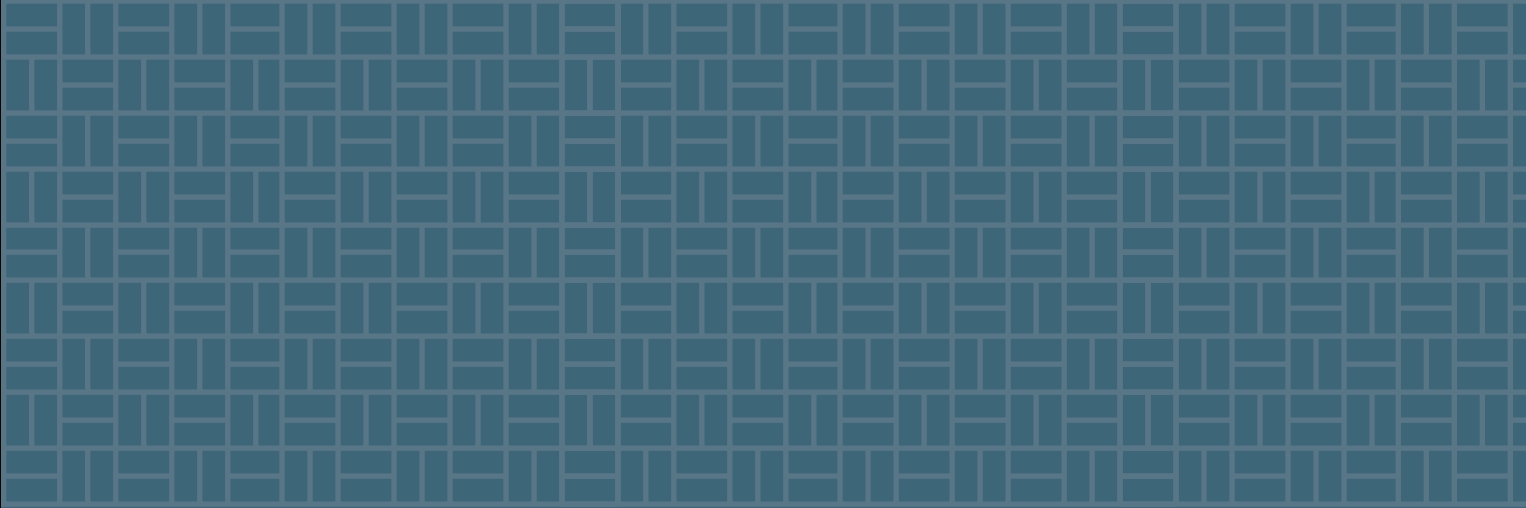


TECHNOLOGY SOLUTIONS

FOR DISTRIBUTORS



EXECUTIVE SUMMARY

In recent years, the role of the distributor has changed significantly. Increasing demands for expanded customer service, coupled with shrinking margins and cutthroat competition, have forced many distributors to either become more efficient or perish.

Lacking the ability to raise prices, distributors are forced to seek ways to cut costs. Fortunately, technology offers innovative distributors an opportunity to lower the cost of daily operations, and, at the same time, increase sales and grow the business.

Large and small businesses alike are taking advantage of the efficiencies introduced by the digital age. As technology improves and competition increases, businesses that fail to move with the tide are often overwhelmed by the competition.

Cost cutting is now as important as the ability to offer new products and grow sales. Thanks to the introduction of fast, accurate digital tools, greater insight into the full range of business activities allow for the control of expenses and the growth of sales.

The surest way to control expenses is through a complete fine-tuning of the entire business transaction process. Although most distributors recognize the benefits of utilizing technology, many have failed to maximize the potential of already installed hardware and software solutions.

Still others attempt to work with incompatible or outdated systems, which force human intervention that compromises accuracy and efficiency.

MARKET REALITIES

Foremost in the mind of every distributor is (or should be) the customer. Today's customer is far more demanding than in the past. Most expect greater distributor expertise and service, a more extensive inventory of products and product lines, and lower costs for all products and services. And customers know that if their current distributor cannot satisfy their needs, other distributors can.

The competitive nature of the marketplace cannot be overstated. Companies that fail to recognize this simple truth are almost surely doomed to failure. Distributors that accept this reality enjoy a distinct advantage over less observant competitors, providing they are willing to adapt.

WHY AN ENTERPRISE SOFTWARE SOLUTION

A complete enterprise solution encompasses the entire range of business activities. It should allow full integration of all business aspects into a single, simple system – available in real time, all of the time.

In practical terms it means that as orders are initiated, inventory and price information are immediately available, invoices are printed, shipment is arranged, and all related documents are properly prepared and filed. Transactions should be fast and painless for customer and distributor, and error-proof to the highest degree possible.

The benefits of an efficient enterprise solution are geometric. Efficiency is vastly improved, the requirement for staffing is reduced, and total transaction costs are far lower. Valuable staff time is made available to deal with customer inquiries, fostering better relationships and improving the level of service.

WHAT TO LOOK FOR IN A TECHNOLOGY PROVIDER

Enterprise software is everywhere. Unfortunately, some of the companies that designed and marketed currently utilized software are not. Others may still be in business, but based on their service and responses to customer inquiries and problems, they won't be for long.

What to Consider When Choosing a Technology Partner:

1. What is their track record? How long have they been around?
2. Do they really know your business, or do they attempt to be all things to all companies?
3. Are they able to provide the necessary funding for continued research and development (R&D)?
4. Do they have a record of innovation?

Track records are important. The technology partner you choose should have a strong reputation in the industry and have been around long enough to have earned it several times over.

Knowing your business should be their focus. Off-the-shelf products designed to appeal to a large segment of the business community are of little value to distributors and the complex issues they deal with every day. It's critical that the technology partner you select be focused, laser-like, on the distribution business, and only the distribution business.

R&D isn't important – it's vital. And, it also takes a strong commitment to continuous funding. Just as your business needs change, so must the technology that supports your business. Your technology partner must possess the financial strength to fund a strong R&D program.

What have they done for you lately? Just funding an R&D program isn't enough. What new or improved products is the result of all of that R&D? Are new products and services available that will help you better manage your business? Are other companies supplying better products?

FINDING THE RIGHT SOLUTION

Choosing the right software applications for your distribution business is not easy, but it is of critical importance. The decisions made today will impact your entire business operation in the years that follow. It's important to choose a technology provider that clearly understands the demands of your particular operation, one that has both the expertise and the products to assure success.

Distributors should focus on the following:

1. Is the software easy to use?
2. Is it flexible enough to meet your needs? Is it scalable; does it offer options for expandability, growth, and integration with other software components?
3. Does it provide access to vital and timely information?
4. What about the cost of ownership?

Software that is difficult to use adds to problems, not solutions. One of the most important elements of good software design is the intuitive nature of its use. The easier it is to use, the more efficient it becomes.

Good software, like good employees, is flexible and adaptable to a variety of needs, now and in the future. A business is not a static environment, and software that is not scalable, expandable, and able to grow with the needs of the business, is hardly a good investment.

Every distributor needs a first-rate, evolving business plan. And that plan must be based on the best, most current information available. As changes in business patterns emerge, efficient software tools foster real time access to current information about every aspect of the business.

Good enterprise solutions should add to sales and profitability, not costs. By integrating supply chain management, order management, inventory management, financial management, workflow automation, business reporting and analysis...all business operations, the appropriate software saves distributors time and money.

GOOD TECHNOLOGY LEADS TO GROWTH

Distributors with an efficient and up-to-date technology foundation are able to take advantage of additional opportunities to grow their businesses while simultaneously increasing sales, improving customer service, and reducing costs.

A cost-effective Internet connection makes it possible for distributors to link directly with their own suppliers, trusted distributor partners, and customers.

By linking with other trusted distributor partners through an electronic trading network, distributors gain access to a far wider range and variety of inventory.

By opening the electronic doors to their warehouses, distributors also enjoy an added benefit. Dead or slow moving inventory is now visible and available to a far greater variety of potential customers.

By further opening their doors to 24-hour electronic shopping, distributors can expand their service, their sales, their geographic range, and their profit opportunities. They can also save money on transaction costs, since the customer bypasses the typical phone or fax method of ordering, saving staff time and reducing the likelihood of errors created by the necessity to re-enter data.

TOTAL SUPPORT IS CRUCIAL TO SUCCESS

Distributors seeking to maximize the potential of enterprise software must also be assured that their technology partner is a dependable full service provider. From planning to implementation – from initial power-up to Internet expansion, distributors are dependent on the capability and the reliability of this important partnership.

Critical areas of support include project planning and management, initial and follow-up training, 24 hours a day, seven days a week technical support, hosting, and domain proficiency.

ABOUT ACTIVANT'S WHOLESALE DISTRIBUTION SOLUTIONS

Activant® provides technology solutions and services to more than 3,800 wholesale distributors throughout North America. A leading technology provider for the distribution industry, Activant develops comprehensive enterprise software solutions to help distributors improve customer service and maximize the return on their technology investment. In addition, the company offers an Internet trading network that expedites sourcing, expands geographic reach, and streamlines transactions between distributors and manufacturers. Activant solutions are backed by a host of professional services, including support, consulting, and educational programs.

Activant Solutions Inc. (“Activant”) is a leading technology provider of business management solutions serving small and medium-sized retail and wholesale distribution businesses in three primary vertical markets: hardlines and lumber; wholesale distribution; and the automotive parts aftermarket. Founded in 1972, Activant provides customers with tailored proprietary software, professional services, content, supply chain connectivity, and analytics. More than 30,000 customer locations use an Activant solution to manage their day-to-day operations. Activant has operations in California, Colorado, Connecticut, Illinois, New Jersey, Pennsylvania, South Carolina, Texas, Utah, Canada, France, Ireland, and the United Kingdom.

For more information, please visit www.activant.com, e-mail distribution@activant.com, or call 1-800-776-7438, press 1.

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