
FEATURE ARTICLE

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For Immediate Publication

Turning Theory Into Reality By Steve Epner

Over the years, we have heard it all. Computers are going to make our life easy. Barcodes will eliminate inventory errors. The Internet will bring new, more profitable customers. Well, none of it happened – at least not for anyone I know.

Does this sound familiar? It is. In every industry, the promises of computers and technology have not lived up to their expectations. I am reminded of an old saying from engineering school: “In theory, there is no difference between theory and reality; in reality, there is.” Everything is better in theory. The problem is we have to live in the real world.

Greg DuRoss stated in the NAGASA Newsletter: “I don't know how it will all end but I do know that this industry will look very different in a few years.” He went on to observe: “the younger generation is much more digitally and computer focused. The extent to which they become print oriented will have an enormous impact on the future of our industry.”

He is right. The future will see many of the promises of automation come to pass. When is the future? No one knows, but we can start to take some concrete steps so we will be ready.

One reality today is the perception that manufacturers cannot trust distributors and distributors cannot trust manufacturers. The question to ask is: “are there any ways in which technology can help bridge the gap?”

Of course, the answer is yes. One simple example is the idea of a “distributor friendly” web site. Everyone wants more information about products before they decide to purchase. It is too expensive for every distributor to develop the knowledge-based content that the

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manufacturers have already created.

However, if I as a distributor send my customer to the supplier's site, there are two things that normally happen. First, my prospect finds a list of all of the other distributors for that product. I would have to be crazy to send them to the site – all I am doing is telling them where to call to beat my price.

The second thing is that many manufacturers will accept orders on their sites. So now I am double crazy for sending them to buy elsewhere. What we want – and should expect – is that our suppliers will develop and deploy “distributor friendly” sites.

The premise is that there will be no links from the site to anywhere other than back to the referring distributor's site. Then, any sales that are accepted are returned to the referring distributor for processing. No exceptions. It is not hard to do and will start to build trust.

The second point Greg made was related to the generation gap. In theory, the next generation of owners and managers are getting ready to move into positions of responsibility. They have grown up with computers. Yet, there are many instances where the current generation is not giving them leeway to experiment with new technology and techniques when dealing with each other.

The reality is that we need to listen more to the next generation in each of our organizations. They will be tomorrow's business leaders. Anyone without young people coming up the ranks, better go out and recruit some. The future of distribution will be reinvented and implemented by a community of technologically focused leaders.

Many companies today still believe in the old "make stuff and sell stuff" process of getting product to customers. Leading distributors are moving from the old model of “Buy – Hold – Sell” to a new model of “Sell – Source – Ship.” The computer will force the replacement of “Supply Chains” with new, electronically connected “Supply Teams.” Information will be shared electronically to better serve the customer. What will be the bottom line result? The teams that embrace the new concepts will survive and make more money. Not everyone will survive. The reality is that those who wait the longest to join will have the poorest chance of surviving.

There are many ways in which technology use can be improved. We can gain more “reality” today without great expenditure. Ideas as simple as converting a FAX cover sheet from a wasted piece of paper into an 8 ½ X 11 inch billboard for your company will make a difference.

We can all start somewhere. Look around. Talk to your software vendors. There are many options and opportunities out there. Your responsibility is to pick and choose those that will help you best.

Just make a decision to start moving forward. Adopt technology that will help you share. Prepare yourself to be a good partner. Begin to join teams. And do not be afraid to listen to someone half your age. They are tomorrow's reality.

Steve Epner has been directing traffic on the information super highway since 1966. A highly regarded industry expert, Epner is widely published and has provided comment for national business publications including the *Wall Street Journal*. His experience in business, technology and strategic planning makes him a nationally renowned technical speaker. Epner can be reached at sepner@bswllc.com.

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