

# The impact of Covid-19 on distributors' use of technology

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As this is being written, Covid-19 has accounted for nearly 120,000 deaths nationally. As we sift through the on-going wake of the disease, few things are understood clearly enough to plan for business beyond the various stages and phases through which states are hopscotching their citizens.

The longer it takes to return to normal, the easier it will be to admit we should expect a new normal. Examining routine processes and their respective overlap – or probable gap – with technology is a solid place to identify where to start adjusting to the new normal.

As systems and technology providers, we are witnessing several themes that are emerging where distributors are intensifying their use of available technology. Ignoring these topics will leave some distributors further behind those that are already examining, shifting and adopting to current technologies.

*Going Mobile* – Methods for deliveries have changed. Just a few months ago the point of delivery was the customer's address. Now customer delivery includes your address, with orders being delivered in parking lots, via curb-side and drive-through

pick-up. Since the transaction is away from the traditional point-of-sale terminal, smartphones and tablets are being used to secure the order and obtain proof of delivery away from the showroom and without using trucks. To keep transactions paperless as well as touch-less, smartphones can snap pictures of the person receiving the product, a license plate, or record a voice as order confirmation. Customers will acclimate to this level of service easily, and savvy distributors will accommodate the process and refine the method to their advantage.

*Customer Access* – For many consumers, the curbside experience begins with a web experience. Customers continue to access vendor websites to review their individual account status, examine product offerings, and place orders (for pickup at curbside). A robust and deeply integrated e-commerce solution continues to be a game-changer for many distributors as their customers lean toward web-based services being a standard expectation rather than a simple convenience.

*Supply Chain Review* – Stock-out of products demanded by Covid-related

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issues caused major disruption in the supply chain, but also laid bare vulnerabilities. Continual process improvements within the supply chain meant squeezing just-in-time inventory practices to razor-thin timeline margins. Distributors are re-evaluating their inventory practices and making several adjustments: realigning A/B/C/D products relative to customer demands and vendor reliability; resetting minimum/floor quantities for essential products; examination of duplicate vendors and vendor guarantees; and, engaging more sophisticated purchasing philosophies than simple min/max methodologies. Many are adjusting to ‘just-in-case’ when examining essential products within their offering.

*Business Intelligence* – Asking the right question is important. Getting a workable or actionable answer is more important. Systems continue to evolve in order to provide rich and predictive information, but there's a catch: it is all based on having the data. If a distributor's system is not capturing the data, fewer of the important questions can be answered – having ‘a hunch’ will only get you so far. Sales trends, product demand, employee productivity, delivery performance, cash-flow management, can all be reviewed at levels of breadth and depth not available as few as five years ago. Understanding and implementing the business intelligence tools that are available will be critical to process improvement, driving out waste, and customer retention.

There are opportunities during times of challenge, and we should expect business to return. Taking some time to examine, hone, and adopt technologies will be a sound investment toward thriving in the new normal. Many already are. 

