

# TAKING THE DIGITAL DIVE

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Transforming the Wholesale  
Sales Experience With  
Order Management Technology



- ▶ Leading wholesalers gain a competitive edge by implementing efficient automated digital systems.

# Introduction

Success in today's intensely competitive wholesale industry balances on the strength of customer relationships. The digital processes consumers have come to expect in their personal lives are driving a demand for similar ease and efficiency in the B2B realm.

Customers want seamless communication across their favorite digital-commerce channels – alongside outstanding customer service. Those who are prepared to deliver that experience are poised to win customer loyalty and boost customer lifetime value. Digital order management solutions allow wholesalers to do all these things consistently.

Digital order management solutions – which typically encompass mobile order writing, B2B E-commerce capabilities and web order management – are an especially important element of a modern wholesaler's customer service strategy. These solutions don't just enhance the customer experience; they also

demonstrate a wholesaler's commitment to implementing the latest technology. In an industry where high-value customer relationships can take years to build, and where competition is fierce, it is increasingly important for wholesalers to take full advantage of these new digital capabilities. That means selecting a solution that is accurate, scalable, reliable and robust.



# The Current Wholesale World

- ▶ This reliance on outdated, manual processes creates serious productivity challenges.

Wholesalers today are automating a variety of functions – for instance, 47% of respondents to the *2014 McGladrey Manufacturing & Distribution Monitor Survey*<sup>1</sup> are investing in customer relationship management technology. Most such investments are focused on back-office functions, however, and too many wholesalers continue to rely on outdated methods of managing sales orders and other customer-facing functions.

The industry's slow progress in this area is especially troubling given skyrocketing growth in global B2B E-commerce: Forrester estimated that B2B E-commerce transactions would hit \$559 billion by year-end 2013<sup>2</sup> – more than double the value of consumer E-commerce transactions.

This reliance on outdated, manual processes creates serious productivity challenges. Sales reps, for example, must carry cumbersome catalogs, samples, inventory

sheets and other printed materials when meeting with customers. Order transmission that relies on a mix of paper, email, fax, Excel and manual-entry directly into an ERP leads to slow and fragmented information and service. Frequently, these processes introduce errors that can be both costly and time-consuming to fix.

Manual order management also runs counter to the blistering increase in consumer E-commerce and mobile commerce applications:

- \* **E-commerce sales will top \$304 billion in 2014, up 16% from 2013.**
- \* **Mobile commerce sales will hit \$57 billion in 2014, up 37% from 2013.<sup>3</sup>**

The rising tide of consumer mobile and E-commerce has primed customers to expect to engage with companies over digital channels, both as retail consumers and as B2B buyers.

- ▶ Long-term, high-value relationships are vulnerable to competitors who offer a better experience.

The upshot? Leading wholesalers increasingly appeal to customers and gain a competitive edge by implementing efficient, streamlined and automated digital systems.

This is a critical trend within the industry, given some of the challenges facing wholesalers today. For example, wholesale bypass – where consuming industries obtain products directly from manufacturers – continues to intensify, IBISWorld reported.<sup>4</sup> Of course, this lowers demand for wholesale distributors.

At the same time, customer relationships are critical to a wholesaler's success. Once a wholesaler has captured an account, it can often maintain that relationship for decades. Yet these long-term, high-value relationships also pose a risk: If a wholesaler loses an account by failing to provide the experience the customer wanted, it may lose that customer permanently to a competitor.

Such a loss can be especially damaging when you consider that acquiring a new customer may cost six or seven times more than retaining an existing customer. Current research shows that one of the most effective ways to increase a customer's lifetime value (LTV) is to increase customer satisfaction: A mere 5% increase in customer retention can increase profits by 25% to 95%.<sup>5</sup>



# Challenges Facing Wholesalers

- ▶ Sales reps need real-time access to order history and inventory.

Unfortunately for wholesalers struggling with productivity and customer-service challenges, it's nearly impossible to provide retailers with a superior experience using a manual system. Wholesalers that rely on paper-based systems face obstacles at each step in the process. Consider:

- ▶ **Preparing for sales appointments:** Sales representatives can't easily access customers' transaction histories and inventory levels, especially from the road. They're unable to quickly re-create past orders or provide the insight that might help them tailor – and possibly boost – future orders. Without access to inventory data, they may sell items that are out of stock or on back-order.

- ▶ **Presenting information to customers:** The printed product catalogs and physical samples that sales representatives must carry with them can get unwieldy and look unprofessional. And because printed catalog data is not frequently updated, reps often present outdated product information. Additionally, the cost of shipping samples and catalogs cuts into wholesalers' bottom lines.



- ▶ Orders that are written manually are prone to errors and slow to transmit.
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- ▶ **Taking orders:** The slow pace of manual order-taking systems prevents sales representatives from seeing as many customers as they otherwise could. Trade show prospects, for instance, are unlikely to wait while a rep hand-writes multiple orders. By the same token, road reps are forced to limit the number of sales appointments they can fit in a day.
- ▶ **Transmitting orders:** Even once customers commit to an order, there's often a lag before the sales rep can place it. That extends the process and, over time, means fewer orders placed – and can even give a customer time to have second thoughts and cancel the order before it has been confirmed. Whether they're placing orders manually, using risky

workarounds like Excel templates or email, or accessing a rudimentary database that wasn't designed for efficient order entry, the threat of mistakes is high.

- ▶ **Processing and fulfilling orders:** When customer service employees enter orders that were placed manually, they often must decipher the salesperson's handwritten notes. When they're wrong, that leads to fulfillment errors and misshipments. On the other hand, taking time to double-check details holds up orders. In either case, customers are disappointed, and tracking down information or correcting mistakes diverts resources from more valuable functions.

# The Benefits of Shifting to a Digital Solution

Digital sales and order management solutions address these challenges and enhance customer relationships by giving salespeople more time to nurture client relationships. Sales representatives write orders on mobile devices, and customers can place orders online. Customer service is empowered to manage orders, products and customers from a single, central location, and everything is integrated with your core business systems. Here's the business value:

- ▶ **Accept, process and ship orders faster:**

Salespeople can submit orders from their mobile devices as soon as customers decide to purchase. Almost immediately, customer service and shipping departments receive the electronic orders and begin filling them, accelerating the rate of inventory turns.

- ▶ **Accelerate cash flow:** Speeding up these processes means wholesalers are getting paid more quickly,

and this money is more readily available to invest in the business.

- ▶ **Reduce order-processing costs:** Staff who previously performed manual data-entry tasks can focus on higher-priority strategic initiatives.

- ▶ **See more customers and write bigger orders:**

The time salespeople can spend nurturing client and prospect relationships – rather than shuffling paper – can pay off in more and bigger orders. Lost sales productivity and wasted marketing budgets cost companies at least \$1 trillion annually, The B2B Lead estimates.<sup>6</sup>

- ▶ **Always know – and sell – what's in stock:** Real-time access to inventory allows salespeople to direct customers to products they know are in stock. They can let clients know right away if an item isn't available and suggest alternatives while they're still in a purchasing mindset.

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▶ **Deliver superior customer service:** Digital sales and ordering processes save customers and wholesalers time and ensure that customers quickly receive the products they want, enhancing their experience. Easy access to transaction history means wholesalers can quickly review customers' past orders and performance, then guide customers toward the products that are likely to sell well for them. High-resolution electronic catalogs let customers view up-to-date product descriptions, images and pricing to gain a better understanding of the products they're ordering.

▶ **Provide 24/7 availability:** Digital solutions allow sales reps to place and check orders any time, and from anywhere they can access a smartphone, tablet or Web browser to more efficiently meet customers' demands. Whether the rep is on the road, working from home or even shopping for groceries, he can place or check on an order in an instant. An "always on" B2B E-commerce portal provides retailers with the modern and convenient buying experience they're accustomed to in consumer transactions.



# Selecting a Vendor for Digital Sales Order Solutions

- ▶ Among wholesalers investing in IT in the next 12 months, 61% will invest in mobile solutions, according to the Distribution Monitor.

Robust simplicity and a focused user experience – rather than extraneous bells and whistles – are key to successful long-term adoption of a digital sales order solution across an organization. The transactions these solutions handle are the lifeblood of any wholesaler. They need to operate consistently and correctly.

At the same time, effective solutions power each component of the ordering process. Point solutions that focus on just one element typically require companies to manage multiple integrations with other systems, which increases complexity and drains valuable time and resources.

Pay close attention to the scalability of any digital solution. The right solution will scale as the organization grows so that it can accurately and efficiently process a wider range and larger number of transactions while maintaining the growing volume of transaction history.

Finally, smooth integration is a must. Even a comprehensive solution needs to communicate seamlessly with external systems, such as accounting applications. The more efficiently and accurately this occurs, the sooner the solution can provide value to the organization.

- ▶ Wholesalers must deliver the best possible customer experience to stay competitive.

# Conclusion

To remain competitive, wholesalers must build their processes to meet clients in whichever channels they prefer accessing to make their purchases. Increasingly, that means digital sales and order management solutions. Customers want seamless, multichannel communication via smartphones, tablets, the Web and other digital platforms.

Digital sales and order management solutions give wholesalers the ability to compete effectively against overwhelming competition while delivering the best possible customer experience. It's imperative that they adopt solutions that are accurate, scalable, reliable and robust.



# Bugaboo Case Study:

Bugaboo – a company offering innovative, premium baby strollers and accessories through select boutiques, department stores and industry trade shows in more than 50 countries – leverages the many benefits of digital sales order management to enhance the customer experience and outperform competitors.

Sales reps consistently exceed customer expectations, aided in large part by its outstanding digital sales order management system. For instance, Bugaboo’s customers can tap into the solution’s electronic catalogs to get a detailed look at the products they’re considering for a modern, easy customer experience.

“Order confirmations received by customers via email have clickable images, so the customer can see exactly what they ordered,” said Jason Sharpe, America’s director of operations at Bugaboo.

The growing enterprise also benefits from the greater operational efficiency that its digital solution allows.

“Customer service teams back at the office are able to receive orders almost instantly – speeding fulfillment times, reducing the length of the cancellation window, improving speed-to-customer and ultimately improving cash flow,” said Handshake CEO Glen Coates.



# About Handshake

Founded in 2010 and headquartered in New York City, Handshake is the leading sales order management platform for wholesale, supporting both global distributed sales teams and small to medium sized businesses. Handshake has raised \$9.5 million to date from notable investors including Emergence Capital and SoftTech VC.



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# Sources

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<sup>2</sup> [http://blogs.forrester.com/andy\\_hoar/12-10-18-us\\_b2b\\_ecommerce\\_sales\\_to\\_reach\\_559\\_billion\\_by\\_the\\_end\\_of\\_2013](http://blogs.forrester.com/andy_hoar/12-10-18-us_b2b_ecommerce_sales_to_reach_559_billion_by_the_end_of_2013)

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<sup>4</sup> IBISworld

<sup>5</sup> Calculating Lifetime Value,” Kissmetrics, <https://blog.kissmetrics.com/how-to-calculate-lifetime-value/?wide=1>

<sup>6</sup> <http://docs.cdn.marketo.com/b2blead-marketing-sales-alignment-ebook.pdf?url=/library/b2blead-marketing-sales-alignment-ebook.pdf>

<sup>7</sup> 2014 McGladley Manufacturing & Distribution Monitor, [http://www.naw.org/publications/pubs\\_item\\_view.php?pubs\\_itemid=174](http://www.naw.org/publications/pubs_item_view.php?pubs_itemid=174)