Distribution Industry WHITE PAPER

Implement Digital Transformation Across the Supply Chain

Changes that are solely aimed at transformation in the distribution industry must subdue the organizational barriers responsible for scattering the prime decision-makers across different functions and narrowing the room for crossfunction collaboration. From demand forecasting and inventory regulation to freight management, every stage calls for value chain integration across the entire supply chain to facilitate large-scale transformation.



The Future of Supply Chain is Virtual Integration

Currently, the distribution industry is experiencing a major development brought about by hypercompetitiveness. Distributors are constantly the lookout for expanding their realms of services to retain and attract customers. Distributors are capable of taking up more proactive roles in delivering value to the customers by keenly examining the inventory demand, identifying latent trends and patterns, and implementing new technologies and approaches to earn an edge over their competitors. With each day, mobile and social communications are becoming the core channels for B2B and B2C businesses.

New Technologies steer towards New Dimensions

The distribution strategies of an economy don't always remain the same; with the advent of new technologies, the rudimentary structures undergo critical alterations. These changes might have different implications when dissected from the surface but, on digging deeper, the outcome can be very startling. Manufacturers, distributors and retailers are always at loggerheads for market shares and try to get their hands on the bigger piece of the cake that conceals unexpected results within it. In fact, some companies even attempt to guard the entire market for themselves by rolling out innovative changes from production to retail.

Integrate Supply Chains for Improved Efficiency

Operational efficiency is something that every distributor wants to achieve to stay ahead of their contemporaries in this digital age. A flexible supply chain that provides real-time insights and visibility into every corner of the distribution network from sourcing to delivery is one of the chief catalyzers of efficient operations. Multi-layered supply chains, latest business models and B2B online commerce combined with the anticipations of users to access from anywhere and at any time are influencing the basics of the distribution business. Besides, comprehending consumer behavior and accordingly personalizing their experience is no longer being treated as a different facet. Customer tendencies play a crucial role in gaining and maintaining consumer loyalty. The question is, how can these organizations from the domain of distribution tackle these challenges and still delineate new opportunities? "

Disruption on a pandemic scale has amplified the sense of urgency to build more integrated supply chains, since visibility is the new competitive yadvantage."

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Flexible and Responsive Supply Chains

Organizations that are capitalizing on regionalized supply chains with agile and responsive delivery models enjoy a competitive advantage that will continue persist even after the pandemic. The automation techniques and technologies that integrate and digitize supply chains permit this localized methodology and render the organizations with more opportunities to stand true to customer expectations.

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Individual businesses no longer compete as stand-alone entities, but rather as supply chains.

Martin Christopher, Centre for Logistics and Supply Chain Management

How to achieve this?

- Gain visibility over the entire supply chain to monitor and maintain proper inventory levels.
- Invest in several models of procurement including drop ship.
- Proactively look for problems before they escalate with advanced forecast netting, planning and equal distribution of the tools to curb inventory shortage and overflow.
- Smoothly integrate with forecasting tools that are relevant to the needs of the organization.
- Control numerous product lines with distinct dimensions and characteristics within the same system.

In order to combat the native challenges of the distribution industry, the organizations require productive supply chain and superior customer service. To deliver the right products in appropriate quantities to your customers in the right time is immensely vital. For this, you must be able to make quick decisions backed by accurate data and real-time insights into the operations.



Digital transformation in the distribution industry

The Internet of Things (IoT) is regarded as an incredibly useful transformative technological solution in the sphere of logistics and its digitization. IoT comprises of interrelated computing devices that allows transmission of data across networks without human intervention. This helps companies manage inventory, warehouse stock, augment freight routes, reduce unnecessary mileage and cut down the extra costs.

To make the most out of digitalization, businesses must reframe their supply chain approaches and not just implement digital technologies.

- Credible procurement strategies and long-lasting relationships with suppliers should be treated as a priority in the supply chain operations.
- Companies must have strapping risk management policies at their disposal to overcome unforeseen challenges.
- Warehouse managers can use reliable applications for seamless and accurate collection of inventory data and to keep tabs of the products that are produced, stored, distributed and sold.
- Detailed assessment of supply chain data can enhance demand forecasting and decision-making.



Digitizing Supply Chain Platforms

There are primarily two ways in which platforms enable collaboration. On one hand, these platforms furnish the users tools, processes and techniques that comply with the industry standards. On the other hand, they also let users establish mutual channels of interaction with each other. In the case of Google Android, application developers will be benefitted when the installation base of their tablet grows. Similarly, customers are drawn towards Android as more developers generate innovative apps. Therefore, when the number of users on the platform increase, the advantages of the collaboration surge and everyone involved gets to relish equal shares.

Flexible Structure

Structural flexibility is proven to be one of the most fruitful and trustworthy ways of enhancing supply chain resilience. Structural flexibility infers the ability to adapt changes or redesign its structure to promptly respond to the modifications in the demand or supply aspect of the network. The design of the supply chain structure should be such that it helps the team to realize that the best decisions to battle hurdles are the ones that provide the most number of alternatives. Chances are, these solutions will not be the most-effective ones but they will make sure that the supply chain is competent enough to mold itself with changing circumstances.

Sharing Information

Supply chains based on steadfast informational platforms are the principal elements that encourage information sharing and collaboration. For example, blooming e-commerce sites that provide the option of home delivery make it easier for customers who lack time to shop from a wide range of retailers located in different locations across the state or country. The orders are handed over to independent courier partners to be delivered to the customers. No to forget, hassle-free confirmation, payments and customer support make the whole arrangement suave and efficient.



Microsoft Dynamics 365 and the Distribution Industry

Microsoft Dynamics 365 is the perfect tool for enhancing dexterity to respond instantly and effectively to fluctuating market conditions. This achieves better operational efficaciousness in warehouse management and order processing. Our distribution process consultant along with the functional proficiency of Microsoft Dynamics 365 empowers us to present an ERP solution that is put together transform and improve the wholesale distribution business operations.

- **Enhance supply chain efficiency** Improved forecasting and increased streamlined ordering processes to regulate the inventory, reduce overhead costs and manage suppliers smoothly.
- **Increase profits** Utilizing superior pricing and customer-centric approaches to swell business opportunities, and manage rebates more efficiently.
- **Customer satisfaction** By making sure that your demands for competitive pricing, improved service, product availability, easier ordering and timely delivery are achieved properly.
- Align IT with your business Increase your ability to comply with the market alterations and boost competitiveness
- **Gain real-time insights and visibility** Visibility into your value chain coupled with integrated sets of KPI's and simplified financial reporting, leading to easy decision-making.







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We are a full-service digital transformation partner and our mission is to help organizations take the digital leap to realize business success. We are one of the fastest growing IT Solutions & Managed Services providers in UAE. Our vision is set to become one of the most preferred IT Solutions and services organizations globally.



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- Application Portfolio Rationalization
- Automation Readiness Assessment

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