

## SAP Solution Brief

SAP Solutions for Small Businesses and Midsize Companies

SAP Business ByDesign

# Gain Competitive Advantage with an On-Demand Solution for Wholesale Distributors

## Quick Facts

### Summary

The SAP® Business ByDesign™ solution solves the limitations small and midsize wholesale distributors face using spreadsheets and introductory software packages. You obtain the key capabilities you need to increase marketing productivity, better match supply to demand, and improve the efficiency of internal operations and business processes. The solution is delivered on demand, allowing you to quickly and affordably lay the foundation for greater growth, competitive advantage, and success.

### Business Challenges

- Limitations of spreadsheets and introductory software
- Poor supply-demand matching
- Inability to benefit from enterprise management software due to costly in-house IT
- Poor visibility into business functions

### Key Features

- **Supply chain management** – Manage warehouse operations better to improve customer service while reducing inventory and cost
- **Supplier relationship management** – Empower smarter purchasing
- **Customer relationship management** – Effectively manage marketing and sales
- **Financial management** – Make informed decisions with up-to-date financial data
- **Project management** – Improve project efficiency, effectiveness, and profitability
- **Analytics** – Leverage business analytics to monitor, understand, and manage performance

### Business Benefits

- **More effective marketing campaigns** to grow your customer base
- **Easier to do business** with e-commerce capabilities
- **Better match of supply to demand** through improved forecasting, planning, and visibility
- **Improved decision making** through real-time visibility and analytics across your business
- **Integrated business operations** for operational and business process efficiency
- **Lower IT costs** with an on-demand solution that requires no in-house hardware

### For More Information

To find out more, call your SAP representative or visit us on the Web at [www.sap.com/solutions/products/sap-bydesign](http://www.sap.com/solutions/products/sap-bydesign).



The Best-Run Businesses Run SAP™

What does a successful wholesale distributor look like? It has a growing customer base and is successfully expanding into new countries and markets. It can match supply to demand, preventing excess inventory and lost revenue. It can **maximize profit through efficient internal operations** and procurement processes.

Unfortunately, many small and midsize wholesale distributors find they are not as successful as they would like to be. One of the reasons is that many wholesale distributors still use spreadsheets and introductory software packages to run their company. This leads to two problems.

First, spreadsheets and introductory software do not have the functionality needed to manage many of the operational requirements in wholesale distribution. As a result, companies often find:

- Their demand-generation efforts are below potential because they cannot run sales and marketing campaigns as effectively as possible – leading to slower-than-possible growth in their customer base.
- Their ability to forecast demand is poor, as is their visibility into both inbound and on-site inventory. This means their ability to plan and match supply to demand is hindered.
- They rely on manual processes, especially when working with spreadsheets. This causes business inefficiencies, including the inability to ship orders on time, a long lag time in closing financial books, reduced workforce productivity, error-prone warehouse and inventory management processes, and slower-than-necessary procurement processes.
- They are unable to scale their operations to take advantage of new markets, including those in new countries.

Second, software applications are often siloed by organizational function and are unable to talk with each other, leading to breakdowns in business processes. For example, the order-to-cash process requires communication between sales, fulfillment, and finance. However, when siloed applications are used, the following scenario may unfold: First, the sales department records customer orders into spreadsheets or a stand-alone customer relationship management system. This information then has to be reentered manually into warehouse and logistics management software for inventory picking and shipping. Finally, the information is entered again into the finance application for invoicing and cash collection. The consequence of this disjointed approach can be significant, leading to:

- Errors being introduced as data is entered manually from one application to another
- Business processes slowing down as significant manual intervention is required
- Competitive disadvantage due to slow response times
- Multiple “versions of the truth” as staff pull management reports from disparate systems
- Inability for management to gain visibility into what is going on in the business – leading to slow and ineffective decision making

The net result is to slow down potential growth and success.

## HOW DOES SAP® BUSINESS BYDESIGN™ HELP?

Designed specifically for small and midsize enterprises, the SAP® Business ByDesign™ solution provides the complete, integrated software infrastructure you need to run your wholesale distribution business from end to end. The solution integrates customer relationship management, finance and accounting, human resource management, supply chain management, and supplier relationship management. In addition, SAP Business ByDesign includes rich functionality for project management as well as analytics and management dashboards. You now have the key capabilities you require to overcome the limitations of spreadsheets and introductory packages and accelerate growth and success.

### Grow Your Pipeline and Customer Base

You can efficiently generate leads and grow your customer base with functionality for campaign management, lead management and qualification, and the handover of opportunities to sales personnel. In addition, the solution provides you with built-in analytics that help you understand your sales pipelines so you can focus on opportunities with the highest potential.

### Leverage E-Commerce for Easier Customer Interaction

In partnership with Hybris, a leading e-commerce platform company, SAP Business ByDesign enables you to establish or expand your Web store presence. This makes it easier for your customers to interact with you, place orders, and monitor delivery.

### **Accurately Match Supply to Demand with Greater Visibility**

One of the important challenges facing wholesale distribution companies is to accurately match supply to demand. SAP Business ByDesign helps solve this challenge by giving you the ability to predict your demand position more exactly. By comparing this against existing inventory and firm supply commitments, you can determine additional supply requirements necessary to optimize the plan. On the demand side, the solution enables you to forecast and plan demand more precisely through a rich library of forecasting algorithms and make seasonal adjustments. On the supply side, you can track your shipments, including those with long lead times, so that you can accurately determine their arrival and understand the delivery date impact of any shipping-related events.

### **Manage Your Warehouse and Inventory**

One important “must have” for small and midsize wholesale distributors is the ability to efficiently store, manage, and retrieve inventory from a warehouse. Unfortunately, you can’t find this ability in introductory software, which means wholesale distributors who use these packages must spend countless hours manually storing, tracing, and retrieving inventory – a problem that becomes significantly more acute as the number of warehouses increases. SAP Business

ByDesign solves this problem by providing the ability to pinpoint and manage inventory down to the bin level and by enabling directed pick and put-away tasks. This gives you an optimized and efficient warehouse operation and helps speed shipments to customers, improving your order fulfillment performance.

### **Support Efficient Light Manufacturing for Final Assembly**

For distributors who perform final assembly before the sale of items, SAP Business ByDesign provides all the support required to efficiently assemble products, including inventory, bill of materials, work order management, and production control.

### **Create Efficiency by Enabling End-To-End Business Processes**

A key advantage of SAP Business ByDesign over spreadsheets and introductory packages is the ability to enable and automate end-to-end business processes while taking advantage of industry best practices. For a wholesale distributor, this means you can run complete order-to-cash and procure-to-pay processes in one application without the need to manually transfer data to another, and you can simultaneously adopt effective and efficient processes. The result is not just a savings in cost. You gain competitive advantage that arises when you can respond more quickly to your customers.

### **Scale for Growth**

A unique feature of SAP Business ByDesign gives you the ability to adapt the solution to meet new business requirements without having to perform extensive reconfiguration. This is especially useful for fast-growth distribution companies, as you can now rapidly scale your operations as well as enter new markets and new countries.

### **INSIGHT AND BUSINESS ANALYTICS**

The success of wholesale distributors depends on both executives and employees having timely, accurate information and analytics from demand and supply chains. SAP Business ByDesign supports this requirement very well with industry-leading analytics built into the solution. This functionality is designed to provide intuitive, context-specific analytics through reports, dashboards, and analytic charts and graphs built into transaction screens.

With SAP Business ByDesign, employees can easily develop and access reports to monitor key performance indicators and trends across the company, whether they are tracking the marketing and sales pipeline, inventory positions, procurement spend, delivery dates, shipment performance, or financial metrics.

With SAP Business ByDesign you can **manage your entire business more efficiently**. You get on-demand software that helps you gain better visibility into your entire demand and supply chains, enabling you to more effectively match supply to demand.



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The solution further simplifies data analysis and reporting by enabling your employees to work in the familiar Microsoft Excel environment. They can export business data from the solution to a local Excel spreadsheet on their personal computer. In addition, they can refresh data in the local spreadsheet with new data from SAP Business ByDesign, update it locally, and then write it from the spreadsheet into the solution.

#### **THE ADVANTAGES OF AN ON-DEMAND SOLUTION**

SAP Business ByDesign is delivered as an on-demand, software-as-a-service (SaaS) solution. This means you do not have to worry about installing or managing any hardware or software. And with the cost advantages provided by SaaS, you can affordably access the same industrial-strength functionality used by large wholesale distributors who rely on in-house applications. In addition, SAP

Business ByDesign provides cost savings when compared with the cost of buying, maintaining, and periodically upgrading siloed applications (one for marketing and sales, another for finance, a third for inventory management, a fourth for procurement, and so on). With SAP Business ByDesign you get one application to run all of your business at one low subscription cost. You do not have to worry about upgrading the software to gain the latest capabilities. Instead, SAP does this for you with the updates and enhancements provided to you automatically and immediately – so you can stay a step ahead of your competition.

#### **Find Out More**

To learn how SAP Business ByDesign helps small and midsize wholesale distributors drive growth, competitive advantage, and success, call your SAP representative or visit us at [www.sap.com/solutions/products/sap-bydesign](http://www.sap.com/solutions/products/sap-bydesign).



The Best-Run Businesses Run SAP™