

# Wholesale Distribution Trends to Look Out For in 2022/2023



*"The price of doing the same old thing is far higher than the price of change" – Bill Clinton*

We all recognise how much the wholesale distribution market has changed over the last two years and it's still changing. Wholesalers have been just about forced into operating in new and different ways, some changing their operations quite dramatically to remain in business and profitable.

We carried out some research and talked to our wholesale distribution clients about the most significant changes they have implemented to align with market demand or necessity. And we asked what they believed was on the horizon and worth keeping an eye on – here are our findings and thoughts.

## Supply Chain Flexibility

Top of the list was supply chain - challenges in this area have been making news across the world and while disruptions in the supply chain are nothing new, a different and innovative approach has been needed to keep businesses profitable and growing. For wholesaler distributors to remain competitive in the changing market, they've needed to evolve and take a more flexible approach to their operations, particularly in the supply chain.

We discovered that the most successful distributors had implemented or increased supplier collaboration with improved solution integration and information sharing which incorporated flexibility, intelligence and agility across all supply chain transactions.

Innovate - keep the goods moving and  
stay ahead of the game

Reducing supply chain disruptions and delivering excellence (literally!) needs all parties to be fully transparent regarding on-time delivery. This proved easier with bigger suppliers, less so with smaller ones who were operating with less sophisticated systems and processes. However, higher levels of transparency, real-time insights and clearer, quicker decision-making drives trust in the process and the results. Like a well-oiled machine, all working parts run smoothly and the end result is happy customers.



With greater transparency the supply chain is transformed from a disconnected model to one of collaboration. Distributors are able to gain greater flexibility and visibility which reduces inventory buffers while delivering improved service levels and cost/time savings.

Using flexible cloud-based tools to enhance collaboration enables:

- integration of supplier processes into your own supply chain planning and execution
- working collaboratively upstream and downstream with multiple suppliers
- identify unplanned supply chain events and respond quickly with flexible, alternative ways of working
- connecting distributors and supplies to a shared and agreed plan
- orchestrating multi-tier supply chains to reduce inventory
- optimising processes with intelligent capabilities such as sharing forecasts, orders and inventory data with suppliers and get responses in real time
- identifying and resolving supply issues quickly
- higher levels of customer service and experience

## **Ecommerce - efficient, low cost and delivers purchasing simplicity**

As the market changed with long lockdowns and buyers moving quickly to online, it offered wholesalers the chance to remain relevant, innovative and profitable by using technology as the driver to meet the growing demand for digital channels. As online buying habits increased, distributors needed to deliver not only the goods, but a modern, easy-to-use, online customer experience in order to compete and survive.

Many wholesale distribution companies already had an online presence, but customers demanded more products and more personalised, reliable services – and they wanted everything instantly. Waiting for goods and poor service wasn't an option. In a highly competitive marketplace online customer acquisition, engagement and experience drove loyalty which contributed to the success of many operations and kept them afloat.

Websites developed with the customer in mind were and remain critical for successful customer acquisition and retention. Sites need to integrate seamlessly with stock, finance and customer information to deliver the ultimate customer experience. Done well, ecommerce delivers high efficiency, low costs and purchasing simplicity.

Omnichannel trading is also a key element of ecommerce success. No matter how a prospect or customer interacts with a business - via your website, their mobile or talking to a sales rep – the experience should be consistently excellent across all platforms with responsive, real-time data.

## Sustainability – be kind to the environment

Sustainability has become more significant for business itself and to its customers. Getting on the 'green bandwagon' has gained momentum in almost every industry including wholesale distribution. Words such as green logistics, zero emissions, carbon footprint etc are becoming part of our daily business language. In some cases, organisations are choosing only to work with environmentally friendly partners who are aligned with their own green values. And it's not enough to just print the words on your website, you need to demonstrate that you are really walking the walk.

There are many ways for wholesale distributors to be more sustainable – some are small and simple steps such as reduced paper and energy usage, others bigger and more complex ie around transportation. State and local governments are offering a range of incentives relating to using low emission/electric vehicles or encouraging a change to different logistic methods to reduce the carbon footprint of the supply chain. Certifications can be obtained to help promote an organisation's efforts and show prospects and customers that the business is taking sustainability seriously.

## In summary...

We've highlighted three key trends that are already in motion and that will evolve further over the next 12-24 months:

- supply chain flexibility
- enhanced ecommerce
- sustainability

They are all actionable and can deliver many benefits for a wholesale distribution business to help it remain innovative and profitable.



## About CloudZone One

CloudZone One was formed in 2014 with the driver that software solutions, combined with its professional services, would help businesses in Australia and New Zealand operate better and smarter. Formed by a team with over 30 years' experience in helping companies to grow using the best technology, we specialise in providing cloud-based configurable software solutions, professional services and reporting/data insights to help businesses succeed.

Based in Australia (Brisbane, Sydney) and New Zealand (Auckland, Christchurch) we have a strong team of qualified and experienced consultants, solution architects and support analysts to help you through each stage of your journey.

To make things easier for you, we design and implement solutions using our RAPID methodology - an approach which allows for fixed price and fixed scope implementations without traditional contingencies.

We have helped numerous clients achieve their business goals with great business solutions.