



BECOME A DIGITAL WHOLESALE:

REDUCE COSTS AND MORE USING
DIGITAL PLATFORMS

REPORT 2020

metpro

QUALITY, VALUE & INNOVATION
IN ALL THAT WE DO.

WHO ARE METPRO?

We're manufacturers and suppliers to the mechanical and electrical trade, with the main of our products being cable management, bracketry and our own innovative cable management products.

WHY MAKE THIS REPORT?

It's important that we're an active member of our industry, and that knowledge and experience is shared and that is what we have gained throughout our own digital transformation.

We believe that many businesses will be going through the same thing and it benefits us all to share our experience – particularly in these times with the challenges of 2020. More than ever businesses need to reduce costs, save time and improve service!

We're on a digital journey ourselves, and some of the things we'll cover today we've been through and implemented and some we're actively developing, such as our own Metpro Online eCommerce Store.

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UNDERSTAND INDUSTRY 4.0

WHAT IS INDUSTRY 4.0?

Industry 4.0 is also known as The Fourth Industrial Revolution. The Wikipedia description is “the ongoing transformation of traditional manufacturing and industrial practices combined with the latest smart technology.” In simple words it’s **smart digital technology and manufacturing automation without the need for human intervention.**

HOW DOES THIS AFFECT THE WHOLESALER?

Technology has evolved rapidly throughout recent years and it’s no secret that in many ways it has improved and increased the quality of our lives and businesses. Working with manufacturers that are implementing Industry 4.0 into your wholesale business means you end up with **better quality product at potentially better prices and the option to stock more innovative products.**

CHOOSE SUPPLIERS THAT ARE EMBRACING DIGITAL

Suppliers who have already adapted smart technology and manufacturing automation into their business are simply more reliable. **This is because they produce more, produce faster, are more efficient and experience less downtime, meaning they have better product availability and quality.** Not only that, they are also able to offer more transparent relationships due to automated track and trace capabilities.

These suppliers will likely be eCommerce ready and will already have the correct product data in place.



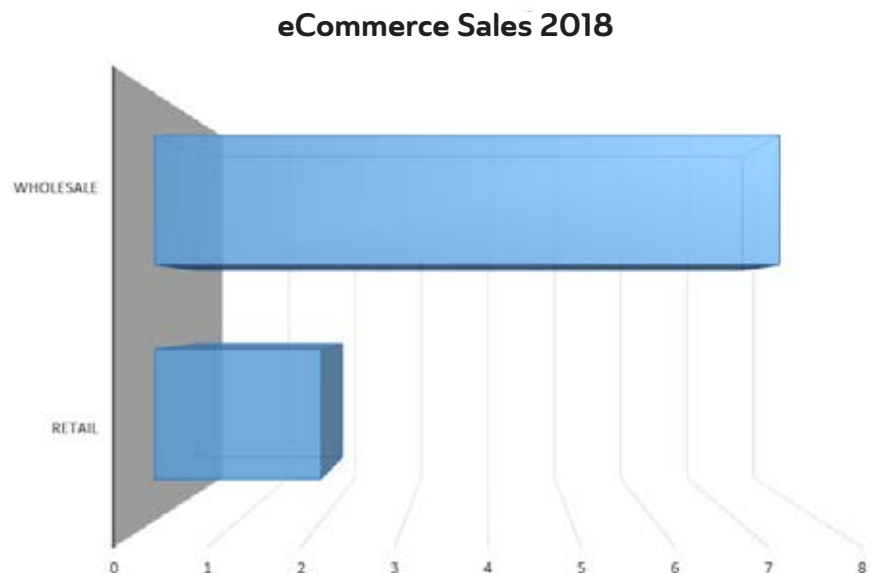


There are many concerns when it comes to moving into eCommerce. For most wholesalers, it is effectively **increasing their sales channels by a third**, adding in online sales to the existing phone and physical transactions. It is indeed a big move, but one that not only is consistently proven to provide **considerable benefits but is very much in demand by your customers.**

82% business buyers want the same experience as when they are buying from themselves.

According to an analysis carried out by Oporteo, eCommerce sales in the wholesale sector were almost **4 times higher than retail**, this was surprising even to us, and of course this study was conducted before the outbreak of COVID-19 in 2020.

As expected, retail sales have surged dramatically but again, **wholesale customers now expect the same seamless multichannel shopping experience when buying from you as they do when shopping for themselves.**



LIVE WEBINAR - POLL RESULTS

Number of electrical wholesalers surveyed, felt that there was some need to move to eCommerce

OPPORTUNITIES FOR WHOLESALERS

This additional sales channel brings many opportunities over and above just selling products. Moving into eCommerce allows your business to **reach new customers beyond your existing contacts**. Third-party sales platforms such as eBay and Amazon can be utilised for further exposure.

Despite the initial investment into a digital sales platform, this can be in fact the **easiest return on investment to measure**. Everything can be tracked and all activity measured due to tools

such as web traffic analysis and re-targeting tools which can literally track where a customer has come from, how they have moved around your website and how they can be recovered should they move on.

Despite the lack of face to face interaction in eCommerce, wholesalers can be **closer to a customer than ever before** thanks to online chat tools, help desks and CRM systems. Customers are also interacting with you outside of work hours and on personal devices allowing

for further data collection on where and why they are browsing your store.

There are many opportunities to cut back on cost. Automated order processing eliminates manual staff input and **drives more efficient changes in warehousing and shipping**.

WHICH PLATFORM SHOULD YOU CHOOSE?

This takes some research to determine what platform is right for your business.

e-Commerce platforms have varying levels of integration with your internal systems, depending on the needs of your business.

Regardless of which platform you choose, putting in place a **secure payment method is a MUST**. Customer information must be kept secure at all times and General Data Protection Regulation (GDPR) which is a regulation in EU law on data protection and privacy in the European Union and the European Economic Area effective from 2018 must be adhered to. Luckily the most common eCommerce platforms manage much of this for you, taking the hassle away.

TOP 10 E-COMMERCE PLATFORMS OF 2020

- Shopify
- Shopify plus
- BigCommerce
- Magento
- WooCommerce
- Squarespace
- Wix.com
- Big Cartel
- Salesforce Commerce Cloud
- Volusion

CONSIDER YOUR MARKETING OPPORTUNITIES

Moving into eCommerce also unlocks new marketing channels. The online activity that you may have been doing previously would have simply been driving awareness of your products and brand. With an eCommerce platform, marketing activities become about **driving transactions and business growth**.

Some marketing opportunities for driving eCommerce transactions are: paid advertising, social media, content marketing and SEO.

And of course, this all being digital activity the performance and **ROI is much more measurable**, with most platforms offering analysis, allowing insight what is working and what is not.



MANAGE PRODUCT DATA

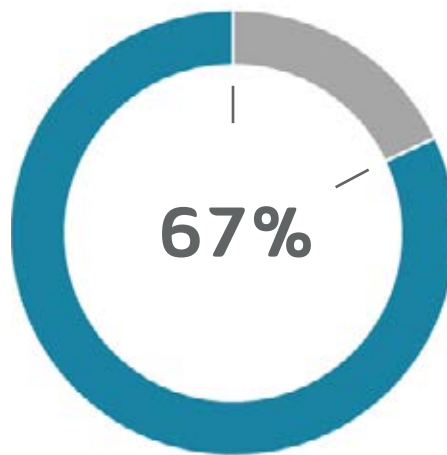
EDATA is established by the electrical distributors association (EDA) and intends to be the product data pool for our industry. Luckins by Trimble is a listing and product data resource that is also used. This enables your business to **have better and easier product information access**. It's all about modernising information, enabling the manufacturer to control and manage their own product data, so that the wholesaler doesn't have to.

The biggest amount of work in creating an eCommerce platform would potentially be the manual entry of product data. EDATA/Luckins eliminates that workload because it is pre-provided by the manufacturer.

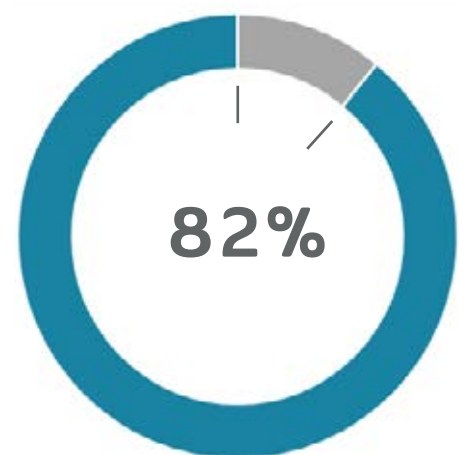
HOW DOES IT WORK?

Think about when you do your online groceries or shop for clothes; The products which you are browsing through are from **potentially hundreds of different suppliers**, however the categories and filters which you use to find your desired product have been standardised across them all - this is harmonised product data in action.

Now consider this: products in the wholesale sector are **much more complex**. Unlike retail, these products are not only defined by size or colour, they include many other variables such as material specifications, power consumption characteristics, industry standards and many, many more.

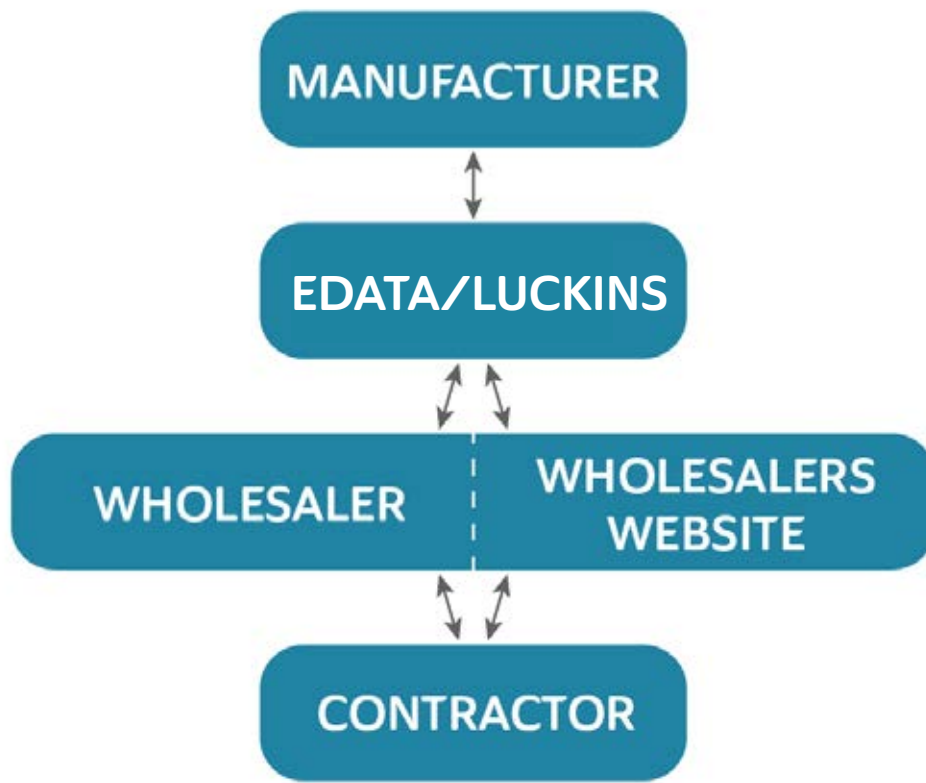


67% B2B buyers have switched suppliers for a more consumer-like experience



82% business buyers want the same experience as when they are buying for themselves

People are looking for the same interaction, whether shopping for a box of **cornflakes**, **size 10 running shoes** or a **25mm deep dual back box**!



BENEFITS OF EDATA & LUCKINS

Time and cost effective - no need for manual data entry and maintenance by the wholesaler into things such as product and stock management systems, or eCommerce platforms.

Data access directly from manufacturers - Self service of information for end-users meaning the wholesaler does not have to be the middle man, they no longer need to obtain information such as data sheets from the supplier just to pass on to the customer.

Accurate data improves UX (User Experience) and reduces errors - To sum this up one central repository for product data from multiple suppliers in one consistent format. Wholesalers and end-users really can compare apples with apples when choosing products. Again with the complexity of products in our industry this is crucial.

MAKE YOUR FIRST MOVE

LUCKINSlive™



Ready to make your move and manage your product data? This may sound very daunting but in order to stay relevant, effective management of product data will be a requirement particularly for eCommerce. Many influential businesses in this industry are on-board leading the way. EDATA and Luckins offer businesses on-boarding for easy utilisation. EDATA/Luckins takes the headache out of this for the wholesaler.

As a supplier to electrical wholesalers, we want to make our customers lives as easy as possible. That is why we have embraced EDATA and already feature on Luckins, with all our product information will be readily accessible in the correct format.

For more on EDATA head over to EDA.ORG.UK
For more on LUCKINS head over to LUCKINSLIVE.COM



EMBRACE BIM

WHAT IS BUILDING INFORMATION MODELLING (BIM)?

As Autodesk put it: **BIM is used to document and design building and infrastructure designs.**

The best way to think of BIM is an interactive 3D model of a building which contains all of the electrical and mechanical products within it. **As a BIM ready supplier ourselves,** we have 3D ready files which can be used to create these building models.

Extensive information is held within the building model that allows a much more efficient design and build process. Everyone involved in a BIM project can clearly see what is required to **construct the building and therefore what products they need to procure.**

WHY IS BIM IMPORTANT?

BIM offers huge efficiencies in design and construction but the benefits of BIM are also **much longer lasting.** Future renovations and maintenance are recorded in the BIM model. This means anyone working on the project in the future can see the full build history and the components within - product replacements or repairs are easy to specify and source from a BIM ready wholesaler.

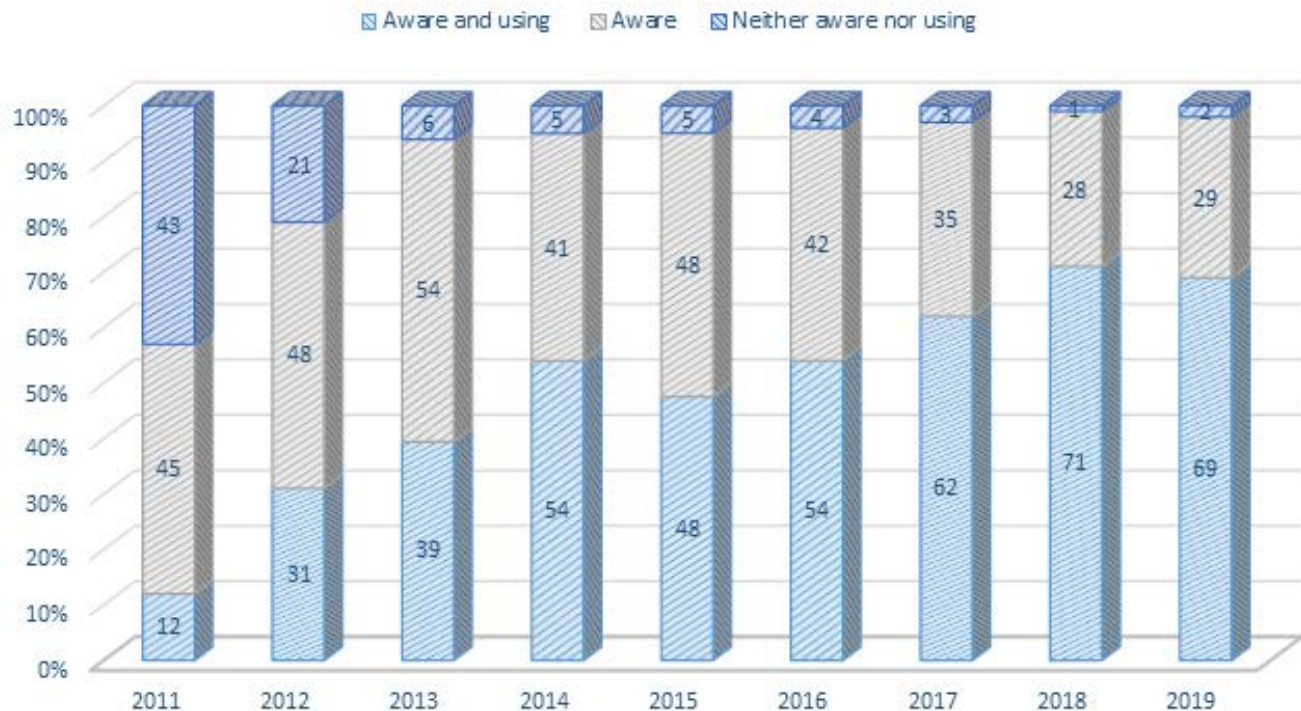
This is why BIM is becoming mandatory in many projects across the globe and has been on all UK public sector projects since 2016.

WHY SHOULD WHOLESALERS EMBRACE BIM?

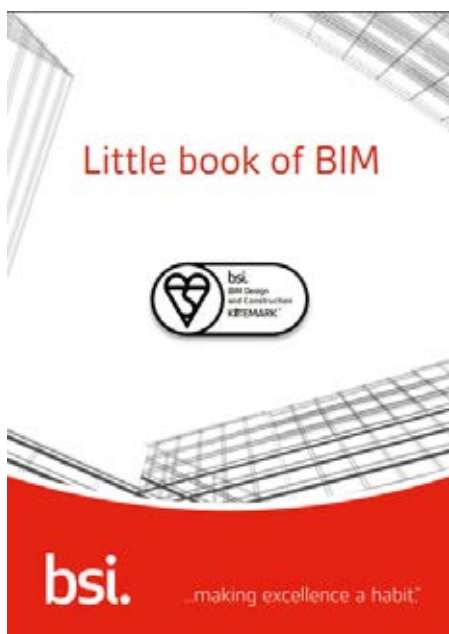
Having access to BIM gives you much more insight into the products you need to stock to fulfil the needs of the customer and their project. By knowing this and ensuring you have all or most of the products needed, **you can become the supplier of choice.**

Being seen as a BIM ready wholesaler and a reliable supplier will encourage long term partnerships and repeat business. It will also give you visibility of future projects and the requirements needed to build. Being recorded as the original supplier of the product means that you'll be returned to when replacements are required.

CONSTRUCTION INDUSTRY PROFESSIONALS USING BIM IN THE UK FROM 2011-2019



We can see the growth in use here. It goes without saying that 2020 will look very different! However, with the increase in digitisation and calls for organised information, we anticipate BIM use to continue growing into the future.



ADDED VALUE OF BIM

As a BIM ready supplier, we pro-actively supply not only the product itself but all relevant BIM information to the wholesaler. This means that your customer can rely on you for all this information or can be easily referred to Metpro.

BIM product information must conform to set standards as defined by the BSI.

The best way to move forward with BIM as a wholesaler is to speak to BSI. They consistently run webinars and workshops on BIM, as well as holding a comprehensive amount of guidance documents. Their 'Little book of BIM' is particularly useful and easily digestible.

Search google for "BIM BSI" to find more or take a look at Metpro's in-depth BIM case study covering the different levels of BIM and the global adoption of this powerful technology.

COVID brought lock-down, and safety concerns and although a sense of normality has returned, the potential second wave may once again lead to home working and the need to communicate digitally.

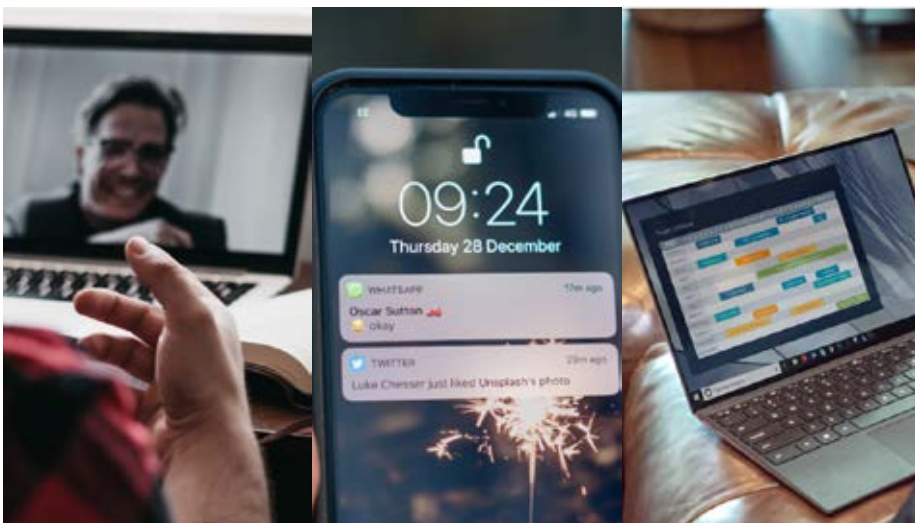
The financial effect on businesses has forced companies to find ways to be **more efficient and communicate more effectively.**

COMMUNICATE DIGITALLY



WHY SHOULD WE COMMUNICATE USING DIGITAL PLATFORMS

The obvious benefit of digital communication is **the reduced risk** as individuals are not having to be face to face, or even in the same room for that matter. But for many, the **reduced costs** are considerable. Meetings with team members and customers that are potentially many miles apart now cost nothing but a simple subscription fee - travel, accommodation, food and even entertainment costs are all but eliminated.



WHAT DOES DIGITAL COMMUNICATION CONSIST OF?

Many platforms have different features but the core functions that are often found are video calls/meetings, instant messaging and even project management tools.

THE DECLINING USE OF EMAIL

The instant messaging features within these digital communication platforms are the most adopted with many now the primary method of communication. **Everyone is used to SMS texting, WhatsApp and social media interaction.**

WHY IS THIS SO?

Instant messaging is exactly as the name suggests. Messages are instantly sent and recipient notified, tools such as Whatsapp even report when messages have been sent, delivered and read.

Communication is more conversational, more natural and more direct than email.

Even the time saved by not writing phrases such as

“Dear XYZ”, “Best regards” and clicking additional buttons is considerable across a large team!

People are switching from email to instant messenger for fluid communication because it is so much more accessible. **Think about it... When was the last time you emailed a close friend or a family member...? - Exactly!**

WHAT PLATFORMS ARE AVAILABLE?

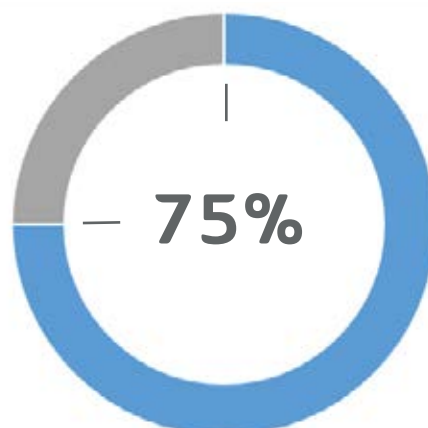
Microsoft Teams, Zoom and Google Hangout seem to have been the most adopted platforms across the world for business use communication. However, it is very much based on the individual business requirement. Platforms such as **Slack and Facebook workplace** are tailored towards instant messenger within and between departments.

Zoom, Skype and Microsoft teams are bias towards video calling. Platforms such as **Asana, Monday.com and Trello** are primarily project management tools with integrated messaging functions.

It is important to choose the right solution for your business. Browse and compare the features between each platform and make use of free trial periods to see what works best for your business. Don't be steered by the price alone as tempting as this may be, many providers also have dedicated support and on-boarding teams and even live training to guide you through your transition.

LIVE WEBINAR - POLL RESULTS

75% of businesses in the electrical wholesale sector have adopted a new digital communications system





DIGITISE YOUR WAREHOUSE

HOW DOES WAREHOUSE DIGITISATION BENEFIT THE WHOLESALER?

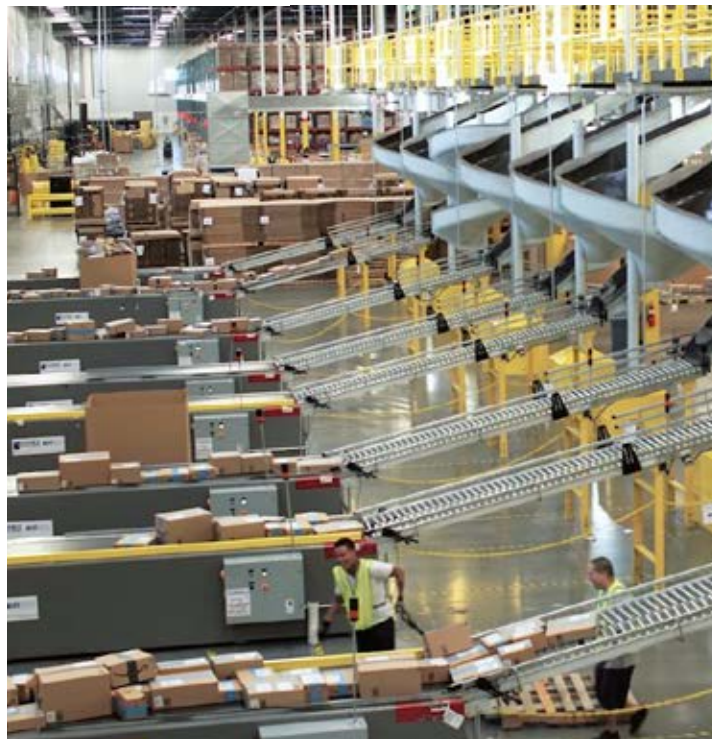
Adopting digital tools, platforms and processes in the warehouse **can increase fulfilment efficiency, improve inventory visibility and accuracy, maximise labour productivity as well as improve space utilisation.** It enables staff to spend less time tied to a computer or writing out forms, and instead focus them on picking, packing and shipping.

THE AMAZON EFFECT

Customers now expect their purchases to be shipped in hours and delivered in days thanks to the extremely high standard set by what is now the world's biggest retailer. They are a "Prime" example (excuse the pun) of digital processes being used to their biggest capability. However it is not without considerable human interaction - an Amazon warehouse relies on a **balance between computers and people.** The right combination of technology in your warehouse and people can replicate the high service levels which customers are now used to.

A 2018 study 'entrepreneur' found that 43 percent of consumers surveyed expected "much faster" delivery times that same year.

According to 'WordStream' **53% of online shoppers won't purchase a product if they don't know when it will arrive.**



SOURCE: <https://onlinedistributioninc.com/company/about-us/>

WAREHOUSING FOR THE WEB

Generally orders which are placed through the web are processed and paid for much quicker and therefore end up as an order for picking in the warehouse quicker - so it is **critical that execution within the warehouse is done well.**

"Web commerce presents real challenges to business's distribution networks when it comes to fulfilment.

How well an organization executes, its service promises will depend on how they back up their websites with the systems and logistics know-how to make them work. While many organizations today use the Internet to reach their customers, more and more companies will start using the web to manage their supply chains."

Karthik Ayyala - SAP solution Architect

EXAMPLES OF EFFECTIVE WAREHOUSING

Full understanding of pack quantities and size

Every supplier should be able to provide this and it is valuable information for planning an efficient warehouse. If packaging and quantities are in difficult sizes, ask the questions: can these be modified? At least can they be decanted into a more accessible format/container?

Defined and consistent space allocation for stock

Many of the biggest frustrations, inefficiencies and even health and safety risks are the inconsistent positioning of stock. The value of consistent stock locations is irrefutable. Keep a plan accessible that indicates these locations and lock it down.

Warehouse layout based on stock pick frequency

In our warehouse, our "fast moving" stock is at the very front of the racking for easy and fast access when needed. This is also combined with stock that is potentially difficult to move meaning less distance to travel from pick location to despatch. This not only significantly reduces picking time but also minimises the risks of accidents and injuries.

Automatic replenishment order triggering

Throughout the wholesale industry, stock-takes are notoriously disruptive. Although these may never be eliminated, using some form of automated stock tracking system will vastly reduce the down time and extra hours that stock takes create, it also improves stock accuracy count.

Pick accuracy targets

Recording pick accuracy builds data and a knowledge of what performance levels to expect. Performance data collection can be used to set expected hourly, daily or weekly targets. We realise that we could achieve very high pick accuracy rates and set in place a target - to never drop below 99% which we have held consistently year on year since 2012.

While many of the areas we've discussed here go hand in hand – it's important to take things one at a time. This journey of digital transformation that we've been on ourselves has been a long one and still not yet complete. We're fully BIM compliant, committed to EDATA, listed on Luckins and our own eCommerce enabled website is almost ready to launch.

We know that some of these moves into digital will add even more value than what we've covered here – and other may not be relevant.

What's important to us, and will be the same for you is that each new platform or process is implemented right so you can get the most of the benefits offered by these systems.

If Metpro can help you on your digital journey, get in touch.



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