

How Industrial Distributors Can Realize the Potential of Digital Transformation

In today's business environment, digital transformation is not only a hot buzzword, but a strategic imperative. Digital transformation can mean quite different things to different people and organizations. In the context of industrial distribution and technology, the term can describe a company's initiative to restructure its business model and drive business growth through technology innovation. While some businesses may use this term when they are implementing new ERP software or hardware, it is just a component of the full realm of digital transformation a company can realize today.

If you are like most industrial distributors, you have probably noticed that the pace of technological change is increasing. As a distributor, you need to be able to change with it or risk losing out on important business opportunities. Keep in mind that digital transformation is not just about technology – it is about how people work and communicate. Digital transformation can help your business focus on being more efficient and effective, but only if you are prepared for it.

Below we have identified three steps to consider on your path to digital transformation.

1. Define your digital transformation strategy

A major obstacle to digital transformation is the lack of a clear strategy. There are many potential technology projects, but not every project will contribute to transforming your business.

When you are deciding which strategic projects to take on, such as a new ERP solution, it is important to start with two questions.

1. *What are the business outcomes your organization wants to achieve? This should define the problem that needs solving for each project, or to be more specific, each role affected by the project/solution.*

2. *How will this project help solve that problem? This should define which technologies or processes will be used to address each problem.*

Once you have outlined the problems and solutions, you can map out all your proposed projects against these criteria. Which ones should be prioritized? Which ones do not align with your goals? These decisions will help direct your organization toward reaching its digital transformation goals.

2. Identify priority areas for your investment

You can get digital transformation wrong by investing too much in technologies that are not aligned with the organization's business strategy.

Industrial distributors need to understand where their revenue is coming from, how it is being generated and what they need to do to maintain this revenue stream. When investment decisions are made, such as investing in a new ERP solution, distributors should ensure that their technology initiatives are aligned with this strategy and partner with a provider that has a solid understanding of your industry.

The value of the information technology (IT) infrastructure within an organization is typically measured by factors such as operating costs, productivity gains and compliance with industry standards. These provide a good starting point for assessing the cost/benefit of different systems or assets that may need replacing or upgrading. However, these measures alone will not always highlight the areas where spending will deliver the greatest benefits.

One way to see the value of an investment is by calculating the ROI against industry trends. If a new ERP system is in your future strategy, check out the value of that investment before buying. At Tribute, we offer our prospective customers the opportunity to see the value of their investment through our proprietary [ROI Calculator](#). The ROI Calculator incorporates data gathered manually captured from our key industry trade associations such as [AHTD](#), [FPDA](#), [NAHAD](#), and [NFPA](#) and is the first step in building a quantifiable business case and determining where you can derive business benefits, showing not only the financial benefits over a period of time, but also the potential savings provided in increased employee productivity and improved processes.

As well as the quantifiable factors outlined above, businesses should also consider areas such as innovation capability, customer satisfaction and employee engagement when prioritizing IT investment decisions. A balanced approach to prioritization will help ensure that businesses get maximum value from their investment in digital transformation initiatives.

3. Building internal skills to implement the strategy

The digital transformation journey begins with a clear understanding of what matters most to the business and how the organization can achieve its goals using new tools. Technology alone will not drive growth or innovation, but it is a key enabler that allows organizations to transform their operating models, processes, workflows, and information management systems.

The organizations that are most successful in digital transformation have built the core skills required to develop new capabilities, deploy technology, integrate systems, and change behaviors. They have invested heavily in [people development](#) by setting clear objectives for digital transformation, providing training, tools and resources for employees to be successful in implementing new digital strategies. They have also taken steps to ensure the technology they are deploying is secure, dependable, and scalable so it does not become a hindrance rather than an enabler of business goals.

4. Or talk with a professional that Can Guide Your Company through the Digital Transformation Process

The industrial distribution industry has not yet fully transformed into a digital one, and in some cases, old school still prevails. However, if you are still operating with the older generation management style, or a software that is not geared to help your business grow, then perhaps it is time for you to embrace modern technology to allow your business to grow.

Does your provider have an integrated e-commerce solution or a B2B platform? Does it partner with best in practice providers that offer solutions that will bring your company to the digital era?

5. White Papers and Video Case Studies

A Tribute customer for example, [Connector Specialist](#), a leading fluid system solution provider based in Louisiana, has mastered digital transformation with the help of our leading ERP system. Transforming their data into visible displays throughout their building keeps the entire team always informed through built-in scorecards and status boards that align with their corporate objectives.

I suggest and watch some videos of your fellow peers, and they will tell you about their adventure of the Digital Transformation Process at <https://www.tribute.com/testimonials/>

Or download our White Papers that focus on what the Digital Transformation process and what it will do for you and your businesses at <https://www.tribute.com/white-papers/>

To learn more about the **Digital Transformation Process**, reach out to Bill Horrigan who has 35 years of industry experience and watch it go from Punch Cards to computers that fit in the palm of your hand that are more powerful than those AS400's from the eighties at (216) 496-1992.