

THE INTELLIGENT ENTERPRISE FOR THE WHOLESALE DISTRIBUTION INDUSTRY

Addressing market changes with
customer-specific solutions that
transform and differentiate

THE BEST RUN







"Wholesale distributors are the foundation of the world economy, connecting business partners globally and nationally with goods and value-added services."

Magnus Meier

Global Vice President
Wholesale Distribution
SAP SE

WELCOME

Dear Customers,

Are you an industry thought leader or a follower? Growing profitably or struggling to stay relevant? Leveraging new intelligent technologies or anxiously observing the rapid pace of innovation around you?

Today's competitive markets demand that wholesale distributors optimize their nondifferentiating business processes, evolve existing services, and look for opportunities to go above and beyond what their peers have to offer.

In the new millennium, simply breaking bulk and having personal customer relationships are not enough. Leading distributors are striving to provide their volume channel with a highly scalable e-commerce platform while at the same time offering **superior customer-centric services and driving toward a superior customer and brand experience.** If you're not thinking about how to incorporate intelligent technologies and push for scalability in your business interactions – such as process mining to identify inefficiencies or chatbot-supported order management – you will hamper your ability **to focus employees on high-value tasks that make a difference for your customers' experience.**

Disrupters are making headway in markets traditionally served by distributors, and customer and employee expectations are changing rapidly. Big change always comes with risk, but it also offers untold opportunity to innovators. To capitalize on the opportunity, wholesale distributors are investing in a set of strategic priorities:

- Becoming a value-added services distributor
- Becoming an "anything, anywhere, anytime" distributor
- Becoming a solution-oriented distributor
- Empowering the modern employee

To execute on their strategic priorities and achieve their 2025 vision, companies need to change the way they operate. **They must integrate transactional and experience insight to trigger improvements at the point of interaction and to identify opportunities to change the game.**

Reimagining business requires visionary leaders, a sense of urgency, access to the right talent, and an intelligent enterprise application platform. This paper will discuss examples of how you can begin to execute on this vision and lead the transformation in the industry.

Sincerely yours,

Magnus Meier

Global Vice President
Wholesale Distribution
SAP SE

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OUR PLACE IN THE NEW WORLD

Global “megathemes” are affecting the wholesale distribution industry and are providing new opportunities for growth.

- The demands of **global supply chains** require wholesale distribution companies to provide transparency and trust and respond to changing customer needs.
- The need for **trusted products** requires wholesale distribution companies to track, trace, and monitor goods along the entire supply chain.
- The importance of a **circular economy** requires wholesale distribution companies to take a higher level of responsibility in the integrity and visibility of the reverse supply chain.



The wholesale distribution industry is being reshaped by four major trends.

- **Competition** is driving distributors to find new revenue sources, such as value-added services. Some examples are light manufacturing, kitting, and product consulting.
- Customers are demanding a **wider range of products** with a shorter delivery time and more delivery options.
- Customers are looking to distributors to **collaborate and provide complete** solutions for specific business needs, such as providing materials for every phase of a stadium renovation.
- **New talent** is looking for roles where they can add value to the business and leverage new technologies.

Being able to address these global megathemes and industry challenges will determine who will be among the winners in the next 10 years.

According to IDC, it is imperative that businesses focus on customer experience and engagement. Companies need to prepare themselves to capitalize on new business models and innovative approaches, which will drive business value and growth.¹

Digital strategies are disruptive and changing the rules for wholesale distributors.

[Zuellig Pharma Holdings Pte. Ltd.](#)

is using a cloud-based solution to make healthcare more accessible in 13 Asian markets with consistent, real-time data across the business. It is combatting counterfeiting and quality incidents by using blockchain technology to coordinate across the supply chain. And it is transforming manual processes into digitalized, value-added business processes.

[Jebsen & Jessen \(SEA\)](#) is using a digital platform to streamline and optimize business processes while improving productivity. These include order to cash, procure to pay, sourcing, planning, and rebate management. Opportunities for human error have been reduced with a single view of data across the software landscape. This puts the company in the position to harness current and future business growth opportunities.

[Productos Metalúrgicos S.A. \(Promesa\)](#)

has real-time visibility into its administration, finance, supplier, and distribution processes. With a 360-degree view of employee progression, it has increased productivity and employee engagement as well as customer satisfaction. Manual, paper-based tasks have been eliminated through software-supported management of employee objectives.

[Bechtle AG](#) is using augmented reality to help employees pick more efficiently in the warehouse. With smart glasses, information can be projected onto the visual field of the user. Combined with the viewing direction of the user, information can be processed and forwarded, increasing productivity and reducing errors.

87%

Of wholesale distributors report more-challenging and more-complex fulfillment requirements, impacted by e-commerce and multichannel or cross-channel demand.²



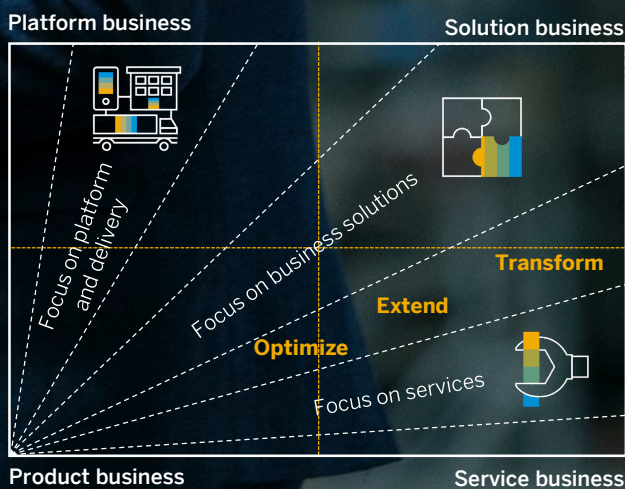
PAVING THE WAY FOR BUSINESS MODEL INNOVATIONS

In 2025, much of a wholesale distributor's revenue will stem from customer-specific solutions that transform the business and differentiate it from its peers in the marketplace.

These solutions include value-added services, infinite inventory with secure logistics, project-based collaboration, and automation to refocus employees on higher-value tasks.

New services and business models will provide additional sources of revenue for distributors and will also contribute to customer loyalty and "stickiness." Distributors can secure their place in the supply chain and position themselves for the future (see Figure 1).

Figure 1: Ways to Secure a Distributor's Position in the Supply Chain



To start down this path, distributors will need to optimize their current processes and tailor services to meet their customers' needs. Providing employees with real-time insight will help increase their efficiency.

With processes running efficiently, distributors will extend their business with new products and services and become more responsive. They will partner with their customers on strategic projects. They will reduce repetitive activities so employees can spend time on tasks that provide value.

This will lead distributors to intelligent technologies that will transform their business. They will use business models that differentiate them in the market, support their customers with real-time responsiveness and project services, and empower employees to focus on their customers' brand and product experience.



Emerging digital tools – particularly the Internet of Things, analytics, and mobile – could give wholesale distribution firms the opportunity to increase efficiencies in logistics and operations, offer tailored experiences for customers, and improve visibility into the supply chain.”³

Wholesale distribution companies with

<\$1billion

in revenue are committed to digital transformation and optimistic about the payoffs they will see from their efforts in the next two years.⁴

80%

of wholesale distributors say that they are concerned about the impact to costs and profitability with the increase of business-to-consumer orders.⁵

81%

of wholesale distribution customers believe simplification is important for their organization, and 88% admit IT investment is important to achieve simplification.⁶



FOUR PRIORITIES FOR SUCCESS

We have identified four strategic priorities necessary for wholesale distribution companies to transform their business.



THE VALUE-ADDED SERVICES
DISTRIBUTOR



THE "ANYTHING, ANYWHERE,
ANYTIME" DISTRIBUTOR



THE SOLUTION-ORIENTED
DISTRIBUTOR



EMPOWERMENT OF THE
MODERN EMPLOYEE

THE VALUE-ADDED SERVICES DISTRIBUTOR

In the past, wholesale distributors served their customers by breaking bulk and carrying a standard catalog of products. But in today's market, that is no longer enough. Customers have many new sources to buy the same products with compelling pricing and delivery options. To remain relevant, distributors need to provide something more: services around products that can't be offered by online competitors (see Figure 2).

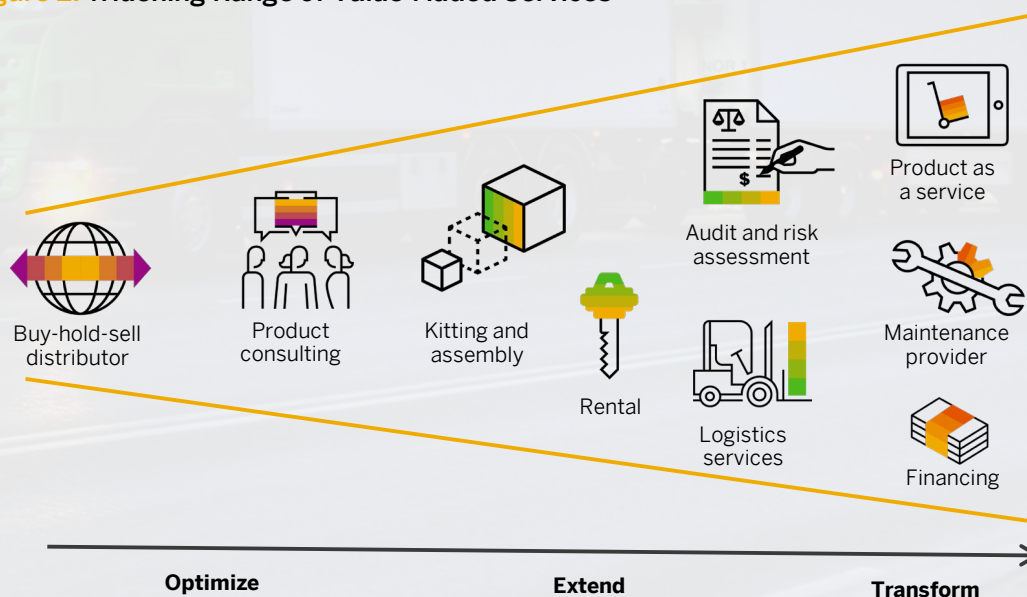
The Vision

In 2025, distributors will offer even more value-added services – including light manufacturing and kitting, financing, risk audits, ad hoc virtual training, automated tracking of sensors for maintenance, provisioning of third-party logistics services, and predicting and selling data on future demand patterns based on material consumption. All these services will provide their business partners with a more attractive customer and brand experience.

The Journey

Wholesale distributors will start toward this new business model by fine-tuning their current processes for higher efficiency and tailoring existing value-added services to meet the needs of the right customer group for optimal impact and retention. For example, they might hold safety stock for key customers. Then, they will extend their business by identifying new services that add incremental value for particular customer groups, resulting in increased customer loyalty. For example, a spare parts distributor could assemble and customize hoses for the specific machines in which they are to be used. Or they might cut fresh vegetables and create packaged salads per the customer's requirements. This will support customers efficiently by leveraging intelligent technologies. These value-added services will evolve into differentiating business models that drive customer stickiness and long-term profitability, such as providing maintenance for the equipment they sell.

Figure 2: Widening Range of Value-Added Services



The ability to quickly address and assess customer maintenance, repair, and operations requirements is both a service challenge and an inventory challenge. In the field, real-time awareness of asset condition – through dense deployment of wireless and wired sensors – will enable wholesalers to better understand where to deploy spare parts and repair services.⁷



THE VALUE-ADDED SERVICES DISTRIBUTOR CUSTOMIZED PRODUCTS

Putting the end customer's business needs at the center of every decision is a key prerequisite for success in the digital age. Based on customer requests, wholesale distributors take tasks over from their customers and deliver individualized products. In the past, products were purchased and sold unchanged; today, some are specifically prepared or assembled. For example, a distributor of spare parts for hydraulic machines assembles hoses for an industrial company. The hose needs to be specifically customized for the respective machine in which it is to be used, and then cut and fitted with the appropriate connectors. The hose is then subjected to a formal quality inspection and delivered to the customer.

TRADITIONAL SCENARIO



Buy replacement products of various types based on past consumption data; often high safety buffers to guarantee availability of critical parts



Store products in warehouse until they are needed



Customer orders replacement products, often when machine malfunctions



Urgent delivery of original products to customer



Customer customizes product according to his needs

NEW-WORLD SCENARIO



Customer site: Using predictive maintenance, the condition of hydraulic machines are monitored. Based on the information, maintenance activities are triggered. As a result, individual hydraulic hoses are ordered before the machine malfunctions.



Wholesale company: The hose is cut for the specific machine and fitted with appropriate connectors, enabled through real-time prioritization and capacity planning. Demand-driven replenishment allows safety stock to be minimized.



An integrated, holistic solution is used to perform quality planning and inspections for the assembled products. Results are collected to enable informed decisions and ensure product quality.



Products are delivered to the customer using a single embedded platform for transportation management. Goods in transit are tracked in real time.

TOP VALUE DRIVERS

10%–20%

Increase in customer satisfaction

29%

Fewer days in inventory

Source: SAP Performance Benchmarking

THE “ANYTHING, ANYWHERE, ANYTIME” DISTRIBUTOR

Distributors have always focused on customer service, but today, customers are putting even more demands on the business. They rely on distributors for a wider range of products that are available through a variety of touch points. And they want shorter delivery times, with the ability to have products delivered directly to job sites. Wholesale distributors need to respond to these challenges to stay competitive and retain customer loyalty.

The Vision

In 2025, distributors will become the go-to partner for all the customer's needs, independent of product, location, or time (see Figure 3). They will efficiently manage the right suppliers, ensure a complete assortment backed by an infinite inventory, and secure logistics execution capabilities that can meet expectations in the age of online marketplaces.

The Journey

To move toward this business model, distributors will identify efficiency issues and cut slack out of existing processes. They will push standardization and simplification, thus becoming more responsive along the supply chain from procurement to delivery. Then, they will extend the business model by leveraging smart tools for automated handling of material-related data, inventory optimization, and logistics capacity management. This will increase responsiveness in end-to-end processes, focusing manual work on high-value tasks and exception handling. With these efficiencies in place, they will transform their business by using intelligent technologies backed by robotic process automation and machine learning for customer price optimization, predictive inventory stocking, or chatbot-supported order management. This will drive custom-tailored, real-time responsiveness.

Figure 3: Configuring Products for a Single Customer



86%

Of best-in-class companies are better able to understand tradeoffs between service level and inventory investment.⁸



THE “ANYTHING, ANYWHERE, ANYTIME” DISTRIBUTOR INTELLIGENT INVENTORY INVESTMENT

Providing products that precisely fit the needs of customers at the right time and right prices has been commonplace in traditional wholesale distribution environments. Today, there are even more challenges to doing this consistently and quickly due to alternative sources wholesale customers have today from online marketplaces.

It is critical to meet these challenges and still manage profitability, which means distributors need to balance service levels and inventory investment on a daily basis. Many wholesale distributors move between strategies of higher service levels and higher inventory investments and lower inventory investments at the sacrifice of lower service levels. Moving between these competing strategies is cyclical and sometimes unpredictable. With intelligent technologies, wholesale distributors can monitor and manage service levels and inventory more closely and achieve the balance that allows them to be an “anything, anywhere, anytime” distributor.

TRADITIONAL SCENARIO



- Look up product availability and price
- Call vendors to manage items not stocked



- Replenish inventory with material resource planning (MRP) runs in overnight batch jobs
- Manage stocking requests from branches for new items



- Check with vendors on status of shipments
- Check with branches on status of stock transfers



- Review inventory levels for “dead” stock and analyze when this stock might be transferred and where it can be sold

NEW-WORLD SCENARIO



- Product availability check with alternative source confirmation options in real time
- Full integration to vendors for items not stocked



- Live MRP, enabling insight to action in real time with one consistent UI
- Role-specific screens to speed up management and execution of orders from order management



- Monitor order and shipment status with vendors via business network in real time
- Monitor overdue stock with intelligent applications that more accurately predict stock movements



- Predict slow stock movements and analyze redeployment of inventory with intelligent technologies that efficiently complete these complex tasks in a timely manner

TOP VALUE DRIVERS

10%–12%

Reduction in total logistics costs

10%–20%

Increase in on-time delivery

Up to 10%

Reduction in total inventory investment

Source: SAP Performance Benchmarking

THE SOLUTION-ORIENTED DISTRIBUTOR

With so many options in the marketplace, distributors need to establish themselves as a trusted partner. One way to do this is by working with customers not only to understand their needs but also to closely collaborate on larger projects. Through this relationship, distributors can plan for and deliver the products and services needed throughout the lifecycle of the project. In this way, they become more than just a supplier; they become a valuable part of the customer's success.

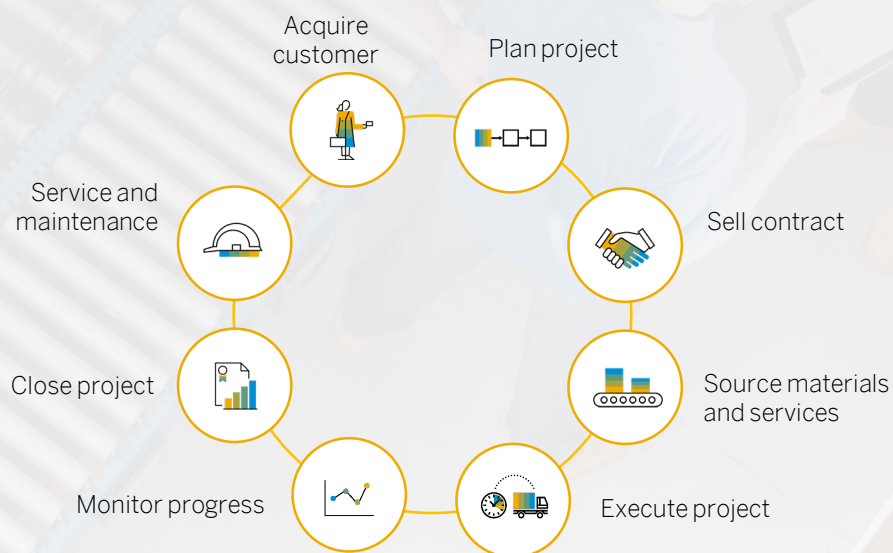
The Vision

In 2025, wholesale distributors will engage proactively with business partners to evolve from a reactive business model to an influencer of business relationships. They will collaborate closely around customers' projects and product lifecycles to secure critical materials, resources, and services contributing to their long-term success – whether it is provisioning of electrical equipment for the renovation of a stadium, the turn-key handover of a complete surgery wing of a hospital, or guaranteeing the supply for the whole lifecycle of the next generation of graphics cards (see Figure 4).

The Journey

Distribution companies will move away from today's model of largely reactive sales-order capturing and will bid for customer projects, optimizing the overall margin of the bid and driving proactive customer engagement. They will extend this model by managing turnkey projects to successful completion. They will take responsibility for handling required bill-of-materials items, including potential third-party service providers, based on a fixed bid. To further extend their offering, distributors will provide an end-to-end offering for customers with the ability to plan and manage the entire lifecycle of a customer project. This might include manufacturing integration, subcontracting, subscription billing, or postproject maintenance handling.

Figure 4: Becoming a Close Collaboration Partner for Customer Projects



90%

Of growth in the consumer industry will be captured by companies that engage directly with consumers.⁹



THE SOLUTION-ORIENTED DISTRIBUTOR USAGE-BASED PRINTING

To remain competitive in today's market, wholesale distributors must transform into solution providers that engage with their customers to collaborate and work toward comprehensive and attractive outcomes. By moving from simply selling products to providing services and adding value, new business models evolve. These include a wide variety of things, for example, installation, maintenance, consulting, financing, and training services. Using new technologies allows new monetization models based on subscription or usage.

For example, instead of simply selling printers and printing paper, a distributor of office supplies can build offerings around printing services and close a usage-based contract with its customer. This contract includes installation, printer maintenance, and right-on-time paper delivery.

TRADITIONAL SCENARIO



Sales representative visits customer and presents new products and offerings.



Customer orders printer and printer paper. Printers and print paper are sold separately, without follow-up activities.



Printer is delivered, with installation service provided. Printer paper is delivered at regular intervals without insight of actual customer need.



In case of malfunction, customer requests repair. Until repair technician arrives, printer is out of order.

NEW-WORLD SCENARIO



By focusing on deals with high propensity of closing, sales representative uses time more productively. The rep offers a compelling solution for complete print management and closes a use-based contract for printing service.



Printer is installed, using IoT technology to connect the printer to systems at the wholesale company.



Metering system captures number of prints. Use is monitored and managed on an exception basis. Use-based billing includes thresholds and customer-specific pricing.



Based on various parameters, printer is monitored and maintenance is predicted, preventing printer outage, guaranteeing a high service level, and reducing customer calls.

TOP VALUE DRIVERS

27%

Lower days sales outstanding

Up to 25%

Reduction in customer support calls

Source: SAP Performance Benchmarking

EMPOWERMENT OF THE MODERN EMPLOYEE

All companies focus on employee productivity. But over time, processes can become outdated or broken, and employees spend much of their time on work-arounds and manual tasks. When distributors introduce intelligent technologies and automation into their organization, manual tasks are reduced and employees can spend their time on higher-value activities. And when employees are adding value, they are happier in their role. A positive employee experience will be key when hiring and retaining younger workers.

The Vision

In 2025, wholesale distributors will empower their employees to focus on high-value tasks based on insights embedded in their operational activities. Backed by intelligent technologies, repetitive tasks will be automated and will need to be handled only

on an exception basis. A modern user experience across a variety of interaction points such as desktop, mobile, and voice will allow for educated decision-making. This will improve the attractiveness of the role in a wholesale distributor's organization and increase motivation throughout the organization (see Figure 5).

The Journey

Wholesale distribution companies can optimize their current processes by improving the user experience and providing easy access to real-time insights. Armed with knowledge, they will identify and realize automation opportunities to eliminate repetitive tasks and reallocate employees to higher-value tasks. Then, companies can be transformed by empowering employees with intelligent technologies that support their daily work.

Figure 5: Experience Management to Drive Digital Transformation



50%

Of all companies, on average, seek to improve labor efficiency and workforce productivity by reassessing management software, and **63%** of these leaders are improving throughput capacity.¹⁰

20%

More revenue per worker is realized by firms that can analyze workforce data to optimize strategies.¹¹



EMPOWERMENT OF THE MODERN EMPLOYEE EFFICIENCY THROUGH PROCESS MINING

Processes in large organizations are complex by nature, and companies often take the opportunity to standardize them with an ERP deployment. Even the most disciplined organization coming out of a project notices that its control over processes tends to deteriorate over time. Evolution in the industry, the addition of new technologies, or deploying temporary solutions leads to a complex patchwork of processes and systems that more often than not result in inefficiencies and manual interaction. This causes employees to focus on repetitive and low-value tasks, and it takes them away from their desired responsibilities.

Process mining allows a wholesale distributor to analyze chains of transactions from origin to closure to identify process breaks and highlight manual interactions or undocumented deviations from assumed best practices. Validation and elimination of root causes can significantly cut costs and remove time-intensive bottlenecks tied to employees' manual interaction with the system.

TRADITIONAL SCENARIO



Process mining provides insight into process breaks to identify repetitive tasks and conduct root cause analysis.

NEW-WORLD SCENARIO



TOP VALUE DRIVERS

Increased process transparency and visualization

Improved process compliance with audit standards

Reduced manual interventions in process execution

Optimized throughput times by identifying bottlenecks



KEY TECHNOLOGIES

The current pace of technological advancements is having a profound impact on how wholesale distributors transform and respond to customer needs and market trends.

Intelligent technologies promise to bring great benefits, such as productivity and efficiency gains, enabling innovative new business models and new revenue streams. The following intelligent technologies are instrumental in helping wholesale distributors respond to market trends.

Machine Learning

Machine learning enables algorithms to “learn” from existing data and achieve the best possible outcomes without being explicitly programmed. Once the algorithm is trained, it can then predict future outcomes based on new data. Businesses can use these capabilities to eliminate repetitive manual tasks or to apply historical data to complex business problems. Wholesale distributors are seeing great success with deploying chatbots that leverage machine learning to cover key steps in the order management process. This provides the scalability needed to cover an expanding customer base with a limited set of resources.

The Internet of Things

Advances in ubiquitous connectivity and edge computing are driving a step change in business productivity. This connectivity, coupled with artificial intelligence and machine learning, can analyze petabytes of data and affect real business outcomes. Although Internet-of-Things (IoT) capabilities have been available for some time, now the entire value chain can be connected. Some examples include automated replenishment, asset tracking, supply chain integrity (cold chain), connected fleet, and warehouse robotics.

Advanced Analytics

The integration of advanced analytics capabilities, including situational awareness, into applications enables business users to analyze data on the fly and drives better decision-making. Empowered users, benefiting from embedded analytics in business processes, can get real-time visibility into their changing environment, simulate the impact of business decisions, mitigate risk, and achieve better customer outcomes.



Blockchain

A relatively recent breakthrough technology, blockchain is revolutionizing the way business partners along a value chain engage by creating a chain of unaltered transactional data. The blockchain model of trust, through massively distributed digital consensus, could reshape supply chains and commerce across the entire digital economy by, for example, complying with regulatory mandates around the traceability of pharmaceuticals.

Augmented Reality

Virtual reality, the use of digital technology to create immersive simulations, was once the stuff of science fiction. So was augmented reality, which lets users interact with digital content that's overlaid on the real world. Already in use to help workers pick items in the warehouse, this will become more relevant in other areas and contribute to the industry's brand experience, helping to attract and retain millennials.

Conversational AI

Advances in machine learning are enabling algorithms to become highly accurate in natural-language understanding and in image and speech recognition, especially useful in call center activities. Voice interface will be the go-to for the next generation of applications, allowing for greater simplicity, mobility, and efficiency while increasing worker productivity and reducing the need for training.

Robotic Process Automation

Robotic process automation streamlines repetitive, rule-based processes and tasks in an enterprise and reduces costs through the use of software robots that replicate specific tasks or keystrokes.



83%

Of innovative organizations that rated themselves highly across the board for innovation in strategy, technology, people, process, and culture have started digital transformation, compared to **66%** of other organizations¹²

93%

Of cloud decision-makers believe it's important that the software for their business processes integrates across an end-to-end value chain in an industry cloud¹³

US\$1.3 trillion

Represented by the IoT worldwide market in 2020, supporting 30 billion connected end points¹⁴



GETTING THERE: A PHASED APPROACH

Companies will become intelligent enterprises on three distinct tracks as they evolve their strategic priorities to match their company's vision. They will:




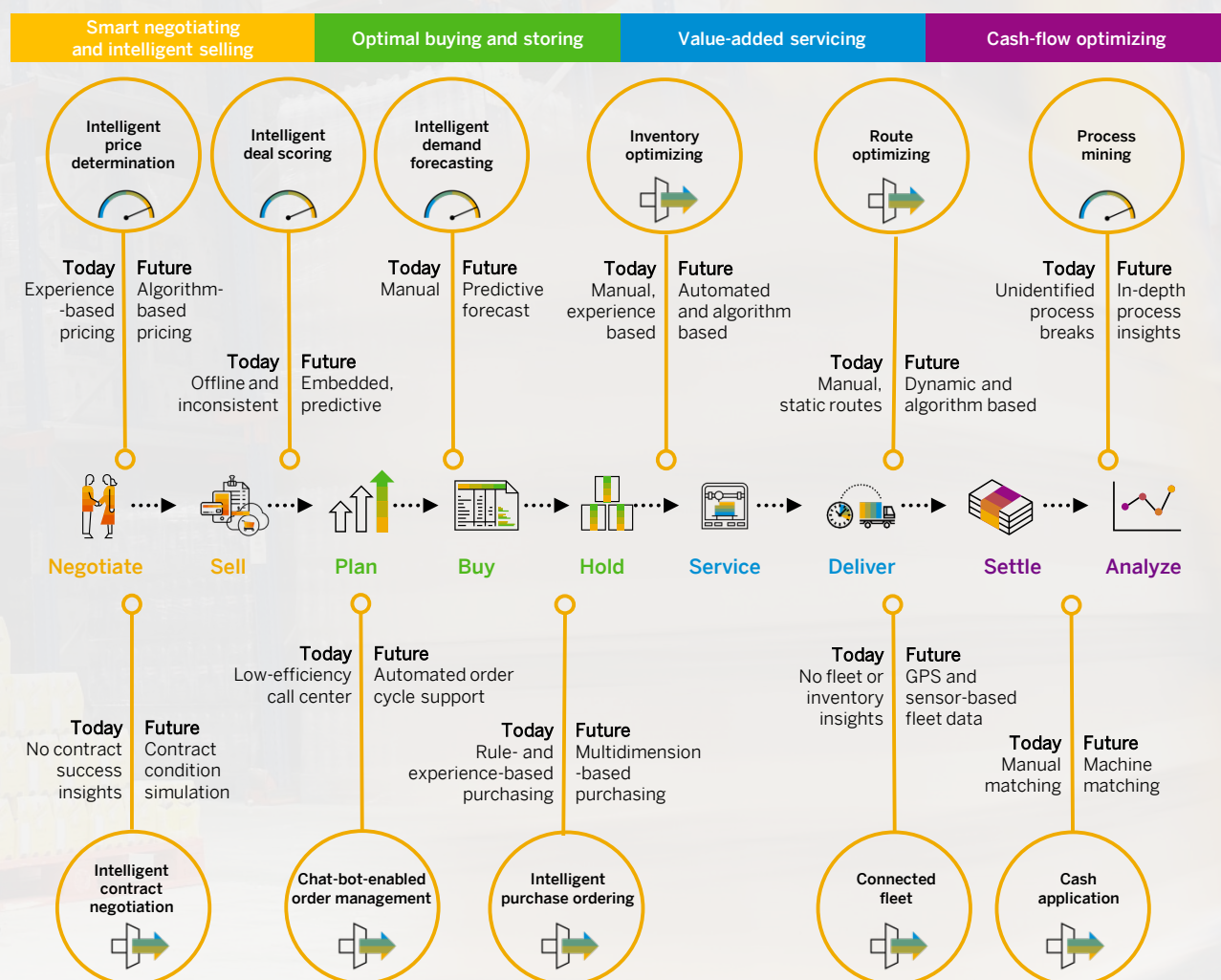
-  **1. Optimize** what they already do by implementing a stable and scalable digital core to make processes more transparent and integrated
-  **2. Extend** their current processes by connecting them to the real world using IoT technologies
-  **3. Transform** their business using a constant stream of data enabling new service-driven business models. (See Figure 6.)

Figure 6: The Intelligent Enterprise for Wholesale Distribution



Intelligence within enterprise processes supporting strategic industry priorities

Value-added services distributor – “Anything, anywhere, anytime” distributor – Solution-oriented distributor – Empowerment of the modern employee



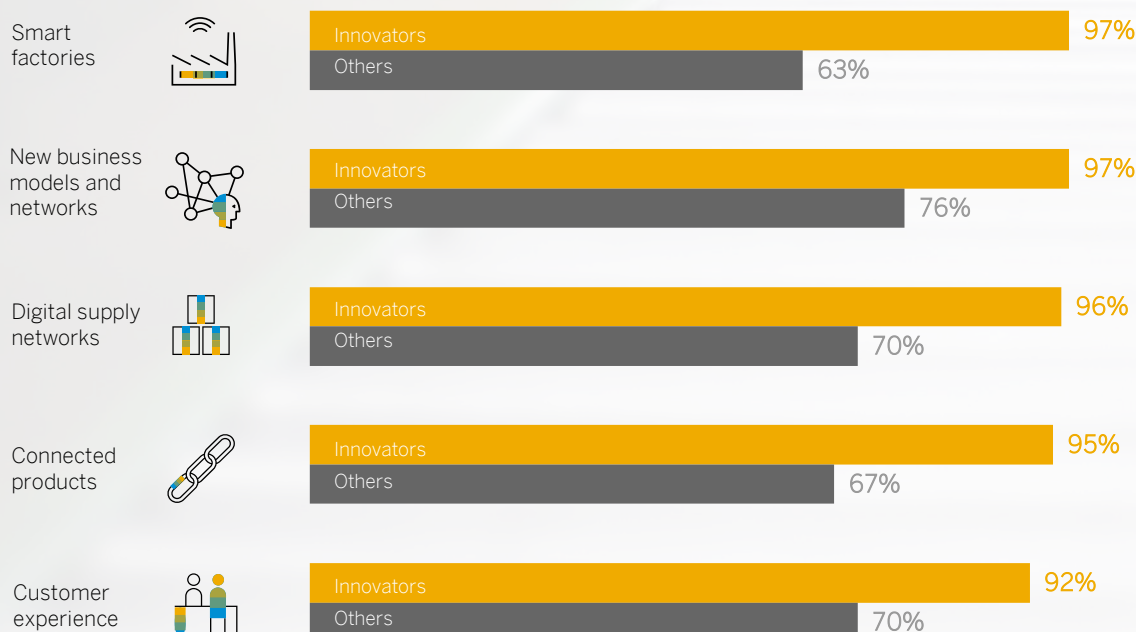
EARLY DIGITAL ADOPTERS LEAD THE WAY

How do you achieve these strategic priorities?

Start with reimagining your business together with your customers. Then build a path for even more optimization and intelligent automation to simplify your business and free up resources to invest in even more digital transformation programs and find new business models and revenue streams.

According to a July 2018 study by Forrester Consulting that was commissioned by SAP, innovative companies focus on digital priorities to help them achieve digital transformation more than other companies. (See Figure 7.)

Figure 7: Innovators Focus More on Digital Priorities Than Others¹⁵

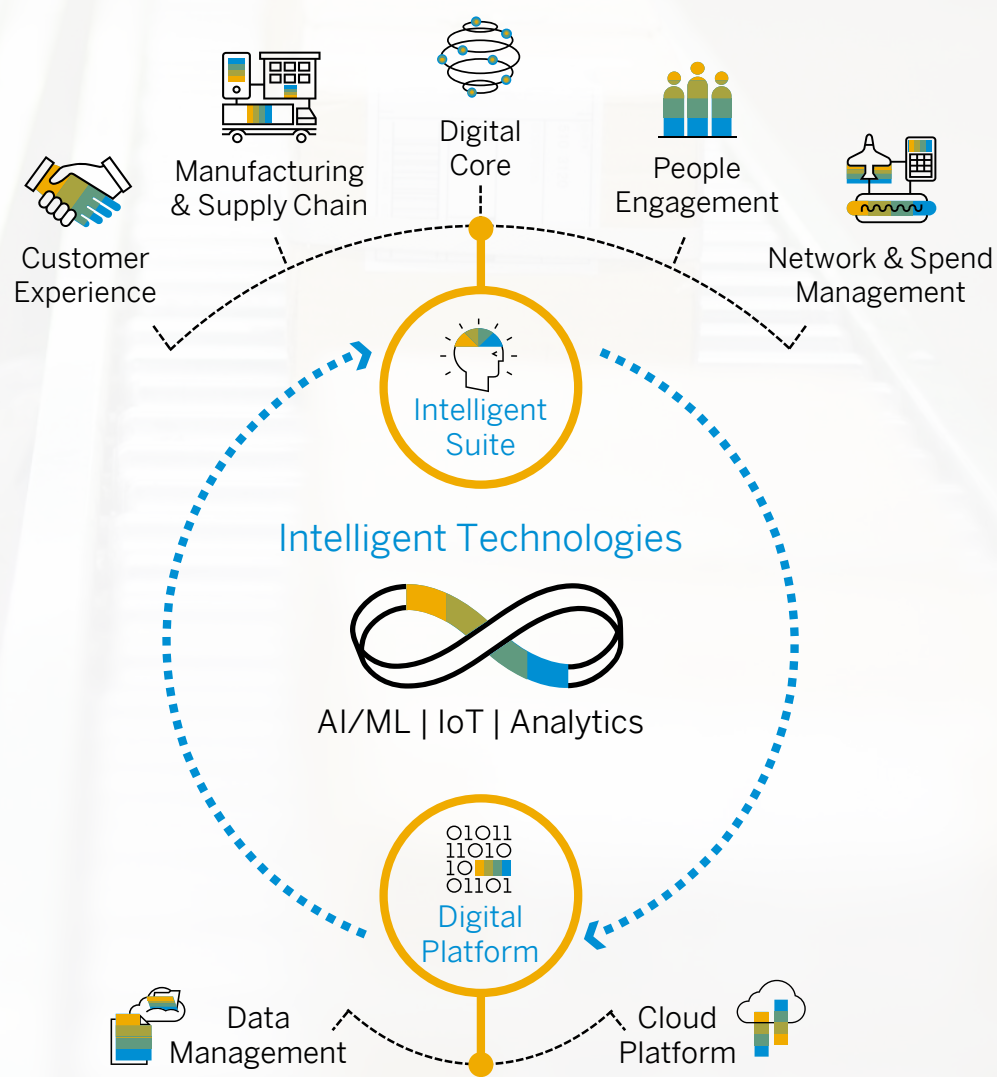




SAP'S FRAMEWORK FOR THE INTELLIGENT ENTERPRISE

SAP® Intelligent Enterprise Framework is a suite of intelligent business applications that use intelligent technologies and can be extended on a digital platform. This enables next-generation business processes to deliver breakthrough business value on our customers' journey to becoming intelligent enterprises.

Figure 8: SAP Intelligent Enterprise Framework



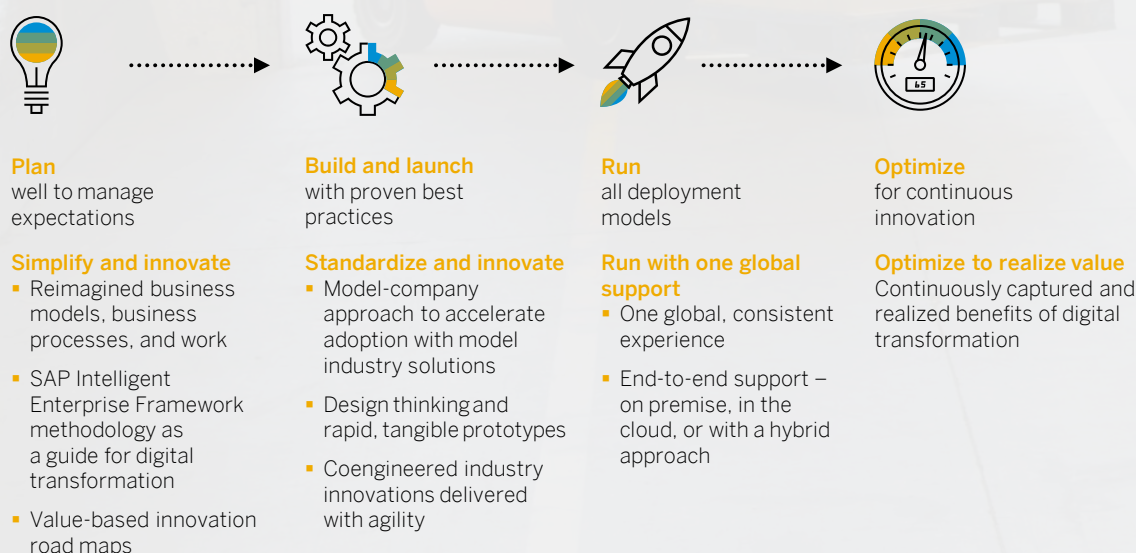
Notes: This visualization is a general visualization of the Intelligent Enterprise and may include functionalities not available in every industry.

HOW TO PLAN YOUR PATH TO THE INTELLIGENT ENTERPRISE

In the digital economy, intelligent technologies and integrated business processes are now driving digital transformation.

To do this effectively requires an end-to-end plan for becoming an intelligent enterprise. This includes creating an intelligent enterprise road map and implementation plan with proven best practices and deployment options that optimize for continuous innovation with a focus on intelligent outcomes.

The End-to-End Journey to Becoming an Intelligent Enterprise



To move forward with speed and agility, it helps to focus on live digital data and combine solution know-how and industry-specific process expertise with data analytics so that the right digital reference architecture is defined and delivered. In that context, a model-company approach is aimed at simplifying and increasing the speed of the digital transformation journey. Model companies represent the ideal form of standardization for a specific line of business or industry. They are built on preconfigured SAP solutions based on best practices supported by SAP, along with the business content that encompasses our experience and expertise relevant for the industry. They provide a comprehensive baseline and come with the accelerators to jump-start digital transformation projects.

COMPREHENSIVE SAP ECOSYSTEM ORCHESTRATING THE WORLD TO DELIVER VALUE FASTER

Our comprehensive wholesale distribution ecosystem offers integration into:

- A wide range of business processes (chargebacks, order management, analytics, omnichannel, etc.)
- Open architecture with a choice of hardware and software
- Complementary and innovative third-party solutions
- Broad reach through partners to serve your business of any size anywhere in the world
- Forum for influence and knowledge
- Large skill sets

Our partner ecosystem includes, among others:





SAP IS COMMITTED TO INNOVATION



10-Year Innovation Vision

SAP delivers fully intelligent business solutions and networks that span across company boundaries and promote purpose-driven businesses. These solutions will be the most empathic symbiosis between machine intelligence and human ingenuity.

- Self-running enterprise systems
- Self-organizing business ecosystems
- New markets and business models



Comprehensive industry coverage

SAP enables comprehensive coverage of the complete wholesale distribution value chain across the enterprise. With its clear industry road map, SAP is the partner of choice for the wholesale distribution industry.

- More than 27,400 wholesale distributors in 133 countries are innovating with SAP solutions
- 93% of wholesale distributors in the Forbes Global 2000 are SAP customers
- All lines of business are supported on a single platform



Proven services offering

By bringing together world-class innovators, industry and emerging technology expertise, proven use cases, and design thinking methods, we help wholesale distribution companies develop innovations that deliver impact at scale.

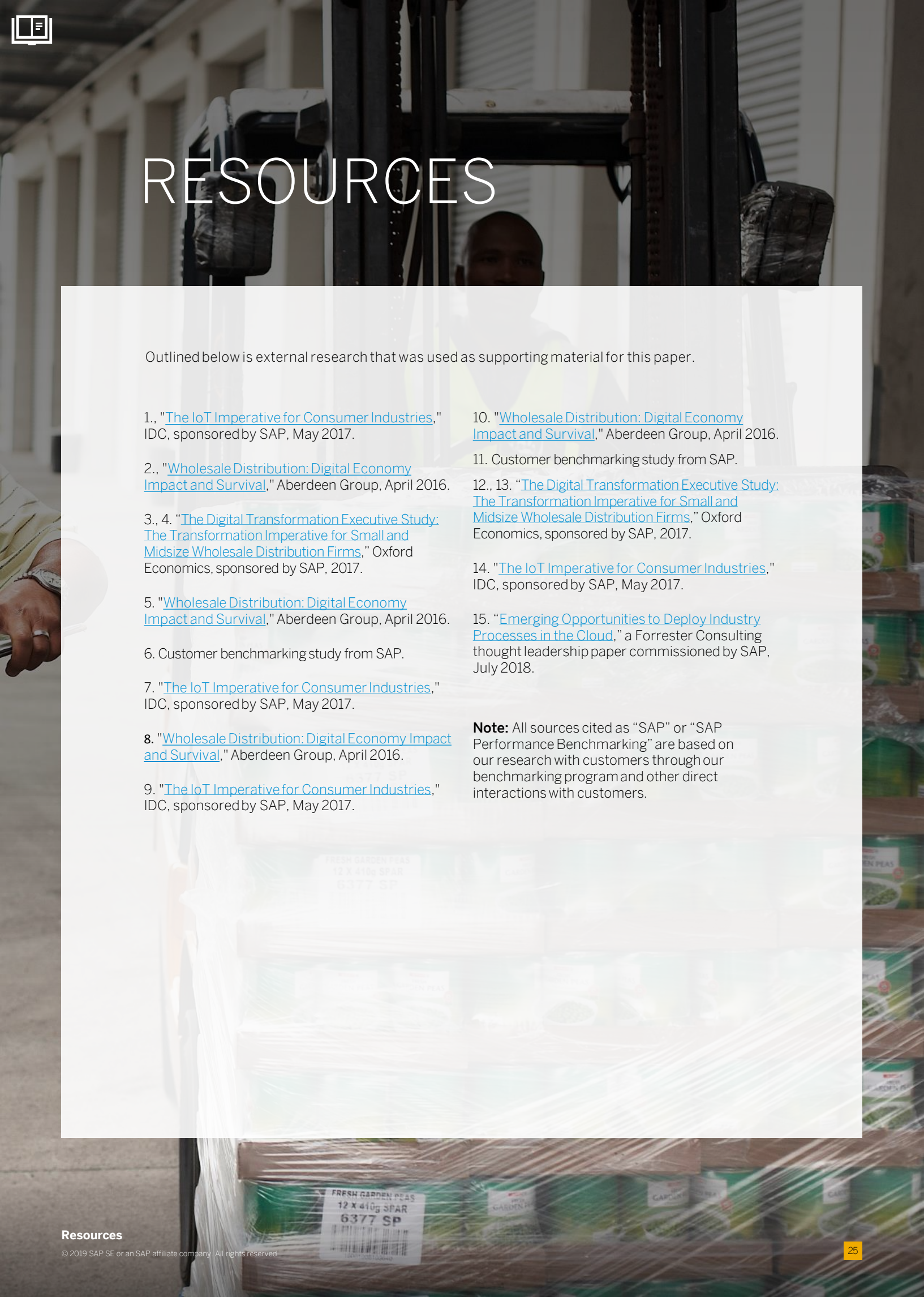
- Proven methodologies to drive innovation, from reimagining customer experiences to enhancing operations
- Innovation that is fueled through a managed innovation ecosystem from SAP
- Ability to build your own innovation capability and culture

SAP supports wholesale distribution companies in becoming intelligent enterprises – providing integrated business applications that use intelligent technologies and can be extended on SAP Cloud Platform to deliver breakthrough business value.



Learn more

- [SAP.com for Wholesale Distribution](https://www.sap.com/wholesale-distribution)
- [SAP Digital Business Services](https://www.sap.com/digital-business-services)
- [SAP Leonardo](https://www.sap.com/leonardo)
- [SAP Design Thinking](https://www.sap.com/design-thinking)



RESOURCES

Outlined below is external research that was used as supporting material for this paper.

- 1., ["The IoT Imperative for Consumer Industries."](#) IDC, sponsored by SAP, May 2017.
- 2., ["Wholesale Distribution: Digital Economy Impact and Survival,"](#) Aberdeen Group, April 2016.
- 3., 4. ["The Digital Transformation Executive Study: The Transformation Imperative for Small and Midsize Wholesale Distribution Firms,"](#) Oxford Economics, sponsored by SAP, 2017.
5. ["Wholesale Distribution: Digital Economy Impact and Survival,"](#) Aberdeen Group, April 2016.
6. Customer benchmarking study from SAP.
7. ["The IoT Imperative for Consumer Industries,"](#) IDC, sponsored by SAP, May 2017.
8. ["Wholesale Distribution: Digital Economy Impact and Survival,"](#) Aberdeen Group, April 2016.
9. ["The IoT Imperative for Consumer Industries,"](#) IDC, sponsored by SAP, May 2017.
10. ["Wholesale Distribution: Digital Economy Impact and Survival,"](#) Aberdeen Group, April 2016.
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Note: All sources cited as "SAP" or "SAP Performance Benchmarking" are based on our research with customers through our benchmarking program and other direct interactions with customers.



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