

Midland Metal

**White Page topic: Bin labels**

As the e-commerce market continues to grow and evolve, the competition among distributors is intense. Most are offering uniformly low prices, quick shipping to most geographic locations, and a wide range of products to suit most customers' demands. Customers have high expectations when it comes to turnaround times and accurate orders, and they have more and more distributors to choose from. It's up to the industrial distributor to distinguish themselves from other distributors by adding value and providing services most digital distributors are not.

Warehouses are the backbones of most companies. If a manufacturer's warehouse isn't organized and efficiently managed, they can't efficiently and accurately ship orders. Ultimately, their reputation and bottom line will start to suffer. Disorganized warehouses yield long wait times to customers, erroneous shipments, and dissatisfied purchasers, but distributors can help manage their customer's inventory.

Vendor managed inventory allows for the distributor to be notified when the customer's supply is low and automatically replenish the product at appropriate levels. This way, the distributor can plan the replenishment at their own speed based on their own production and distribution schedules. This means customers won't have to reorder products at the last minute or reorder at a time when , leaving the inventory depleted and disrupting the customer's operation. The customer can be assured that their inventory will always be adequately supplied.

Meanwhile, the distributor is able to schedule its own operations more productively and more efficiently because it's constantly monitoring its customers inventory and can respond accordingly. The supplied is able to secure a steady and predictable flow of income and, because they're consistently adding value by managing their customer's inventory, they can rest easy that the customer won't be switching distributors.

The customers and distributors need to establish how they'll be communicating and exactly what information they'll share. The customer has to at least share enough information, so that the supplier will be able to accurately forecast when the customer will deplete its stock of each individual product. Objectives for both parties—adequately stocked supplies and predictable distribution schedules—should be made clear at the beginning. It should be noted that most benefits will not come into fruition in the short-term. The longer the relationship and the level of communication is functioning, the more accurate the distribution schedule and inventory levels will be.

The more information the customer is willing to share, the better the distributor is able to plan its production and distribution schedules, just to meet the customer's needs. Solidify that relationship and both parties will benefit.