

A man and a woman, both wearing high-visibility yellow safety vests, are standing in a warehouse. The man is pointing at a laptop screen while the woman looks on. The background shows industrial equipment and materials.

# NETSUITE FOR BUILDING MATERIALS DISTRIBUTORS

A Unified Application to Manage Your  
Building Materials Business



Grab a seat and enjoy.  
Read Time: 6 minutes

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A Unified Application to Manage Your Building Materials Business

As the world becomes more and more connected, modernizing a business's IT environment is no longer a means to get ahead—it's a requirement to keep pace. Modern building materials distributors seeking to capitalize on new global opportunities need to unify their product development, supply chains and distribution networks, or risk failure in today's highly competitive markets.

Building materials distributors from around the world are vying for market share. To remain competitive, they must actively embrace new technology and seek out expertise to connect equipment, improve data analysis and modernize their IT footprint.

Building materials distributors also need an agile tech environment in order to capitalize on new business models. Today, building materials distributors are exploring new distribution networks and methods of getting their product into their buyer's hands faster, and need technology that can keep up.

## How do mismanaged business processes impact the success of building materials distributors?

Leading building materials distributors tell us that unwieldy back-office processes and outdated technology can create a number of issues that can impact long term success, including:

- **High operational costs and inefficiencies** – Time and money spent manually managing business processes instead of on meeting customer needs.
- **Inhibited business growth** – Growth goals blocked by outdated business technologies and manual practices.
- **Manual information exchange** – Disparate software applications (accounting, inventory management, HR, WMS) that do not communicate in real-time.
- **Lack of visibility into key business metrics** – No ability to report on profitability by customers or products due to disparate systems and spreadsheets.

With all of these issues, building materials distributors waste valuable time and energy. In today's highly competitive business environment, companies need to focus more on customer service and business strategy, and less on performing manual processes, managing disparate software systems and updating spreadsheets.

At the core of these issues impacting long-term success, we see a trend: building materials distributors relying on

## NetSuite Distribution Edition offerings:

- Role-based, customizable dashboards
- Multiple entity management and consolidation
- Real-time, industry specific KPIs
- Integrated ERP, HCM, WMS, Supply Chain Management and Vendor Portals

spreadsheets, aging on-premise systems, point solutions, or worse, a combination of all three. With NetSuite's unified data model, these companies can stop wasting time and resources managing multiple data silos while leveraging real-time visibility for insights into their business.

Successful building materials distributors recognize that modernizing their back-office technology is essential to capitalizing on new opportunities. Executives realize that streamlining operations is crucial to success for new product development, supplier and order management, and data-driven business decisions. In today's fast-paced business environment, having this insight can be the difference between thriving and barely surviving.

NetSuite supplies a modern, complete and transparent platform for distributors to streamline back-office operations and eliminate siloed data.

**Comprehensive financial management:** NetSuite financials provide end-to-end visibility into receivables and payables. Businesses can automate the entire order-to-cash process and streamline the procure-to-pay and record-to-report processes. As a cloud-powered platform, NetSuite also enables real-time views of key, pre-built, easily customized financial reports plus insights into budgeting, expense allocations and amortization. This, in addition to flexible revenue analysis—by customer, service or product line—allows businesses to make informed business decisions. Finally, NetSuite provides tracking for the complete fixed asset lifecycle and reporting from acquisition to depreciation to retirement of those assets.

**Inventory management:** NetSuite provides intelligent control over inventory replenishment, helping ensure that sufficient stock is on hand to fill anticipated orders, while keeping excess stock to a minimum. NetSuite Inventory Management enables distributors to:

- Dynamically manage item reorder points and preferred stock levels based on average lead time, historical or seasonal-based sales demand and number of days' supply to stock.
- Reduce lag time with real-time alerts whenever stock falls to predefined thresholds.
- Avoid “stock-outs” to maintain continuity.

**NetSuite Value Chain Assessment**

● Current ● Desired

	PRIORITY	FOUNDATIONAL	COMPETITIVE	BEST IN CLASS	TRANSFORMATIVE	EXAMPLE BENEFITS
Commerce	●	Legacy ecommerce, limited presence	Simple search, basic check out, disconnected and disjointed data	Single platform, B2B and B2C, no mobile	Omnichannel, real-time, scalable, single-data model, responsive design	Nearly double industry averages for Average Order Value (AOV)
Marketing	●	Limited customer data and communication, brochure website	Customer lists, unified messaging, drip marketing knowledge base	Promotions, business intelligence, workflows, unified messaging	Lead scoring, segmentation, SEO, real-time metrics and ROI	Increased capacity of customer cross-sell and upsell with 50-75% increase in actionable insights
Sales	●	Basic contact information	Centralized contact, management, forecast planning	Pipeline, forecasting, commission management, variable pricing	Sellers' scorecards, real-time visibility, dynamic pricing	Improved 40%-60% Sales Pipeline and Productivity
Orders	●	Quantity and price	Accept orders from multiple sources (EDI, phone, fax, web)	Tracking, workflows, pricing models	360° view, reporting, automation manage by exception	Improved 45%-75% Order Processing Efficiency
Sourcing	●	Manual, spreadsheet-centric, time consuming	Demand planning, consolidated views, multiple locations	Messaging, exception flagging, PO tracking, consolidated procurement	Vendor portals, supplier collaboration, buyers' scorecards, contracts	20-40% reduction in sourcing costs
Warehouse	●	Paper-based workflows, operator driven, basic inventory tracking	RF/mobile barcode scanning, manual replenishment and cycle counting	Inventory allocation by FIFO/FEFO, dynamic putaway, integrated ASN	Wave planning, cartonization, labor planning, dynamic slotting	Improved fulfillment rates and backorders by 75-85%
Support	●	No issue tracking, customer data in silos	Non-collaborative, 1:1 issue tracking	Central customer data repository, team collaboration	Complete customer view, customer portal, workflow, automation, infrastructure	30%+ improvement in customer service efficiencies
Financial Management and Reporting	●	No integrations, limited monthly reporting	Limited integrations, dimensional reporting	Multi-company management, consolidation	Real-time reporting and dashboards, sales tax, approval routings and workflows	1%-5% improvement in gross margin
Technology	●	Fragmented systems, poor data	Multiple tools and technologies, internally managed	Single data model, customized frameworks, optimized for scale	Multi-tenant real-time cloud, automatic updates, embedded intelligence	50%-75% reduction in IT support costs

“NetSuite is the heartbeat of our company. If we’re looking to add another system our first requirement is that it must connect with NetSuite.”

**Michael Anderson**, President, DIY Home Center

**Demand planning:** NetSuite’s native demand planning module is specifically designed to provide the user with the ability to predict required inventory based on historical demand or sales forecasts. This innovative tool offers the right balance of powerful functionality and ease-of-use to help you manage inventory more efficiently.

**Procurement:** With NetSuite Procurement, distributors are able to automate and streamline much of the purchasing process. Companies are able to effectively manage vendor relationships, streamline and improve the accuracy of source-to-pay processes by enforcing approvals, automate and link key transactions, and establish matching workflows to meet compliance guidelines.

**Supply Chain Management (SCM):** NetSuite has invested heavily into its Supply Chain Management including:

- **Product data management**, which allows for engineering change order (ECO) capabilities to manage changes that affect the supply chain.

- **Supply chain control tower**, which acts as central point of visibility for inventory across all subsidiaries/companies around the world to help schedulers, planners and buyers make the right decisions, communicate effectively with customers and suppliers, and hold just the right amount of inventory.
- **Inbound shipment management**, which enables a business ordering large quantities of product from multiple suppliers to consolidate multiple purchase orders into a single container to simplify future tracking and status updates.

**Multiple entity management and consolidation:** NetSuite OneWorld helps building materials distributors with multiple locations and subsidiaries streamline operations and provides real-time visibility at the local, regional and headquarter levels within a single system. With OneWorld, building materials distributors can develop standard business processes, and deploy them across their divisions and subsidiaries at the click of a button.

With support for over 190 currencies, 24 languages and customer deployments in over 200 countries, country-specific accounting standards across North America, Europe and Asia, NetSuite OneWorld enables organizations to seamlessly meet the individual needs of local operations and easily adapt to the latest accounting standards and regulations.

**Ecommerce:** As the distribution industry trends toward direct-to-consumer sales and business-to-business portals, SuiteCommerce empowers businesses to create a unique, personalized, and compelling mobile and web experience.

**Human Capital Management (HCM):** In such a high churn industry, having the right HR system in place is critical. NetSuite SuitePeople empowers managers and HR professionals to streamline employee information, new hires, employee onboarding, payroll, promotions and compensation changes, all from a single suite. Key features include:

- Core HR Capabilities
- Payroll
- Employee Center
- HR Analytics

### **Customer Relationship Management (CRM):**

As you grow and acquire customers, NetSuite CRM provides a seamless flow of information across the entire customer lifecycle—from lead all the way through opportunity, sales order, fulfillment, renewal, upsell, cross-sell and support. In addition to delivering a real-time, 360-degree view of your customers, NetSuite CRM mobility extends collaboration and productivity beyond the workplace. With intuitive tools that provide your mobile workforce with the ability to easily access and upload important data they need outside the office, they're empowered with information at their fingertips.

**SuiteCloud Development Platform:** In addition, the SuiteCloud Development Platform enables customized mobile applications for all unique business needs, while complementary mobile solutions from SuiteCloud Developer Network partners enable you to extend mobile functionality in such areas as field service, sales and warehousing—regardless of the mobile platform your organization uses.

## A Pathway to Success

With NetSuite, building materials distributors are getting more than just a software package—they are getting a lifelong business partner that is committed to their success. Built with industry-based leading practices derived from nearly 20 years of collective implementation experience, NetSuite is designed to deliver

value on day one. Moreover, NetSuite takes a consultative approach—from sales to implementation to support—to ensure continuity across the customer lifecycle. NetSuite has a deep understanding of the challenges building materials distributors are facing in today’s market. As the pace of change accelerates, NetSuite is here to keep you on a pathway to success.



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