Aptean Distribution ERP

Harnessing the
Power of Analytics

Improve Profitability with an Industry-Specific ERP

You want to have a good product, happy customers and quality service. That's what running a successful business is all about.

But those things don't mean much if you can't turn a profit.

Getting to the point of profitability requires a long list of components—from efficient operations to excellent customer service to hiring the right people and being confident in your decision making.

Ensuring profitability starts with understanding the value of analytics and tracking key performance indicators (KPIs).

You need to take a deep dive into the data you're collecting to see whether or not you're actually profitable, where you may be losing money and how to make improvements. And then to unite those data points across the business to find connections and patterns for improvement areas.

Are you profitable?

That's the game-changing question.

Leverage powerful analytics to help you determine your answer.

You want to explore every aspect of your business to see where you could be more efficient and more profitable. You want to evaluate every customer and understand if the business relationship is fruitful or not.

Customer profitability factors in not only gross revenue but all of the other expenses that you have by doing business with retailers, such as Walmart: discounts, allowances, commissions, fines, penalties, royalties, etc. You might ship 50% of your goods to Walmart, but if you're making 2% margins, you're not making money, which is the goal of your business.

An **integrated, industry-specific enterprise resource planning (ERP) solution** enables profitability analysis.

You can track your money and recognize those financial trends, habitual fines, regular chargebacks, etc. And then you can break those down by reason, by type and by time period—diving deep into your profit margins to uncover avoidable charges and fines.

ERP software that helps combat the challenges associated with import management ensures your customers get the right products, at fair prices and in correct quantities, all at the right time.

Any orders that you ship that aren't accurate are likely to result in fines and chargebacks, which add up quickly and chip away at your bottom line.

Consumer goods companies gain more efficiencies through automated container updates and receiving-by-container functionality. This is trackable within your ERP's reporting tools and helps you create leaner processes and smarter operations to enhance your profitability.

You're no longer spending time and money on processes that are labor-intensive and delayed, and instead, you're able to focus on impactful ways to grow and cultivate your business.

Better decisions start with business intelligence

Making smart, profitable decisions starts with thorough data analysis.

You can track and measure data all day long, but it's only as good as your ability to use it.

Microsoft Power BI gives consumer goods importers and distributors the insights and analytics they need to make smarter decisions and ensure profitability and scalability.

When Power BI is integrated with an industry-specific ERP, like **Aptean Distribution ERP**, your ability to monitor and track operations across your supply chain is infinite.

Using Aptean's advanced business intelligence platform, consumer goods importers and distributors can visualize all the relevant data points that matter most — including sales, warehouse operations and efficiency, chargebacks, and **on-time in-full (OTIF)** analysis. When combined, all of these factors contribute to a better understanding of your business's profitability.

Microsoft Power BI data appears in dashboards, reports, charts, and graphs for quick viewing and interpretation, with clickable features to drill down for more granularity or zoom out for a big-picture perspective.

The Chargebacks Report is particularly useful in terms of measuring profitability and includes all data related to chargebacks. The BI visuals analyze and display your company's chargeback data, making it easier for you to monitor aging chargebacks and chargebacks with approaching expiration dates.

This report also supports the data analysis of chargeback-related losses as well as recovered amounts. The data warehouse and Power BI are continually evolving to produce industry-focused reports to provide even more valuable analytics reporting tools for further in-depth visibility.

You need to be able to find all the data you're tracking. And you need to be able to find it easily.

Power BI functionality allows you to filter and analyze to see what the data really means. The interface is easily accessible and easy to read, which means you can engage each of your employees — whether they're on the warehouse floor or in the corner office — in discussions on increasing efficiencies and improving profitability.

Power BI functionality

›   **OTIF:** You want to make sure your retailer customers are happy. This starts with on-time in-full (OTIF) deliveries—an essential measurement and standard of delivery performance within a supply chain.

If you, the supplier, can't comply with those OTIF standards, you'll be fined. It's as challenging and straightforward as that.

If you can deliver your orders OTIF, not only will you be able to maintain strong working relationships, but you'll minimize unnecessary chargebacks and fines. A fine here or there may not seem like a big deal, but monitoring and limiting those fines and chargebacks are a tangible way to keep money in your pocket.

An industry-specific ERP with analytics functionality enables you to analyze OTIF delivery performance to identify the root cause of late deliveries and short shipments to improve OTIF scores in the future. And you can use those analytics to make improvements within your supply chain process.

Walmart is famous for its high OTIF standards. **Suppliers must meet an 87% performance threshold**, and the price of failure is significant: suppliers are fined 3% of the cost of goods. Those finds add up quickly.

Other retail chains may not give you a specific score, but it doesn't mean OTIF isn't essential. To remain profitable, you must fulfill your orders on-time and in-full.

›   **Chargebacks:** Beyond merely seeing the charge, it's invaluable that you know WHY you're being charged. You can't fix a bad habit or pattern unless you know it's there.

Your ERP should have the functionality to explore all the details related to whatever deductions you may have — things like deduction numbers, reason codes, expiration dates, related invoice or purchase order numbers, store IDs and status codes.

Beyond defining, creating and capturing deductions in your ERP, it's also necessary to have visibility into the process.

A sound ERP system will have a workflow associated with these deductions, the ability to assign deductions to an individual for review and approval and the ability to share the list of deductions. Everyone has access to this detailed information and can account for how those deductions impact the bottom line.

These outstanding deductions could mean a loss of hundreds or thousands of dollars down the road. Knowing and eliminating these deductions should be a priority if your goal is increasing profitability.

You want a solution that can support and highlight your business in terms of resolving deductions and impacting profitability.

Improve warehouse efficiencies with advanced reporting

An industry-specific ERP with a built-in warehouse management system (WMS) makes managing your business's complexity that much easier. Simply because you have the visibility and analytics you need.

Enabling warehouse managers to monitor and measure employees actively is essential. While it's relatively simple to track productive time—you can do this by measuring product input and output—it's the labor involved in everything in between those tracked processes that could severely impact your bottom line.

Built-in WMS functionality allows supervisors to use real-time labor analytics to track employee performance—enabling employees to perform their jobs to the best of their abilities and holding them accountable for their actions and workloads. If a shift is eight hours, those hours need to be spent productively.

Track production and ensure order fulfillment

Third-party manufacturing poses unique challenges for consumer goods companies.

Full visibility into supplier operations improves information sharing and compliance while protecting your valuable relationships.

A consumer goods-specific ERP gives you fully integrated monitoring tools that provide deeper visibility into the tasks, compliance mandates and information requirements of all your supply-side activities. Staying on top

of production activities and timelines for an unlimited number of suppliers helps ensure your operations stay on track and on time.

Aptean Distribution ERP enables you to consolidate all production data and activities into one central repository so everything can be easily viewed, shared, imported and tracked.

The supplier production monitoring functionality is designed to meet the varying technology needs of all your overseas suppliers.

Flexible data capture options give you a range of choices to match your overseas sourcing partners' technology capabilities. Our secure portal enables you to offload time-consuming reporting and data collection tasks for improved efficiency across your partners.

Aptean's user-friendly portal gives you comprehensive visibility for the ultimate manufacturing transparency. Our rule-based alerts notify appropriate users when events, problems or opportunities occur during the production cycle.

Getting your customers the right products at the right time means you have to stick to a strict timetable and ensure your product moves through the supply chain just as expected. Shipment, vessel and container tracking — as well as management tools — provide you the visibility you need into incoming inventory.

An industry-specific ERP automatically tracks and calculates your landed costs, so you understand your true profitability. Without these tools, accurately tracking orders and shipments are demanding and complicated.

Knowing your inventory and forecasting your customers' needs

You walk a very fine line when it comes to inventory.

You don't want to have too much— it takes up valuable warehouse space, you risk the product spoiling or becoming outdated, and it also ties up your cash flow.

You also don't want to become too lean and not have enough product to meet customer demand.

Using historical data and inventory aging analysis to track patterns within your inventory enables you to make informed and confident decisions on your customers' behalf.

You can analyze your "turns-and-earns" inventory within your ERP to determine the profitability and availability of goods. To calculate your turns-and-earns index, you multiply your gross margin by your inventory turnover. Your resulting number indicates your profit margin and tracks whether or not you've been profitable and your ability to continue to remain profitable.

Aptean Distribution ERP enables users to make calculations to have just the right inventory to meet demand.

The system's data will help you align those numbers, act quickly if something changes or an error occurs, and successfully meet customer demand. This kind of functionality and the ability to use inventory aging analysis enables you to leverage the data on hand to make forward-thinking decisions to ensure profitability and scalability.

Improve profitability with Aptean

There are many aspects of your businesses that require diligent attention and proper analytics. Particularly if you want to remain profitable.

To see your numbers and data in real-time and in an easily accessible way, you need an ERP with robust analytics capabilities. It's nearly impossible to track, monitor and analyze all data across varying sources without the right technology. It's a must-have in today's business world.

Getting the most out of your consumer goods business requires a diligent study of your company's analytics and then using what you know to make smart, confident decisions for your enterprise's future success.

It's about getting ready for what's next, now.

Aptean Distribution ERP software gives you full visibility into your business activities— no matter where or when they occur— giving you the depth and detail you need to assess every aspect of your business.

Are You Ready to **Learn More?**

Contact us at **info@aptean.com** or visit **www.aptean.com**.

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Ready for What's Next, Now™

About Aptean

Aptean is one of the world's leading providers of industry-specific software. Our enterprise resource planning and supply chain solutions are uniquely designed to meet the needs of specialized manufacturers and distributors, while our compliance solutions serve specific markets such as finance and life sciences. With both cloud and on-premise deployment options, Aptean's products, services and unmatched expertise help businesses of all sizes, across many industries, to scale and succeed.

For more information, visit **www.aptean.com**.