

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

want to drain their budgets in the process, a new generation of fully-featured sophisticated business management software with customized modules is allowing them to ...

Nov. 03, 2015

Improved accuracy, faster order processing, ease of use, scalability and affordability helps businesses grow and expand

For many mid-sized wholesale and distribution companies eager to expand, yet don't want to drain their budgets in the process, a new generation of fully-featured sophisticated business management software with customized modules is allowing them to utilize tools that have traditionally only been accessible to larger enterprises.

Call it multi-channel sales, inventory control and accounting software, because these new do-it-all systems cover the bases from the manufacturer's warehouse to the ultimate consumer. For a growing number of companies the flexibility, speed of implementation, user friendliness, and scalability of these new business management systems is impressive, particularly when factoring in lower cost offerings that drop the price tag from \$50,000 or more to, in some cases, less than \$10,000.

With flexibility a byproduct of the modularization of these new systems, a wide variety of businesses are embracing the trend toward enlisting wholesaling software to expand. Just in time, as the National Association of Wholesaler-Distributors reports that in the U.S., total wholesale trade sales for 2014 were up 5.1% from 2013, totaling \$5.40 trillion. This growth covered nearly all segments of wholesale trade.

But keeping pace with this success means businesses can no longer suffer the lapses

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

written specifically for the wholesaling/distribution model. Secondly, they fear that such programs are costly, inflexible, difficult to learn, and because of their proprietary nature, require expensive support.

Unfortunately, these fears are grounded in some truth. Horror stories of exorbitant costs, high maintenance fees, and years-long implementation snafus have worked to keep many wholesalers from even considering end-to-end software systems.

For Ton Holten, founder of Tilemaster, a retail and construction industry supply firm, he's experienced both ends of the spectrum.

"We have a new 60,000 square foot warehouse," says Ton Holten, which provides a vast array of stone, slate, porcelain, ceramic, metal, and marble tiles. "To efficiently manage the 3,000 different kinds of tiles, we need accuracy and accessibility."

Faced with a huge inventory to meet a growing demand for tile fueled by a boom in home building, his company invested in excess of \$100,000 for "high end" ERP software, only to find that after a year trying to implement it that it didn't perform to the expected standards. As a result, he decided to take the loss and instead turned to Oneir Solutions Inc, a provider of scalable ERP software that efficiently manages key business functions through one shared information database.

The company's offering, thanks in part to the use of open software operating systems based on Linux, is extremely affordable, starting at less than \$5,000 for a more basic, 3-user version with modest set-up and upgrade fees. Despite its cost, the product is robust, enterprise-wide software that is scalable to meet new challenges such as changes to the business model and new technologies. For Holten, there is even a tile and flooring specific component that calculates the number of boxes and individual tiles, making calculations even easier and error free.

With the use of the new software, the inventory levels for all four of Tilemaster's

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

"By upgrading with Oneir, we were able to open and efficiently manage the new warehouse," says Holten. "We're always online now and can check stock, sales, and know what is going on in all locations up to the minute. We couldn't have done that before."

Efficiency via a convergence of functions

By electronically and logically joining what were previously separate functions, this newer approach to multi-channel sales facilitates efficiency and improves productivity.

An integrated blend of accounts receivable and payable software, general ledger software, POS software, sales order software and an inventory management system have efficiently handled the daily bookkeeping needs of one fuel distributor who processes over 10,000 transactions a month. Many of these customer charges are processed through the Oneir integrated "Card Lock" system for billing transactions at remote fuelling stations.

"With the Oneir system, I can now handle payments, make other changes and print a statement if our office manager is away, and now our drivers are even doing their own bills," notes Matt Dalke, general manager of Chetwynd Petroleums, Ltd., a high-volume fuels distribution business based in British Columbia. "We're getting our statements out much faster and can go back months into our records if needed, which we could never do before."

The interoperability and scalability of these applications allows business to add robust modules as they need to fit their growth, thus overcoming the obstacles of bulky, traditional ERP systems.

“When you picture a \$250 billion industry giant you can see that there are a lot of

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

customers of product data and, in many instances, show the customer's order history, making it an important aid for generating repeat sales. The rep can place the order on the spot, which automatically sends an E-mail confirmation to the client and simultaneously forwards the order directly to the warehouse for picking, packing and shipping.

Ease of implementation, ease of use

Much of the interoperability, scalability, and affordability can be attributed to the Linux OS that so many of these newer systems base themselves upon. As open-source software, it means that users aren't bound to expensive—and just as important, inaccessible—proprietary systems that tie the user to one vendor. Linux' increasing popularity also facilitates rapid implementation. After all, Linux has been said to be the “backbone” of the Internet because of its speed, security and lower cost of ownership.

For Ken Bell, President of Philadelphia-based, Metal Stock, the smooth transition to the Linux-based ERP software is allowing him to grow his company—already one of the biggest metal suppliers in North America with more than 2,000 customers and several thousand items stocked in and sold from its 37,500 square-foot facility.

“They went through all our records with me to see if they were all ready for conversion,” explains Corrine Wightman, Controller for Metal Stock. “We spotted a few things so we fixed them. In previous transitions I've experienced, financial statements you had customized do not make it, so you have to put them all back into the system again. But with Oneir Solutions, everything came over and I didn't have to re-customize anything.”

Linux also interfaces well with other operating systems, further expanding the utility of these new ERP systems to users who are more familiar with consumer-oriented

human-machine interfaces. For example, Linux communicates effortlessly with

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

transmission speed and reducing processing overhead within internal networks, as well as over the Internet. Rapid remote access through virtual private tunnels into the cloud assist management in tracking orders and metrics across the globe.

The Linux base to the software is important. It moves data around in small packets very fast, so wholesalers can see in real time the state of their inventory in multiple locations just as they can at the main headquarters.

Future growth

Today's new breed of modularized software designed strictly for sales/warehousing and distribution is now enabling forward thinking leaders to expand their businesses.

"This ERP system has opened up our bottom line," concurs Metal Stock's Ken Bell. "It's extremely reliable and can do sophisticated reporting. The sales analysis reports that Corinne generates from it, for example, show us what percentage of our sales is coming from which customers, and how that is changing from year to year. So we can make plans for growth based on hard facts."

Firm Management • Small Business • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved