



WHY DISTRIBUTORS NEED STRONG ORDER MANAGEMENT SOFTWARE

This download explains what strong order management software can do for your distribution business particularly in difficult economic conditions

WHAT ORDER MANAGEMENT SOFTWARE CAN DO FOR YOU

WITH A LOOMING RECESSION, YOU NEED STRONG ORDER MANAGEMENT

With a looming recession, sky-high inflation, supply chain problems and global geopolitical challenges, times are tough for distributors, but there are opportunities to outperform. Customer orders, the lifeblood of any distribution business, are slowing down.

Now more than ever, you need powerful order management software to ensure that customer orders are received, processed and fulfilled quickly, accurately and efficiently. Strong order management should allow you to see what orders come in, where orders are coming from, in what stage of fulfillment any order is currently, and allow you to manage the flow from order placement all the way through to delivery to customers.

In a challenging environment, your processes for Receiving Orders and Processing Orders are mission critical.

RECEIVING AND PROCESSING ORDERS ARE CRITICAL PROCESSES

Receiving Orders

Customer orders can come in through multiple channels. They could be from over-the-counter-sales, placed with your salespersons, placed by customers through your self-service portal, placed on your online eCommerce stores, or delivered through EDI (electronic data interchange). Strong order management software should let you see all of these orders regardless of where they originate. For eCommerce orders, your order management system should be able to manage fulfillment across multiple warehouses. You should be able to route orders to warehouses based on inventory availability, and proximity to customer.

Processing Orders

Processing orders entails moving orders that have been received through the fulfillment steps of (1) picking, (2) packing, (3) shipping and (4) delivery to customers. Your order management software should enable you to track the progress of orders through each of these fulfillment steps. Each fulfillment step should allow the flexibility to process orders one-at-a-time or more typically in batches. To be able to fulfill orders effectively, the order management system has to work seamlessly with inventory and purchasing software that tracks the available quantity of each product by location by multiple units of measure across multiple warehouses.

ORDER PROCESSING FLOW

The Complete order processing flow includes these sub-processes:

1. Picking Orders,
2. Packing Orders,
3. Shipping Orders, and
4. Delivery to Customers

Picking Orders

Picking orders entails getting the ordered products from warehouse bins and organizing them by order. To make this work effectively your inventory and purchasing software system has to be able to give up-to-the minute, accurate information on how much you have of which product and where. You should be able to optimize picking and minimizing passes through the warehouse by picking in batches rather than by single orders.

Packing Orders

Packing orders requires boxing up the items in the most efficient way for shipping and generating packing slips to record which items were put in which box.

ORDER PROCESSING FLOW (CONT'D)

Shipping Orders

Shipping entails preparing orders for delivery. Strong order management software should allow you to deliver orders to multiple customers by delivery route, or ship orders individually through carriers or LTL shippers. If you use carriers your software should allow you to rate-shop between carriers to achieve the lowest rate and best delivery terms. Once an order is shipped the order management software should be able to send the customer an email with shipping information including carrier, tracking number and delivery date.

Delivery to Customers

Delivery to customers may be handled by the carrier or by your delivery trucks. Strong order management software should be able to allow you to track delivery status and capture proof-of-delivery.

INTEGRATION WITH OTHER PROCESSES

For optimal efficiency, your order management software should be fully integrated with other modules to accommodate the full Order-To-Cash workflow. To complete the whole Order-To-Cash process, order management should work seamlessly with the following processes.

1. Billing,
2. Collecting payment,
3. Reconciling Accounts Receivable, and
4. Reporting.

Billing Customers

Once shipped the order management software should be able to send the invoice by email to the customer and update the accounts receivable tracking.

Collecting Payment

The order management software should provide for payment remotely by ACH, credit card or wire transfer on a secure payment portal. Payments should also be allowed by check or in person in cash.

INTEGRATION WITH OTHER PROCESSES

Reconciling Accounts Receivable

The software should be able to automatically record payments in the system and update customers' accounts receivable balances.

Reporting

Strong order management software will allow extensive tracking and reporting of orders, order fulfillment statistics and performance, customer accounts receivable statements and balances.

Complete Order-To-Cash Workflow

Together with Order Management and Processing, all these additional processes complete the whole Order-To-Cash workflow.

BENEFITS OF STRONG ORDER MANAGEMENT SOFTWARE

There are many benefits of strong order management software and its underlying inventory and purchasing software. These are just a few of the key benefits:

Optimize Inventory Levels

Inventory is a distributor's biggest capital investment. Reducing the levels of inventory, while maintaining customer service and avoiding stockouts is the critical balancing act. To accomplish this, you need a reliable inventory and purchasing software system. Having access to inventory tracking information and being able to slice and dice your sales and evaluate seasonal effects can help determine where you can cut back on inventory levels safely. If you are successful, you will be able to reduce investment in inventory and turn inventory more frequently, and this will have a dramatic effect on your business' ROI.

Cut Costs

Order management software can improve your processes to cut down on manual steps. This can help reduce fulfillment time, cut down on unnecessary steps increase efficiency and cut costs.

BENEFITS OF STRONG ORDER MANAGEMENT SOFTWARE

Maintain Customer Service

Avoiding errors in fulfillment, the wrong goods delivered or running out of stock can have a meaningful impact on customer satisfaction. Also returns and refunds can become very costly very quickly. Having the right information always available to respond to customer questions will also go a long way to improving customer satisfaction. Strong order management software will help manage order processing to cut down on mistakes, increase efficiency, improve cost and increase customer satisfaction.

Avoid Supply Chain Problems

By providing access to the overall flow of orders at all times, an order management system can help you better manage purchasing and warehouse transfers to anticipate and minimize supply chain problems.

SUMMARY

You Need Strong Order Management Software

Strong order management software is a foundational requirement for distributors managing and processing orders at scale. The effect of improving your order management will be to reduce order processing errors, improve efficiency, lower the costs of your operations and increase customer satisfaction. If your order management software doesn't stack-up, contact us today to see what Accolent ERP's order management and processing can do for your business.



CONTACT US TODAY TO LEARN MORE

ADS Solutions is a leading provider of Cloud ERP software to small and medium-sized businesses.

Accolent ERP is optimized to serve the needs of distributors and building materials suppliers. Contact us for a quote or to schedule a demo.

Email info@adssolutions.com, or visit our website, [adssolutions.com](https://www.adssolutions.com).