

Exact for Wholesale Distribution

11 WAYS TO BUILD CUSTOMER SATISFACTION AND MAXIMISE MARGINS

A QuickGuide for
wholesalers

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HAPPY CUSTOMERS. HAPPY DAYS.

After a few difficult years, growth is no longer a distant dream for most wholesalers. But every silver lining has a cloud.

With a more positive and profitable outlook comes a list of challenges as long as an articulated truck. Dealing with new competitors, finding new suppliers, winning new and let's not forget the ever-present impact of the internet.

So what makes the difference between prey and predator? In a word, your margins. As a wholesaler, margins have always mattered of course. But now more than ever.

This QuickGuide takes you through 11 simple ways you can maximise your margins. And customer satisfaction is the key.

So get ready to discover how to hone your service to perfection. How to gain the insight to meet requirements. And how today's business tools play an invaluable part in making it all possible.



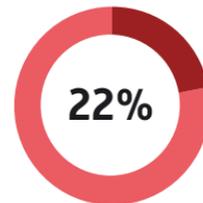
A HOW TO DELIVER ON TIME

You don't need reminding about the importance of delivering on time. If people can't rely on you, they will turn to your competitors.

In a recent survey we found out a whopping 22% of customers won't go back to their wholesaler if a delivery is late. With the stakes so high, it's essential to get things spot on. And that begins with the way you manage inventory.

DID YOU KNOW?

A whopping 22% of customers won't go back to their wholesaler if a delivery is late.



Source: Exact 2015 SME Cloud Barometer

1 STAY ON TOP OF YOUR STOCK

Probably the most common causes of late delivery is something as basic as a lack of stock.

Ever happened to you? You may well point an indignant finger towards your own suppliers. Perhaps they've let you down because their own inventory was running low. But that won't appease your customers. So how do you head off this kind of thing from happening?

Well, realtime insight into your own stock levels and delivery times is hopefully a given. But what about into your suppliers? If that's still on your increasingly long to-do list, you're not alone. Only 25% of wholesalers benefit from realtime insight into the inventory levels and delivery times of their main suppliers.

DID YOU KNOW?

Only 25% of wholesalers benefit from realtime insight into inventory levels and delivery times of main suppliers.



Source: Exact 2015 SME Cloud Barometer

What's more, only 23% automatically receive an alert if their own stock falls under a certain level. OK, so you get the point. Realtime insight into your own stock levels and those of your suppliers puts you in the driving seat.

And that's where the right warehouse and inventory software comes into the equation.

Online software displays things like stock levels, reservations and backorders. Better yet, all this can be integrated with your sales and purchase orders, web shop and warehouse management system.

No matter what device you carry, you gain a comprehensive end-to-end overview from initial order to final payment.

And by linking to your suppliers, online software makes the whole process even smoother. You'll know what they have. They'll see what you need. Orders are fulfilled on time, every time. Customers stay loyal. And margins remain safe.

DID YOU KNOW?

Only 23% of surveyed wholesalers automatically receive an alert if stock falls under a certain level.



23%

Source: Exact 2015 SME Cloud Barometer

2 OPTIMISE STOCK LEVELS

It's one thing making sure you carry enough stock to meet demand. At the same time, the last thing you need is watching it gather dust. So how do you strike the balance?

After all, carrying stock costs money. In addition to tying up precious working capital, think of the overheads. Insurance. Warehouse space. Handling and transportation. You can easily rack up an extra 20 - 25% of the value of the products just to have them sit there and mind their own business.



#1 Commerce portals

So what's the answer? Well, instead of delivering products in consignment, why not make it easier for customers to place orders? Share stock information via commerce portals and optionally ship directly to customers of your customer? That will help to cut down stock. You no longer need to store it.

#2 Fulfilment partners

You might also consider outsourcing storage and handling. Many logistics firms have transformed themselves into fulfilment partners, handling stock on behalf of a number of companies. It allows you to share handling and storage costs and negotiate better contracts with carriers due to the larger number of shipments.

When it comes to items you only sell on the odd occasion, or that don't require speedy delivery, do you need to purchase them before the order actually comes in? Or will lead times allow you to wait and buy when you need to. Again, insight into supplier inventory levels will come in handy here.

DID YOU KNOW?

Shifting delivery into the hands of your suppliers can help you to expand your range without the need for any upfront investment.

Source: Exact 2015 SME Cloud Barometer

#3 Deliver direct

Why not think about convincing your suppliers into delivering goods directly to your customers using drop shipments? OK, so you might end up forking out a little bit more to begin with.

But you have to speculate to accumulate and may well end up cutting costs in the long run. Shifting delivery into the hands of your suppliers can also make it possible to expand your range without the need for any upfront investment.

#4 Forecast demand

How do you go about dealing with goods requiring long delivery lead times? Or buying in bulk from the other side of the world? Well put away your Tarot cards and stop staring at tea leaves.

You're far better off using historic results and future forecasts to match availability with predicted demand as accurately as possible.

3 MAKE DELIVERY EASY FOR CUSTOMERS

When it comes to shipping, you're not only dependent on your delivery company. Don't forget the customers themselves.

After all, they might be at work, on holiday or in the bath when the courier attempts delivery. After 2 or 3 failed attempts the item might be sent back [=costs]. Even when they store it at a warehouse in the middle of an industrial estate no busy person will ever have the time to visit [=hassle].

That's clearly not what your customers are looking for. They want their orders to come fast and with a minimum of fuss. So work with your deliverer to make life easy for them.

Let them track their orders so they know where they are and when they will arrive. Send a text or email with a time slot. The fewer visits required to make a delivery, the less it's going to cost and the higher your customer satisfaction.

When it comes to online software, it pays dividends to look out for the kind that allows you to initiate shipping requests and generate carrier-related labels so the packages can be tracked and traced by everybody involved.

B HOW TO DELIVER A COMPLETE ORDER

Failing to fulfil an order in a single go is obviously going to nibble away at your margins.

Research shows 45% of wholesalers are actively trying to lower their costs. So how do you go about making sure 100% of every order is delivered 100% of the time?

DID YOU KNOW?

45% of wholesalers are actively trying to lower their costs.



Source: Exact 2015 SME Cloud Barometer

4 MAKE THE MOST OF REALTIME INSIGHT

Say a customer puts in a big order. But you don't have everything in stock. No problem. You can send out the ones you do have to keep them happy, with the rest to follow as soon as you get your hands on the items.

Yet a backorder is clearly going to involve the same logistical costs as the initial order. You have to go back into the warehouse, locate a box, generate an invoice and transport it.

So what's the answer? How do you guarantee that you can fulfil every single order in a single go? Online software can show you current stock levels at a glance. Many systems will also send an automatic alert when a line starts running low, giving you plenty of time to reorder.

Some online software suppliers offer an app to increase accuracy and efficiency even further thanks to barcode scanning with a fully functioning online WMS. Helping you keep an extra step ahead when it comes to managing stock.

And when an order simply isn't available you can arrange for your supplier to drop ship the goods directly to the customer as soon as they have it. Solved!

DID YOU KNOW?

Online software can send an automatic alert when a line starts running low, giving you plenty of time to reorder.

5 HELP CUSTOMERS FIND THE ITEMS THEY WANT

How easy are you making it for your customers to find the products they're looking for? Are you even sure you're offering them in the first place?

When it comes to your online store, you're obviously not on hand to help and advise shoppers in person. They'll have a quick browse and if they can't see their items straight away, they're gone. Taking who knows how much business with them.

The last thing you need is a customer or prospect going to a competitor to buy what they need. After all, what are the odds they'll ever come back to you in the future?

So research is key. Into the kind of products and ranges you need to stock. And into the kind of user experience that effortlessly guides visitors through the buying process.

Consider displaying related items, or listing the current most popular purchases. Most ecommerce platforms will easily take care of all that, so double check you're using up-to-date software.

DID YOU KNOW?

Most ecommerce platforms let you list popular purchases or related items? Helping your customers to find what they're looking for.

6 OUT WITH THE OLD, IN WITH THE NEW

Phasing in the next big seller is a [necessary] thing to keep your margins healthy. But you also need to be equally adept at emptying your shelves of items that have sailed past their sell-by date.

Otherwise, you're left with too much money tied up in low-margin mediocrity. Money that could be invested in more lucrative products that sell faster and make cash.

DID YOU KNOW?

Some inventory software comes with stock ageing analysis built-in? Showing you how long specific products have been taking up space, how many there are and what they're worth.

Working closely with suppliers can help to manage the transitions from old to new. Would they support you in getting rid of surplus stock? Maybe they'd be prepared to underwrite a promotion?

The right inventory software will help you get to grips with the life cycle of products and inform better buying decisions. Some systems will come with stock ageing analysis built-in, for example. That shows you how long specific products have been taking up space, how many there are and what they're worth.

It's the knowledge you need to identify the goods to get rid of and replace them with the latest lines people are looking for. Satisfy customers. Increase sales. Maximise margins. What's not to like?

7 KNOW WHAT SITS WHERE

Inaccurate deliveries can significantly erode margins: the wrong product is returned while the right one has to be found, packed and shipped. But your business really starts paying the price when those errors encourage your customers to take their orders elsewhere.

Receiving the wrong item must be one of the most common complaints from customers. Whatever the reason, it wastes the customer's time – and your money.

Needless to say, you can easily avoid the vast majority of these complaints. Just make sure you have an effective inventory system in place. It's vital to staying on top of your stock.

DID YOU KNOW?

61% of wholesalers claim they can find any product in their warehouse. Yet only 33% know the precise status of any product. Not even their expiry date.

Source: Exact 2015 SME Cloud Barometer

Features such as scanning during or after order picking help you to ensure accuracy. It confirms the right items have been picked – and in the right quantity.

This way, stock levels remain accurate. Errors are eradicated, which minimises overheads and protects margins. And customers, of course, stay happy.

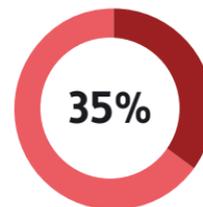
C HOW TO COMMUNICATE EFFICIENTLY

An important part of doing business is communicating effectively – within reason.

Too little contact might keep customers in the dark and imply you don't really care. Too much can be a turn off. Don't forget, every call, email, order slip, confirmation and invoice says a lot about your company. So it pays to get it right.

DID YOU KNOW?

35% of wholesalers agree that meeting increasing customer demands is one of their most important challenges.



Source: Exact 2015 SME Cloud Barometer

8 BALANCE YOUR COMMUNICATIONS

Keeping up with expectations is taking up more and more of a typical wholesaler's time. To safeguard your margins it's important to interact with customers as efficiently as possible.

That starts with automation. Start with letting customers enter and follow orders themselves via an online portal or store. It saves time and reduces the likelihood of incorrect or missing items or quantities.

It's also worth trying to automate repeat business as much as you can. This way your sales team can focus on new business.

Look out for integrated CRM

Business software with an integrated CRM system will help you to recognise buying patterns and identify high margin sweet spots. This ability to spot current and future trends can also be extremely useful in expanding your customer base – one of the biggest challenges facing wholesale distributors today.

And while it's important to create new sales opportunities, let's not forget the value of your customers. So keep your contacts warm with targeted emails. And what about a regular (but not too regular) newsletter containing exclusive previews, launch offers or loyalty discounts?

Last but not least, retain visibility into lost opportunities: what went wrong and why? That can help you to make sure it doesn't happen again next time.

9 INVOICE ACCURATELY

The wholesale business is built on agreements. Price. Range. Lead times. Payment terms. You name it.

Online business software can save agreements based on the sectors in which your customers operate - or on each specific customer.

The same software also delivers the capability to agree and record separate payment conditions for each customer or even for every individual order, limiting the risk of your invoices not being settled on time. The ability to take into account any volume discounts you may have agreed, meanwhile, increases accuracy.

An increasing number of companies are invoicing digitally. That not only cuts down on paper, but also makes everything easy to track. You'll know the bill has been received and opened, while automatic alerts will remind you about overdue payments. Let them try the old 'Sorry, I don't think we received it' chestnut now.

By integrating your online store, bookkeeping, stock levels, invoicing and CRM into a single seamless system, it will be easy to keep your eye on the big picture. Orders are recorded and invoices raised automatically. That guarantees accuracy and means you won't overcharge (= happy clients) nor undercharge (= happy you).

By offering online payment upfront, payment providers can help you reduce risks even further. Some forward-looking software suppliers have agreements with these providers. Making sure wholesalers can do incidental business with consumers safely and profit from this growing trend in the B2B world itself.



10 AVOID CHURN

Winning a new customer costs 5 times more than retaining a single customer. So keeping your customers as happy as possible is vital when it comes to protecting margins.

Managing customer data as effectively as possible is the secret to success. Online software featuring built-in CRM will seamlessly integrate marketing, sales and support functions, allowing different departments to work together and avoid customers leaving - also known as churn.

It allows you to build a detailed picture of every customer, from buying habits to birthdays. The more you know about them, the better you can deliver the personalised and proactive service that keeps them loyal.

Offer relevant discounts. Contact them about new products that may be of interest. Reward them for continued loyalty. That sort of thing. You'll be able to monitor the entire end-to-end buying process, ironing out any niggles along the way.

DID YOU KNOW?

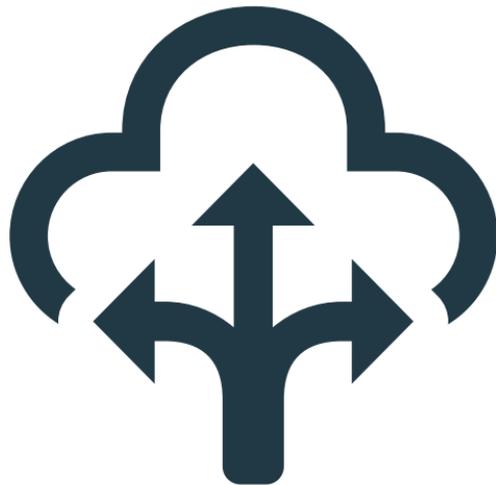
55% of wholesalers agree that finding new customers is one of the most important challenges they face.



Source: Exact 2015 SME Cloud Barometer

Is it possible to spot the signs of itchy feet among your customers before they walk away? Perhaps those regular orders aren't quite so regular any more? Or maybe they're not as large as they used to be?

Integrated CRM makes it possible to identify changes in buyer behaviour. So you focus on wining, dining and whatever else it takes to bring them back on board.

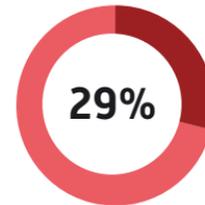


D HOW TO ADD VALUE FOR YOUR CUSTOMERS

More and more producers are doing business directly with the end-user, whether online or on the high street. Sometimes, the whole supply chain can look worryingly fragile. The solution? Add value.

DID YOU KNOW?

29% of wholesalers experience serious competition from suppliers in the same chain.



Source: Exact 2015 SME Cloud Barometer

11 ADD MORE VALUE BY OFFERING MORE SERVICES

Wholesalers, like every link in the chain, need to adapt to survive.

That starts with analysing where you can add most value for your customers. And that usually comes down to expanding, or at the very least enhancing, the services you offer. There are all kinds of realistic and practical actions you can take to protect your position. Below 4 things you can start doing in the short term.



#1 Become a one-stop-shop

Make it easy for your customers to get everything they need from you. Focus on developing complete product ranges, for example. And do what they do. Promote products that you have drop shipped by YOUR supplier. You could even develop your own branded products.

#2 Develop customer support

Develop an extensive self support framework. Use social media to respond to enquiries and keep customers in the loop with news, insights and announcements. Maybe you can implement some new initiatives to help customers succeed in their own sectors?

#3 Stand out through operational excellence

A relentless focus on operational excellence could be the secret to standing out. Developing closer working relationships with your partners in the supply chain can enhance your logistics. This can be done using online software. Furthermore, you can work anywhere on almost any device you want. All this helping you to optimise processes without having to do massive investments.

#4 Switch to autopilot

Once again, automating your processes will be a huge help in expanding your services. From digital help desks to supply chain communications, inventory management to delivery updates, online software makes it all a reality - and far more simply than most people might imagine.

E HOW EXACT CAN HELP. MASSIVELY.

We offer online software designed for wholesalers looking to future-proof their business.

Seamlessly integrating your order & inventory management, accounting and CRM in a single online package, it provides realtime insight into your business. All from anywhere. Equipping you with the complete overview you need to stay competitive, satisfy your customers and protect your margins.



#1 Get the highest levels of control

An at-a-glance digital dashboard displays the items you have in stock. The items you need to order. And the realtime status of all current orders.

If stock falls below a certain level, it automatically sends an alert. So relax. From now on you'll always have enough inventory to meet demand. Together with access to supplier and customer agreements, Exact makes it extremely straightforward to exercise full control over your running and shipping periods. And if you want to arrange delivery directly from your supplier to your customer, guess what? Yes, it can do that too.

#2 It integrates the power of CRM

CRM is seamlessly integrated with your marketing, sales and support teams. They can all work with the same up-to-date data. And the free mobile app makes sure information remains up to date, providing sales teams with the capability to upload things like orders, reports and requests from anywhere.

It all adds up to a complete overview of the sales process, informing the decisions that keep customers satisfied as well as helping you target new ones.

#3 It provides the insight to get decisions right

Exact also delivers the information you need to make timely decisions about your product range. Forget about last-minute surprises. And say goodbye to different departments second guessing each other or basing decisions on conflicting data. Exact shapes you into a seamless, responsive, customer-focused unit ready to deal with whatever challenges come your way.



F THE FUTURE IS NOW

For today's wholesaler, it's hardly surprising that increasing turnover and maximising margins remain top priorities. In the past, protecting profit may have come at the cost of customer requirements. Today, the two are inseparable.

Far from adding to your overheads, exceptional customer service is the key to a successful wholesale operation. Happy customers stay loyal. They spend more. And they provide a solid base for expansion.

No unrealistic sums of money are required to get it right. No crack team of consultants. No unlimited supply of coffee and paracetamol.

As we've seen, customer satisfaction is actually a pretty straightforward business. Let's face it, most of it is basic common sense.

The right online business software makes it easy to turn that common sense into a competitive edge. By automating everyday admin, integrating processes and delivering unprecedented levels of insight, it empowers you to operate efficiently, add value and optimise margins.

Better yet, it helps you to benefit from the latest innovations without having to run a single update yourself. So you're automatically working with the best tools currently out there.

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