

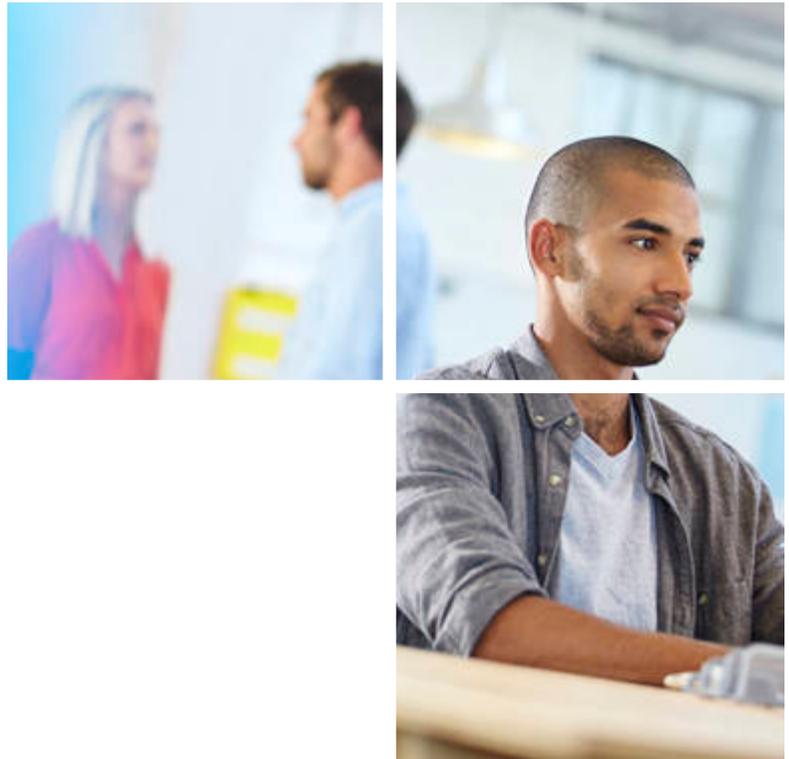


5 ways wholesale distributors can succeed with the Millennial generation

In 2015, the number of Millennial employees (those born between 1982 and 2004) will exceed that of Baby Boomers; by 2030, Millennials will represent 75% of the workforce, according to the U.S. Bureau of Labor Statistics.¹

As the most technologically adept generation in history, the impact Millennials will have on the business world is expected to be significant:

- As employees, Millennials value collaboration, rapid advancement, and innovation.
- As customers, Millennials value choice, flexibility, and the ability to do business using the technology they prefer. Many Millennials research products online, share reviews on social media, order online, and interact with customer service through online chat or social media.
- As suppliers, Millennials prefer partners who can share data streams easily with their own technology, so they can analyze trends and monitor real-time activity.



In a world driven by Millennials, distributors will need to focus on five key technology drivers: CRM, mobility, the cloud, online commerce, and inventory management.

Here are 5 tactics that can help you prepare your business to succeed with the next generation of customers, partners, and employees.

Tactic

Benefits



Use a CRM system to strengthen relationships with customers and suppliers. Turn to page 3 to [learn more](#).

Build customer relationships that facilitate repeat business and earn new customers



Embrace mobility to get the right information to the right people. Turn to page 4 to [learn more](#).

Deliver relevant, up-to-date information to salespeople and customers on any device



Consider cloud-based applications for new technology. Turn to page 4 to [learn more](#).

Deploy new technology faster and at lower cost, with anywhere access



Invest more in online commerce as a key driver of future business. Turn to page 6 to [learn more](#).

Empower customers to order the way they prefer with a strong web presence



Improve inventory management to maintain a competitive edge. Turn to page 6 to [learn more](#).

Gain value in the eyes of customers and run a more profitable business

The details

1

Use a CRM system to strengthen relationships with customers and suppliers

Nothing is more important than maintaining strong relationships with customers and partners. When surveyed, 85% of industrial distributors felt that relationships are a primary reason customers do business with their companies.² Now that Millennials are the largest generation in the workforce, it's important to manage those relationships with their preferences in mind.

The primary job of a customer relationship management (CRM) system is to keep the business connected to customers, so employees can deliver an exceptional customer experience. Instead of sales professionals owning customer relationships, the CRM system records customer preferences, opportunities, and purchase histories for the benefit of the company and all customer-facing employees. A CRM system is also a good tool for managing relationships with supply chain partners.

Currently, more than half of distributors report using a CRM system.³ However, "CRM is fast becoming a standard practice" for wholesaler-distributors, according to Mark Dancer, author of "CRM for Wholesaler-Distributors: A Strategic Guide for Planning and Results". After conducting a series of surveys and interviews in the distribution industry, Dancer concluded that:

- CRM helps wholesaler-distributors build sales capabilities.
- CRM can improve individual and overall sales performance.
- CRM can improve profitability.
- CRM can be transformational.⁴

A CRM system is only useful if it is widely adopted across the business. Therefore, distributors need to evaluate the future potential of CRM systems in terms of the technology capabilities that Millennials value, including mobility, social media integration, and cloud-based access. A CRM system with both social and mobile capabilities increases sales productivity by more than 26%.⁵

And, because Millennials expect technology to work for them, not the other way around, a CRM system should adapt easily to individual working preferences. For example, it should offer customizable dashboards to reflect individual preferences.



2

Embrace mobility to get the right information to the right people

Eight out of ten Millennials reach for their smartphones first thing in the morning, and 87% report that the phone “never leaves my side, day or night.”⁶ With these statistics, it’s easy to understand why Millennials are such enthusiastic adopters of mobile devices and applications in their work lives.

Many Millennial employees prefer to use mobile devices over a PC or laptop. Nearly all distributors (94%) already use smartphones and tablets (91%) for business.⁷ By providing mobile access to CRM and inventory management applications, distribution companies can give field sales professionals the ability to look up customer and product information, current inventory levels, purchase history, logistical information, and more—anytime, from anywhere.

It’s also important to remember that Millennial customers prefer mobile devices for using the Internet and often for making purchases. Unfortunately, 86% of Millennials surveyed report that “there are still a lot of websites that don’t offer good mobile functionality.”⁸ To gain loyal customers, distributors should invest in mobile apps and mobile-friendly websites that make purchasing easier.

3

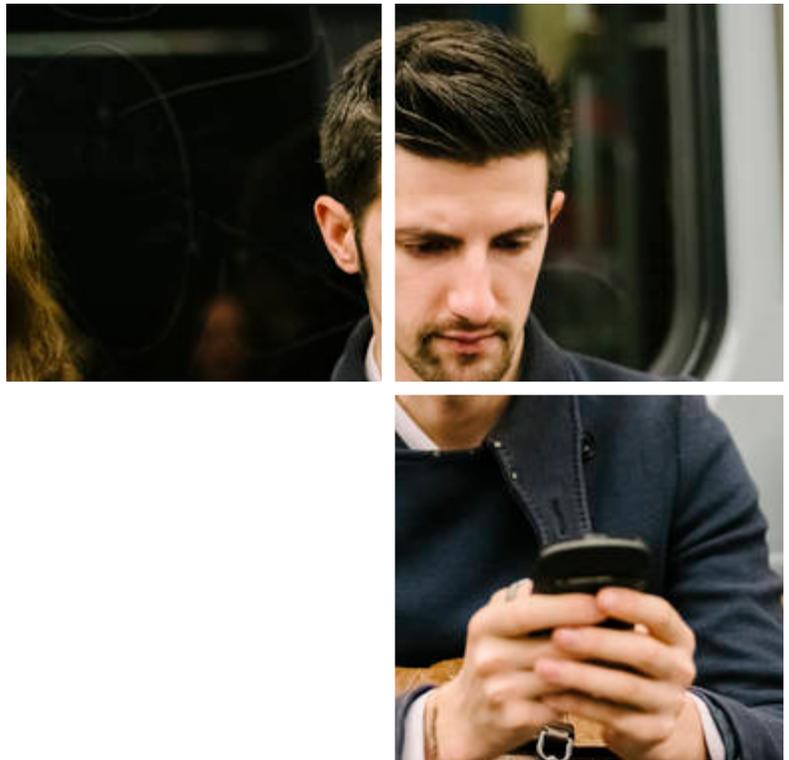
Consider cloud-based applications for new technology

Distributors should consider cloud computing (also called software-as-a-service or SaaS) in their future technology plans. A SaaS technology model puts the burden of software development, maintenance, and updates on the software vendor who hosts the application.

SaaS makes it possible to deploy new applications more quickly, and can empower distributors to focus more on their customers and core competencies, while moving away from complex IT infrastructure.

Cloud models shift what was once a capital expenditure (software) to an operating expenditure (service) by spreading the costs over time using a subscription-pricing model. This is an important driver for businesses, and helps to explain why 65% to 70% of businesses surveyed plan to move some of their business application processing to the cloud within the next 2 years.⁹

Millennial employees see the value of the cloud because it allows them to access applications securely, from anywhere with an Internet connection. This gives them the flexibility to share information in real-time between multiple offices or warehouses, to telecommute, and to stay connected to work while traveling.



Top technology drivers for industrial distributors

Distributors were surveyed about their plans for implementing key technology. The chart below illustrates the percentage of distributors currently planning to invest in these technology trends.



Source: Modern Distribution Management "The Outlook for Wholesale Distribution in 2015."

4

Invest more in online commerce as a key driver of future business.

E-commerce is essential; every distributor needs to be able to take online orders. With Millennials forming the largest share of future customers, having a website won't be good enough. Millennial customers will visit the website first, before contacting anyone from the company. For many prospective customers, the website may be their *only* interaction with a new distributor.

Obviously, the actual purchase and monetary transaction on the website must work flawlessly. But for Millennial purchasers, the entire customer experience matters. The website should be fully optimized and functional from mobile devices.

Consider the needs of buyers to determine what's needed on the website. B2B purchasers might benefit from a product selection app, live quotes, and freight calculations. All customers would like to be able to live chat with customer service if needed during the ordering process. Distribution businesses should continually invest to create an easier, more robust online customer experience that will build competitive advantage for the future.

5

Improve inventory management to maintain a competitive edge.

An efficient warehouse can be the key to unlocking additional profitability for distribution businesses. Millennials have grown up in the era of Amazon and other marketplaces. They expect to be able to find, select, and purchase any type of product with ease and efficiency. They're looking for a hassle-free customer experience, and that experience is likely to happen online.

If distributors want Millennials' business, they need to either have inventory in stock or lock down fast, reliable supply chains that can meet the expectations of impatient purchasers. If one distributor can't fulfill an order today, Millennials may search online for another.

Warehouse automation and inventory management technology can help distributors improve operational efficiency, manage inventory levels, and run a profitable next-generation warehouse. A warehouse management system (WMS) can combine inventory control capabilities with barcoding or RFID and advanced picking methodologies to move inventory through the warehouse more quickly.

A WMS can help distributors fulfill more orders, more accurately, with fewer warehouse employees. Integration between the WMS, CRM, and ERP systems is essential for a smooth customer experience with no surprises. ERP and WMS systems typically service "back-office" employees, while CRM solutions service "front-office" employees like sales reps, marketing personnel, and support technicians. When these front-office and back-office solutions are integrated and can synchronize data, the entire organization can gain greater visibility into customer relationships—from lead to customer.

For more information, connect with **Infor CRM** at crm.infor.com

Infor CRM online: [Twitter](#), [LinkedIn](#)

- ¹ Alastair Mitchell, "The Rise of the Millennial Workforce," Wired, August 5, 2013.
- ² "67th annual Survey of Distributor Operations," Industrial Distribution, May/June 2014.
- ³ "67th annual Survey of Distributor Operations," Industrial Distribution, May/June 2014.
- ⁴ Mark Dancer, CRM for Wholesaler-Distributors: A Strategic Guide for Planning and Results, 2013, pgs. 2-4.
- ⁵ Nucleus Research, "The Value of Mobile and Social for CRM," March 2012.
- ⁶ Mitek and Zogby Analytics survey results reported in "[Smartphone-Toting Millennials Fuel Demand for Mobile-Optimized Sites](#)," eMarketer.com, October 23, 2014.
- ⁷ Modern Distribution Management "The Outlook for Wholesale Distribution in 2015," 2015, pg. 13.
- ⁸ Mitek and Zogby Analytics survey results reported in "[Smartphone-Toting Millennials Fuel Demand for Mobile-Optimized Sites](#)," eMarketer.com, October 23, 2014.
- ⁹ North Bridge with Gigacom Research, "[The Future of Cloud Computing 4th Annual Survey](#)," 2014.

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