

What Is the Future of Wholesale Distribution?



Wholesale distributors face a critical squeeze, caught between manufacturers and their customers. But the growth of D2C, channel proliferation, and the resulting effects of disintermediation are the tip of an existential iceberg.

To go from “survive” to “thrive” amid swirling threats, wholesale distribution networks must embrace an iterative approach to digital transformation with the goal of securing the future of their supply chain, as well as their success.

Composing the Future

With a SaaS-native “microservice” approach, wholesale distribution ecosystems can gradually augment inventory, ordering and fulfillment technology and create a customer-centric future where distributors can elevate their service and achieve operational efficiency.

>> Consumerization of B2B

is creating pressure for wholesale distributors to roll out value-add offerings to compete on service.



Prepare for the Future

Inventory Management, Visibility & Allocation

Current Challenges

- Inventory turnover, requirements, and working capital are often hard to predict and even harder to accurately manage.
- Inflexible warehouse location mapping, changes in supply and demand, and other factors can make delivering against commitments tricky.



The Future is Bright

- No more stockouts or stagnant inventory; AI and ML-powered real-time visibility revolutionizes inventory management and forecasting, ensuring clarity on order details.
- You uphold daily promises amidst ever-changing variables, undaunted by disruptions. Your Intelligent Rebalancer swiftly responds to sudden changes, optimizing order sequencing and sourcing priorities.



Margins, Costs & Systems

Ongoing difficulties

- Margins constantly squeezed by labor inefficiencies, errors, and disruptions snowball into inescapable crises.
- Upgrades take years or may never finish, new requirements lack priority, costly development necessitates ongoing maintenance and a seasoned staff, impeding scalability and modernization.



Promising Times Ahead

- Order sourcing, consolidation, and shipping operates seamlessly, automated and optimized for labor, inventory, resources, processing, and transport costs throughout the network.
- Farewell to inflexible monoliths, welcome to agile microservices seamlessly enhancing existing tech. Rapid deployment of new services, frequent upgrades, and minimal maintenance.

Customers & Workforce

Existing Struggles

- B2B customers crave self-service, omni-channel, and B2C-like experiences, but your infrastructure and warehouse mapping lag behind.
- Lack of data access and utilization hinders understanding customer needs and preferences, as well as optimizing inventory and the network to meet those demands.
- Warehouse and fulfillment teams endure labor-intensive, long hours to meet schedules and preserve margins.



Good Things to Come

- Customers expect 360-degree inventory visibility and quick market adaptation, thanks to legacy system upgrades. Prioritizing service over price helps retain and acquire customers, boosting revenue and optimizing inventory.
- Unified, accessible data powers advanced inventory, allocation, and order orchestration, enabling continuous improvement and added client value.
- Next-gen inventory and order management boost efficiency, allowing teams to focus on service-driven competition.

Your Future Is Already Here – It’s Time to Up-Level Your Order Management for Modern Times

Blue Yonder’s Commerce microservices built for B2B are the easiest way for wholesale distribution networks to transform inventory processing and order allocation together, one capability at a time, without expensive architecture replacements that bring delays and disruption.

- 1.** Choose one or more OMS micro-services to easily add to your existing architecture.
- 2.** We’ll help custom-implement, while you roll out value-add services for customers.
- 3.** Once you’ve proven impact, target other inventory challenges with more OMS micro-services.

>> Market Consolidation

through mass M&A is putting holes in the wholesale distributor value proposition.



>> Disintermediation

is cutting out wholesale distributors from the equation, as more manufacturers adopt D2C channels.



References

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