribution landscape.

## About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed to fit the precise needs of our manufacturing, distribution, retail, and service industry customers. More than 45 years of experience with our customers' unique business processes and operational requirements are built into every solution—in the cloud or on premises. With this deep understanding of your industry, Epicor solutions dramatically improve performance and profitability while easing complexity so you can focus on growth. For more information, [connect with Epicor](#) or visit [www.epicor.com](http://www.epicor.com).

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