ACCELERATING DIGITAL TRANSFORMATION IN THE **WHOLESALE DISTRIBUTION INDUSTRY**

Truly transformative and sustainable innovation happens when technology, people, and data are combined.

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THE INNOVATION CHALLENGE

Digital Transformation is much more than a technology play. It's a key driver for the survival of businesses across every industry in every market in the world. It's also an opportunity to overcome barriers and challenges to innovation. To leverage innovations to improve core operations. To reimagine business and create true business value. To become a disruptor, not the disrupted.

Providers of wholesale distribution services, in response to both competitive and customer pressures, are rapidly embracing the shift to digital. And while many are just beginning this journey, others are well underway in the process, experimenting with different technologies in the hope of driving innovations to be more nimble, more competitive, and more profitable.

But innovation itself isn't the entire challenge—pockets of innovation can be found in most any company, from the wildly successful to those that have failed spectacularly. The real challenge is in being able to innovate at scale across an entire organization, while simultaneously creating a mechanism for those innovations to be shared,

> The innovation challenge exists because digital transformation cannot be solved with technology alone.

sustained, and to drive value back into the core of the business. That is the challenge.

Overcoming this challenge and getting sustained value out of a digital transformation effort requires the ability to select, implement, and leverage technologies that work together; an innovation culture that includes the ability to adapt corporate and team behaviors to embrace new or alternative day-to-day processes; and the ability to manage and gain value from massive amounts of real-time data, sourced (and shared) throughout the organization.

Without question, the innovation challenge exists because digital transformation cannot be solved with technology alone. It requires the confluence of people, technology, and massive amounts of data.

We have left the age of gut-driven decisions and have entered a world in which there is no such thing as a good decision made without data. With the maturing of technology trends, such as the rise of the Internet of Things (IoT), data creation is happening at exponential rates and companies must learn to evolve beyond systems of record and leverage the skill sets of their data analysts and scientists. This access to real-time data can allow wholesale distribution companies to run their businesses live and in the moment.

Unfortunately, there is often too much data, from within the organization as well as from external sources, across too many variables. With rapidly changing business requirements, employees can easily get bogged down complying with customer data security or data use requirements, leaving the organization struggling to keep pace.

The answer to overcoming this data glut, and enabling innovation, can be found in the adoption of the right corporate mindset and processes coupled with the perfect orchestration of technology, such as machine learning, to create human-machine partnerships that allow companies to maximize their effective use of data to better prescribe and predict the changing customer environment, and to deliver on those more innovative experiences that customers desire.
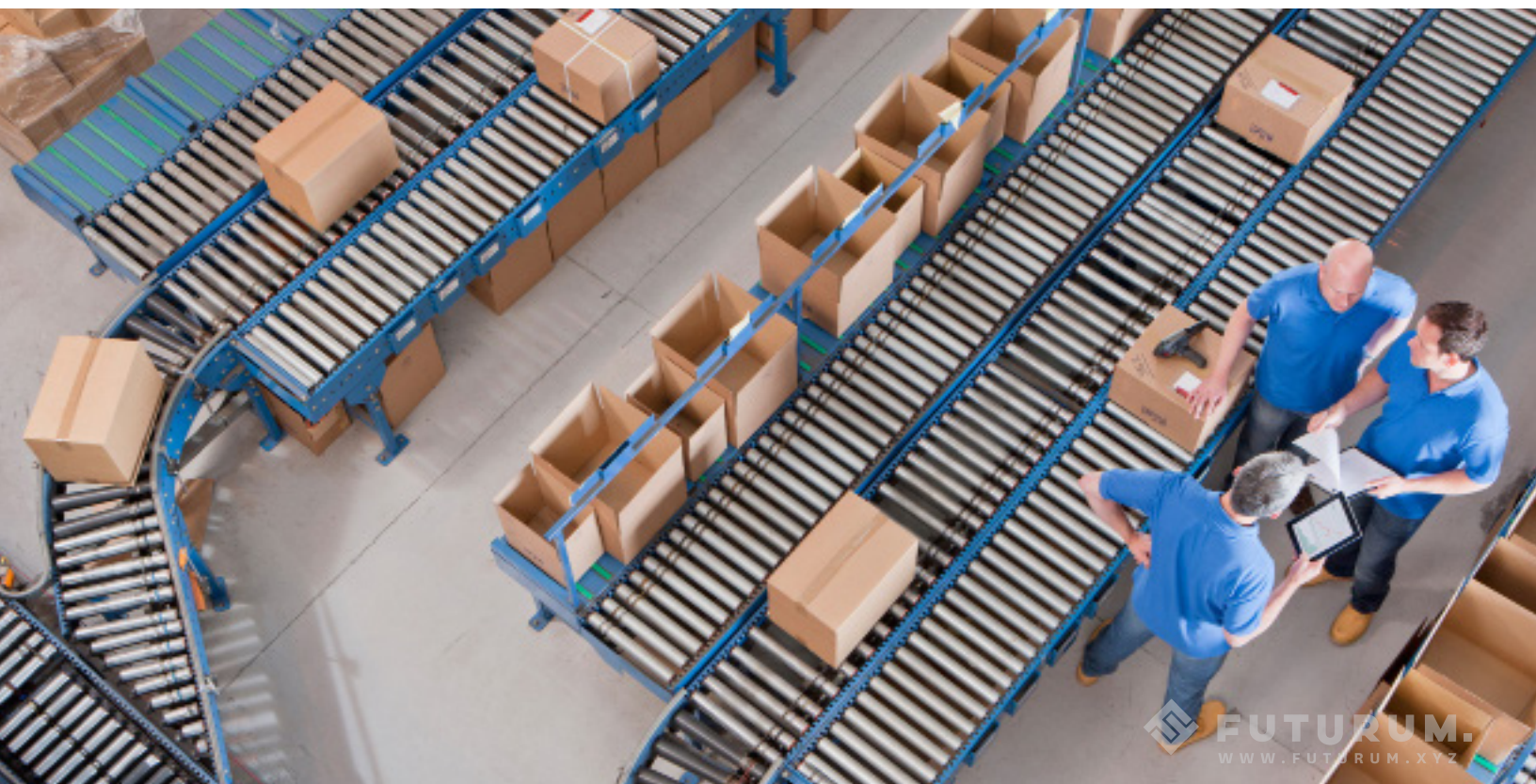
The State of the Wholesale Distribution Industry

The wholesale distribution industry bridges the gap between manufacturers of products and those who sell or distribute products to end users (e.g. retailers for commercial products, hospitals or pharmacies for medical devices and drugs, restaurants for food products, etc.). It is focused on the logistical aspect of the business, buying in bulk and selling to smaller outlets. It serves a wide range of adjacent industries such as pharmaceuticals, food, high-tech, automotive, and fashion (where major brands may act as wholesalers themselves, sourcing product built to their specifications and then distributing through branded or partner retail outlets). And as these industries have changed and gone digital, so too has the wholesale distribution industry.

In today's market, competitive demands both internal and external to wholesale distribution have required companies to evolve faster, focusing on becoming more agile, nimble, and efficient. They also have had to become more customer-centric and even consumer-centric. As the traditional B2B customer relationship has become more driven by end consumer needs and demands, the face-to-face model of the past has become increasingly inefficient and unable to sustain the omnichannel needs of today's market. Even the traditional incentive-based loyalty programs have become less effective, as the number of choices, and increasingly competitive price points, have changed customer behavior and decision drivers.

Competition within the industry is fierce, and margins are typically thin, forcing both efficiencies and innovation to be leveraged in an effort to remain competitive. From an external perspective, companies like Amazon and Alibaba are moving to directly replace the traditional distributor. Retail and consumer-facing companies are also eating into the wholesale market as they look to improve their own margins by eliminating the middleman and gain better control over their own supply chain. In response, some wholesale firms are looking to go direct to the consumer, although this is a tricky proposition as the retail industry itself is under assault, and wholesalers are typically not prepared to provide service and support to the much larger consumer base (often with much smaller average order sizes).

Today, more progressive distributors are looking to leverage technology to become more efficient, reduce labor costs, and more effectively address the ever-shifting, digitally-driven market. This means looking at how technologies such as drones and autonomous robots can improve warehouse efficiencies; how 3D printing (combined with patent licensing) can allow for more customized and on-demand product production to increase market potential and faster turn on orders; and how customer-facing apps and e-commerce can be used to both provide a more personalized experience across an omnichannel environment for retail buyers and strengthen the customer relationship. There is also a strong push to leverage the power of data to provide insights into internal operations and processes as well as into customer requirements and segmentation, driving much more effective marketing and promotional campaigns.

But it requires the right infrastructure to make these systems possible, including the ability to collect, analyze, and gain actionable insights from massive amounts of data. It also means understanding, and leveraging, the trends that are shaping the industry today.

Customer-First Focus: The digital era and the rise of the smart consumer have resulted in a shift where supply-driven businesses no longer rule the world. Today, it is a customer-driven market, and those firms that survive and thrive will be those that place a premium on agility, engagement, and putting the customer at the center of business decisions. It's here that design thinking can play a significant role in helping keep the question "how does this help the customer" at the center of business decisions.

Smart Warehouse Technology: From drones and automated picking systems to 3D printing and sensor-based inventory management, the current wave of technology is allowing—and perhaps forcing—wholesale distributors to rethink existing approaches to warehouse and inventory management.

Mobile, Omnichannel Engagement: While the wholesale distributor may be focused on the B2B customer, that purchaser is increasingly driven by their own ability as an end-consumer to engage with brands online and via mobile devices. Today's purchaser is increasingly comfortable engaging with suppliers across a range of omnichannel mediums and is often unconstrained by a 9-5 schedule. This is driving wholesalers to up their ability to engage 24x7, often in a B2B e-commerce mode.

The Demand for Now: In part driven by the rise of Uber and Amazon Prime delivery, wholesale distributors are facing an increasing demand on the part of their customers for next-day last-mile delivery, with increasing pressure to meet same-day fulfillment.

The Shift to Outcomes: The traditional wholesale distributor was product-focused and optimized around efficiencies in supply-chain and distribution management that never looked beyond the use of the product. Today's retail consumers are increasingly viewing products as part of a desired outcome, which is opening up an opportunity for wholesalers to embrace that movement and leverage customer and consumer data to expand or customize products that more accurately meet that demand. Wholesalers are also seeing a shift towards the acceptance of (or demand for) services-based delivery of product features. Rather than just selling the product, they are able to sell the outcome as an ongoing, renewable service offering (e.g., customer inventory/sales monitoring with automatic onsite restocking, rather than just selling/delivering a product).

Industry Challenges

Wholesale distribution companies face a number of challenges today, from improving efficiencies and profitability to fending off encroaching competitors to opening up new revenue opportunities. Across this all is the challenge of meeting the changing demands of B2B customers and their B2C consumers. As wholesalers improve their ability to offer personalized services and meet short-term or even immediate needs, how do they keep pace? How do they support a single customer with a lot-size order of one? What role(s) can they play in the production or direct sales aspects of the market? How will they adapt to the more services and outcome-based experience requested by the customer?

To redefine their role and competitive advantage, progressive wholesale distribution companies must address the following:

1. Embracing Customer Centricity: For the wholesale distributor, understanding the needs of the customer means understanding the needs of the end consumer. This is in contrast to the legacy model, where the wholesaler did not need to know how or why a product was used, merely how many were ordered and when/where they should be delivered. Forecasts were based on customer estimates, but even those estimates are increasingly meaningless, requiring the wholesaler to find a way to bridge the gap to the consumer.

2. Creating a Digital Ecosystem: Like many industries that were not born in the digital era, information technology has often been based on spot implementations and remained relatively isolated, with data stored in disconnected silos. Moving forward, wholesale distributors must find a way to break apart the silos and provide a common digital core for inventory, purchasing, sales, ERP, and even HR and finance systems to coexist in a single system of record.

3. Expanding Ecosystem Visibility: Agility in the digital era means being connected to all aspects of the partner ecosystem, from suppliers to logistics and shipping partners to customers through an integrated system. This has not been the traditional approach but is vital to being able to connect the first supplier to the last customer (and enable new levels of feedback, product support, and customer personalization).

4. Leveraging Smart(er) Products and Solutions: There is no shortage of technology that can benefit the wholesale distributor. Blockchain can be used to track the ownership of items, providing a secure audit trail and helping prevent counterfeiting. IoT and RFID can enable tracking of physical items both in the warehouse and in transit, as well as provide insights into the status of delivery fleets. The cloud can provide a common platform for data and advanced analytics. 3D printing can allow distributors to move into the custom-product or prototype production market, and improve customer responsiveness. They key is in moving beyond spot implementations and using the right technology as part of a strategic transformation. Strategy, not technology, should drive transformation.

5. The Changing Talent Requirement: Like many industries, technology is transforming the workforce. As older employees age out, the next generation may not be looking at the wholesale distribution industry as a career move. Not only do wholesalers need to attract a more data-centric employee, they need to ensure that the employee has the right tools, skills, and ongoing training to manage and work alongside the smart products and technologies (IoT, automated drones, 3D printing, etc.) that are the future of the industry. Wholesale distributors also need to ensure the transfer of knowledge between the existing workforce and the emerging workforce. From a macro (cross-industry) perspective, wholesalers are also increasingly competing with much more visibly-branded consumer products and retail companies that exist alongside wholesale companies in the larger value chain.

ENABLING DIGITAL INNOVATION

One of the biggest hurdles for any company is the development of innovation-ready cultures and ecosystems, including internal teams, partners, and customers. While innovations may be unique to individual businesses, the basic building blocks that enable transformative change are consistent and can be replicated to manage the technology, business processes, and data necessary to drive innovation to the core business.

To build a culture of innovation, companies must marry the most capable of technologies with a business culture that embraces change, and properly leverages technology and data to drive better business outcomes. This requires a willingness to explore both open and closed-lab approaches that involve all employees; a readiness to embrace a fast failure mentality that focuses on the rapid testing of ideas; and a desire to leverage partnerships and successful innovators to focus and drive efforts.

The tools that are employed by today's leading businesses cover a wide range of technologies that, when bridged together, can provide business-wide value in any number of combinations. They include:

Analytics: the applications that help digest massive amounts of data to provide understanding of the past and present, while driving predictive insights and actions for the future

Big Data: the tools that allow for the massive collection and storing of diverse data sources from hardware to software, from supply chain to consumer

Blockchain: a distributed ledger that offers the ability to bring trust, transparency, accountability, and security to transactions, from smart contracts to supply chain management

The Cloud: the underlying platform that serves

In working with leading companies across the globe, Futurum Research sees successful firms investing time and energy around five strategic priorities, each of which requires a balance of technology, business processes, and data:

EMBRACING CONSUMER CENTRICITY
Putting the consumer point of view at the center of every decision, particularly from a design thinking perspective, is a key prerequisite for success in the digital age, applying not just to sales and marketing, but to products, services, and overarching business strategies.

SERVING THE "SEGMENT OF ONE"
Providing solutions that precisely fit the needs of one single customer is not new. Now, however, the ability to capture customer requirements effectively and drive mass personalization at scale is achievable and could fundamentally change the role of the wholesaler.

DEPLOYING DIGITALLY SMART PRODUCTS
Using digital capabilities like self-awareness of technical health, operational status, or business system connectivity can help create product differentiation and enable value-added services bundled with products.

DIGITIZING THE SUPPLY CHAIN
Applying digital technologies and innovative processes to production and logistics can help intelligently connect business elements and improve the ability to deal with unforeseen supply, demand, or manufacturing issues.

ADOPTING NEW BUSINESS MODELS
Developing a strategy to uncover and embrace new business models and revenue streams, such as combined product and data-centric service offerings, can increase life-cycle customer touch points and improve long-term margin opportunities.

as a common foundation across applications and technology, integrating things, people, and processes into a single accessible system

Design Thinking: the transformative process that places the customer first in the design of all technology and processes, through a highly collaborative and rapid iterative prototype/testing approach

The Internet of Things (IoT): the connected sensor network that collects data on products, assets, software, and services from the supplier to the customer

Machine Learning: the intelligent applications that learn to understand and leverage human behavior to predict and solve both business and consumer issues

Many organizations have begun implementing cloud, Big Data or analytics. Yet other technologies, such as machine learning, IoT, and blockchain—if they are implemented at all—are often restricted to controlled pilot programs that have limited opportunity to transform the entire business. More importantly, the real value in these technologies isn't in the tactical application, but rather the coordinated use alongside business processes driven by design thinking that focuses on priorities that collectively drive value to the customer, the core business, and the extended ecosystem.

This requires a culture of innovation that can enable—and embrace—changes to basic business processes, changes that place the customer at the center of every business decision, that embrace a fast prototype/fast fail philosophy of constantly iterating to meet customer requirements, and are designed to add value to the application of technology.

It also requires a willingness to embrace the value of data that can drive specific business decisions and uncover insights that lead to better, more scalable, innovations.

FUTURUM. TECHNOLOGY INSIGHTS FOR BUSINESS LEADERS

Use Case: **Contextual Image Recognition**

The wholesale distribution industry has traditionally been very part-oriented, focusing on lists of available parts and descriptions in massive catalogs and, more recently, online catalogs. For sales representatives or craftsmen in the field, identifying the correct part from the catalog—often with limited graphics or multiple similar-type parts—can be a difficult task and result in incorrect orders, particularly if the part is worn and the serial number or parts number is not clearly identifiable. To correct this, wholesalers would often staff in-house experts able to assist on a case-by-case basis.

To improve the customer experience and ensure the correct part is ordered, machine learning and image recognition technologies can be deployed and trained to identify both simple and complex parts visually. For the remote or onsite customer, the ability to quickly identify and order the correct part begins with a photograph (of a removed or still-installed part) captured on a smart phone. An upload to the cloud-based database allows the machine learning system to quickly identify the part, or provide appropriate options/confirmation when partial part numbers are available (thereby lowering error rates as well). By reducing the need to remove parts in the field, and simplifying and automating the parts identification and order process, the amount of time onsite can be shortened, and additional related parts required for the job can be identified in real time.
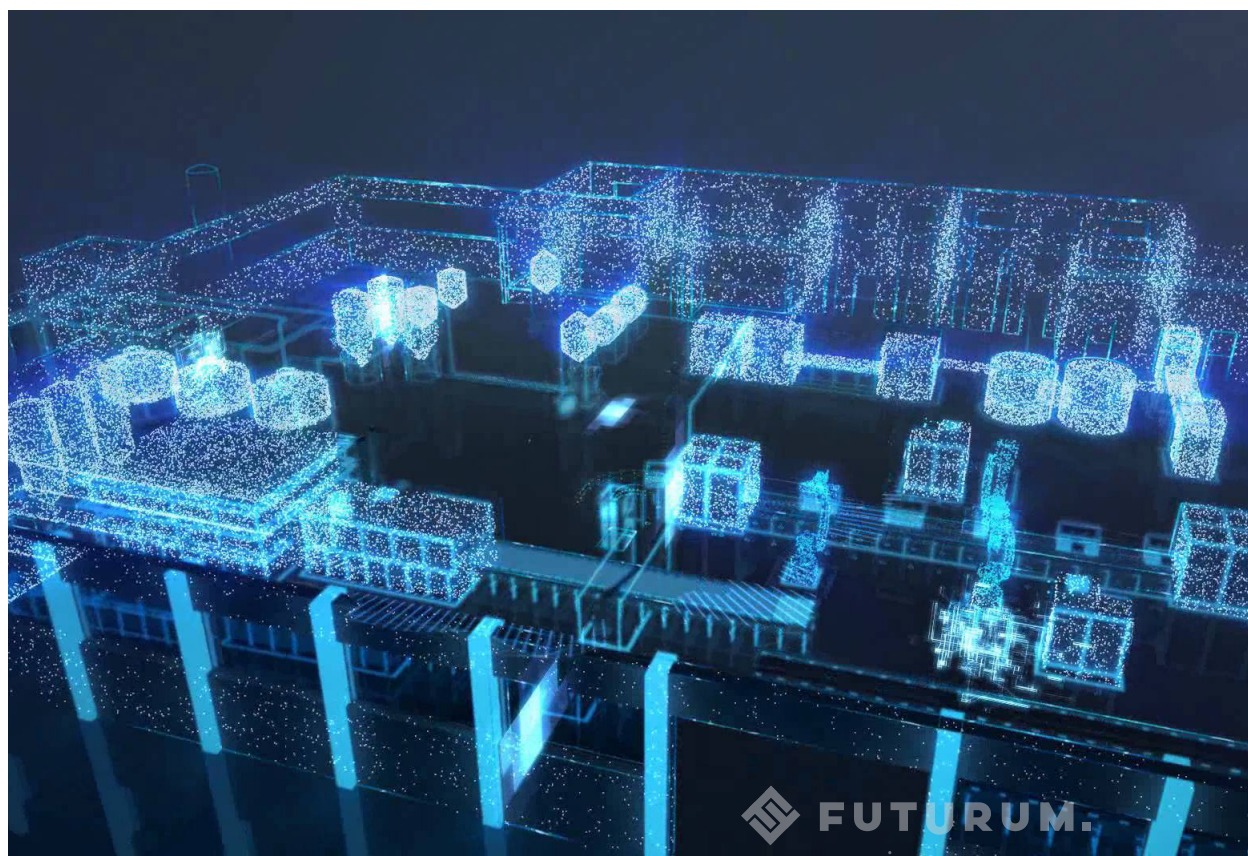
Use Case: **Predictive Parts Replacement**

Wholesale companies often play a dual role in the distribution of parts, providing both up-front equipment and replacement parts for after-market service and support. Understanding the life-cycle of parts, and upcoming service or replacement requirements, is key to efficient operations and supply management. This knowledge, however, has traditionally been fed by either part manufacturers (difficult to consume) or customers (placing the wholesaler in a reactive mode).

The application of IoT sensors and remote monitoring services can help bridge the manufacturer-customer gap, and open new revenue streams for the wholesale provider. Many products today,

from high-tech to appliances to automotive, are manufactured with built-in sensors that can provide a range of information from location to operational status. By leveraging data analytics and a cloud-based platform as well as offering a monitoring service, information from device sensors can be gathered and analyzed. The operational status from individual devices, coupled with accumulated data from similar devices, can be used to predict parts failures, triggering an alert to the customer for parts replenishment and service scheduling in advance of a failure. Customers can benefit from proactive service and support, while wholesale providers can improve operational efficiency and open new sources of recurring revenue.

Use Case:
Intelligent eCommerce

Wholesale companies have long relied on the ability to bring detailed knowledge of product, processes, and customers to grow their business and customer loyalty. This has primarily been brought to market through a personal approach where wholesale representatives' direct working relationships with their customers help guide them through the purchase process. Today, however, customers are increasingly moving towards a digital purchase experience that is influenced by customer reviews and shared insights, similar to the B2C online experience where consumers are asking what others are saying about a particular product (e.g. Amazon reviews) or how others are solving similar problems (e.g. YouTube help videos). While a leading wholesaler may have this collected knowledge in-house, it doesn't often translate to the web-based 24x7 digital purchase process.

By leveraging a cloud-based platform, expertise from the wholesale company can be made available to purchasers in digital form on an as-needed basis. By bringing part manufacturer information into the database, and enabling customers to add and share their own reviews and insights, purchasers can gain access to a larger set of recommendations and reviews, which can be augmented by links to 3rd-party reviews and help information. Then by analyzing this information over time, wholesale companies can enhance the online experience to address "how do I?" questions from customers that directly lead to the most appropriate information and knowledge on parts, reviews, and help options. This can be embedded into the online experience, allowing assistance not just in the selection of the correct part, but also in the complete solution and instructions required by the customer (e.g., part A requires part B using the following steps). When combined with online chat, either direct with wholesale experts or smart bots, the company can extend the range of channels it can offer the customer, allowing

Takeaway: Many companies get stuck focusing on continuous improvement when true innovation is what they need most. Every company must identify those use cases core to its business and then seek ways to exponentially improve upon the status quo.

them to choose both the channel and the level of information or support needed to complete their task.

Summary

All of these use cases leverage digital technologies to enhance the customer experience and level of support a wholesale company can provide to its customers. They are all made possible by the implementation of a digital core that allows for the collection, analysis, and sharing of data and knowledge. While each use case involves the application of different technologies, they all drive the opportunity to streamline operations and aid in the creation of business value.

THE VALUE OF INNOVATION

The path to realizing scalable innovation can be difficult and beset with obstacles. Lessons learned in one industry, while beneficial and of use in shortening innovation cycles, may not directly translate to other industries, where unique use cases and competitive landscapes may differ considerably. However, there are lessons to be learned in common best practices and use cases that can help define digital transformation goals and shorten time to value. These lessons can also help define the value of innovation for particular companies, as well as overcome "islands of innovation" that can diminish, or mute, the value of individual innovation efforts.

Digital transformation is an ongoing process, one that can touch every aspect of an organization. This requires a holistic approach that includes participation from the board room to the stock room with stakeholders from all departments. Value can best be found in strategies that are simple and pragmatic, designed to uncover and leverage the benefit of connecting businesses with suppliers, partners, and customers, across the entire ecosystem and the entire value chain. This includes the development of a digital core that leverages the power, accessibility, and performance of the cloud, and employs the right technologies (machine learning, bi-modal IT, blockchain, etc.) and design thinking to put the customer at the center of all strategies and decisions.

For example, the traditional approach to success and profitability in the wholesale distribution industry centered on operational efficiency and supply chain management. But that approach now needs to extend through to customer engagement and services innovation. It now also involves predictive models that leverage machine learning to anticipate shifts in demand and allow for more informed decisions that can be based on real-time data and insights from both suppliers and customers. It enables the distributor to become the seller, perhaps opening opportunities to manage customer inventory through the use of smart kiosks
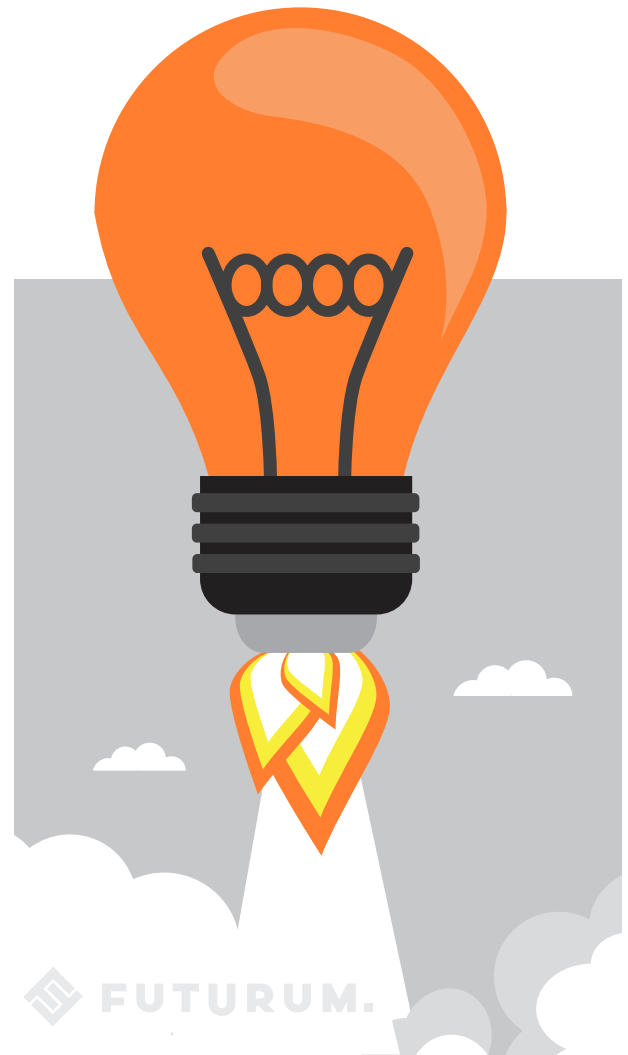
and predictive replenishment services.

A true digital core can allow for increased market awareness, agility, and decision making around product and delivery strategies. In the wholesale distribution industry, there are several strategic priorities that can help unlock the value of digital transformation and innovation:

Transforming the Business Model: to create new revenue sources and offer an expanding array of services, such as light kitting or custom parts development and assembly; to become real-time distributors, leveraging insights from customers, and data from suppliers to turn orders into deliveries in hours, not days; and to provide infinite inventory and customizable products through 3D printing, custom packaging, and expanded partner networks to meet the changing demands of customers.

Transforming the Business Process: through a

focus on exceptional customer engagement that is both omnichannel and viewed from a lifecycle perspective to encourage repeat business; through the use of automated systems and integrated business networks that focus on customer loyalty; through the use of predictive analytics to enable the company to deliver in-the-moment and to anticipate customer demands in near-real time; through the use of data to better segment and understand customers and the right message that will generate sales and loyalty; and through the use of integrated supplier networks to improve supply insights and negotiate the most cost-beneficial deals at the right time.

Transforming the Employee Experience: by using collaboration and automated training tools to improve productivity and onboarding; by using interactive technologies to improve employee efficiency and working experiences; by using knowledge management and data-driven workload insights to allow for increased contractor or part-time employee productivity; by automating work processes that are repetitive or error-prone, allowing employees to focus on higher-level activities.

Summary

Key to achieving the value of innovation is working from a broad-based perspective and defining desired outcomes first, then leveraging the right people, technologies, and data as part of an overall digital transformation strategy. The spot injection of technologies to address silo'd issues may help improve that specific function. But without leveraging that to transform and drive new business opportunities, its long-term value will be severely limited.

THE WINNING EDGE

Success in establishing innovation at scale isn't a given, and it doesn't necessarily come easily. Digital transformation results can be difficult to achieve even for enterprises with well-established infrastructure, policies, and talent. Realizing improvement requires a strategy that embraces the right technologies and the right talent. A strategy guided by a shift in operating processes designed to leverage digital technologies into a successful outcome. It requires the creation of a system of innovation embedded into the digital business core. This includes leveraging the right experience and partners, both within and supplemental to the ecosystem, that can drive a customer-centric, design thinking approach to core business decisions.

Unfortunately, however, Futurum Research has observed that a majority of current digital transformations do not appear to be completely successful. Innovation tactics like fail fast may be widely heralded, but they are often poorly implemented, measured, and executed upon. Understanding how emerging digital technologies can be used to enhance the success of digital innovation efforts is critical.

For those who are willing to implement the right technologies, embrace process innovations, and properly value data, the results can be easily measured and offer the ability to scale innovation to drive core business value.
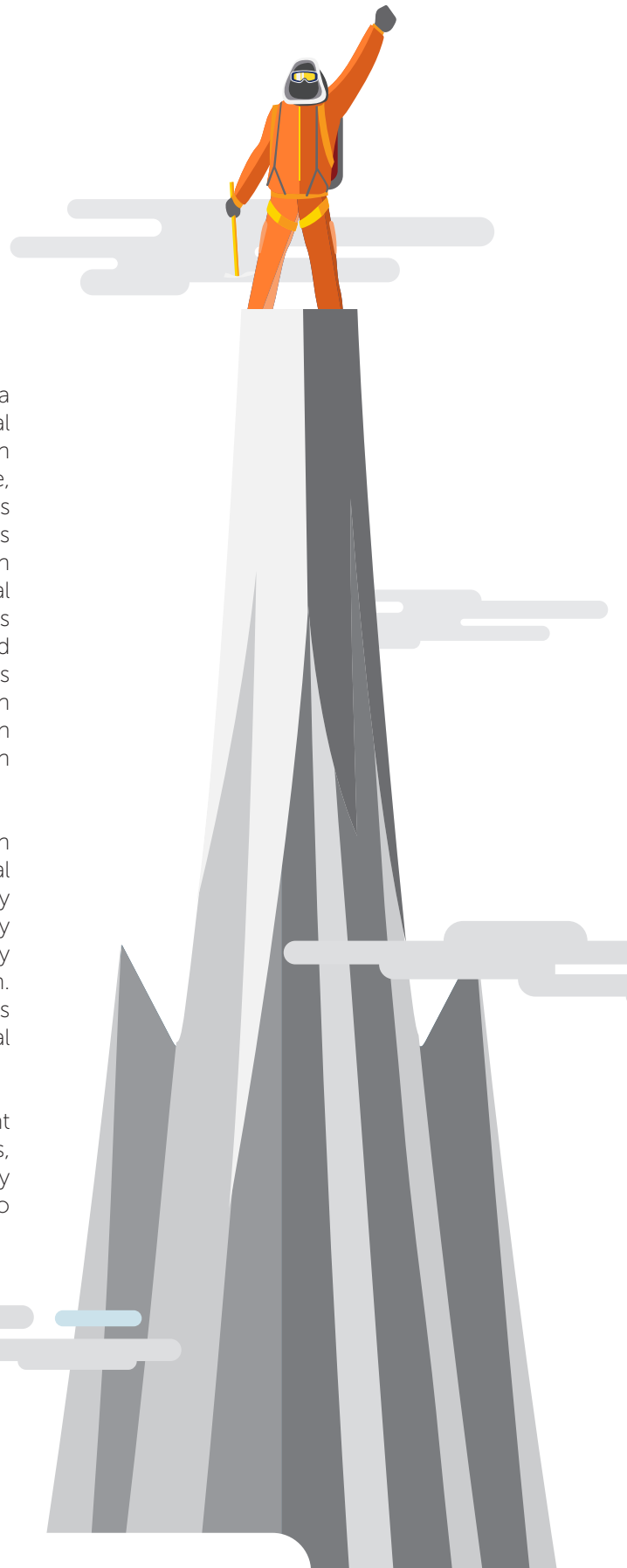
Case study:
Smart Glasses Picking

Challenge: A large European wholesaler of IT hardware, software, and services was looking to improve warehouse operations and efficiency for its 60+ locations serving over a dozen different countries. This was essential to help grow not only its hardware and software businesses, but also its burgeoning managed services business as well. Part of the challenge was in overcoming both volume (more than 20,000 items picked per day) and complexity of pick (many items carry multiple barcodes, increasing the number of steps required to identify the correct item).

How They Did It: The company launched a co-innovation initiative with its strategic technology partner which included, 1) the implementation of a new cloud-based warehouse management application, and 2) the introduction of smart glasses technology to improve the picking process. The smart glasses technology continuously scans what the warehouse worker sees, gathering barcode and location data in real time. When products are requested for pick, an augmented reality (AR) feature highlights the correct product against the listed information. Picked information is then combined with bin tracking codes to track completed orders through the warehouse.

Results: The initial implementation of the system has helped improve efficiency and accuracy of the pick process. Workers now operate in a hands-free mode, using voice commands as supplemental input to the smart glasses. By gathering data on the process, the company now has the opportunity to analyze historical and real-time data to improve worker behavior and process flow.

Case study: **Process Optimization**

Challenge: A European wholesale company needed to improve its operational efficiency to meet growing customer demands and to control costs. With 25,000 products in its portfolio—97 percent of which are shipped directly from existing warehouse locations—it realized it would have to maximize operational efficiency in order to meet its stated 24-hour goal for turn-time on customer orders while growing and expanding its business. The company had previously digitized its operations to allow for agility and continued competitive positioning, but was concerned about the challenges of meeting increasing requirements for same-day services.

How They Did It: The company recognized that its core strength was its operational processes, and committed to ongoing process optimization to stay one step ahead of the competition and maintain strength of margin. But it needed data and insights to direct these optimizations to the proper processes. The company implemented a process optimization application running on a cloud platform along with in-memory computing and real-time analytics. Operational data was gathered continuously, allowing processes and actual performance to be predicted and evaluated based on massive amounts of data from all aspects of the wholesaler's operations.

Result: The company initially believed that process improvement would come from warehouse efficiencies. However, after collecting and analyzing operational data, it realized the gating factor to improvement was with order management. It turned out that inefficient processes and unnecessary credit blocks were a significant issue, and it was able to redirect attention to solving the more important issue and not degrade operational performance with unnecessary adjustments to warehouse operations. By making ongoing data and analytical insights available throughout the organization and supplier network, the company has added both transparency and the ability to rapidly identify issues at a granular level that may impact performance against its stated delivery goals. As a result, the company is now able to better predict actual delivery times to the hour, and can more accurately set expectations with customers for deliveries that are either under or over the 24-hour goal.
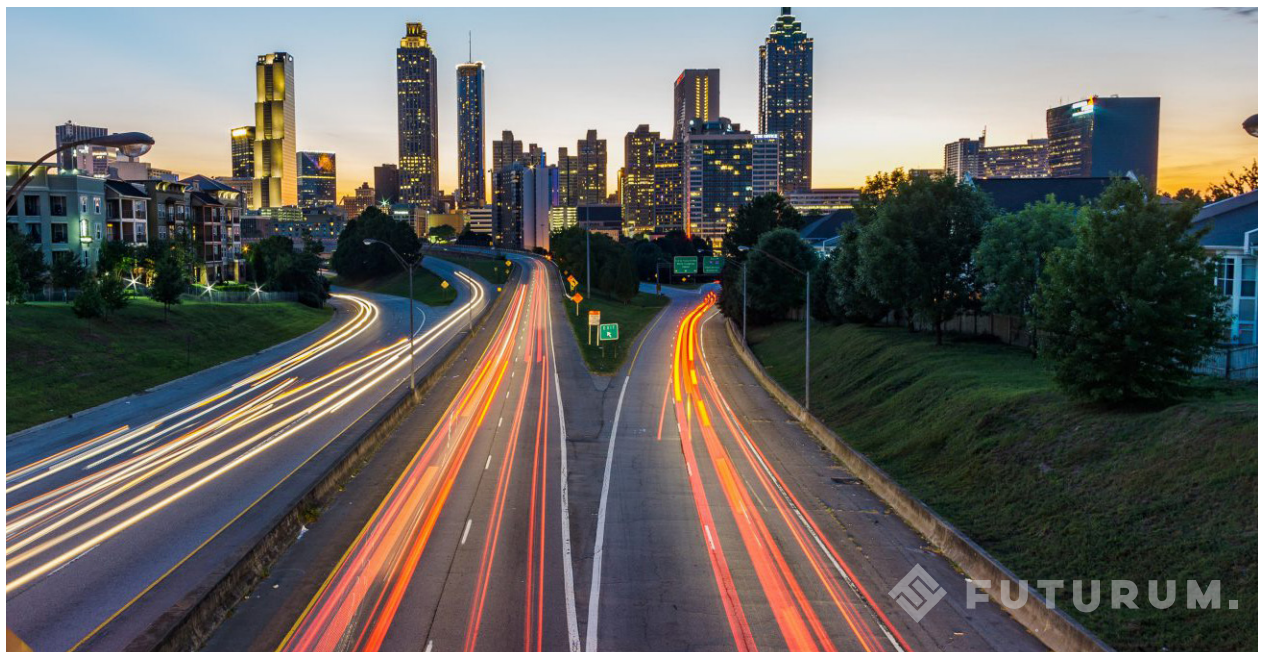
TAKING THE NEXT STEP

The most intelligent adaptations are those born not just of finding the right bundle of solutions, but of applying the most cost-effective advancements in the order in which they make sense. Even in similar industries, the solutions may be different and happen at different paces. But key to all in the digital era is the ability to integrate the right technologies, a culture of innovation and business process improvement, and massive amounts of machine, market, and customer data to drive new business priorities.

With the right approach, the system of record and system of innovation can be integrated, not run as silos.

As businesses begin to move forward, there are a series of questions that must be answered:

- What part of the business is the most core? How can that core business be improved to better differentiate the company?
- How can the business remove human bias and errors, and leverage existing data to make better products and drive smarter business decisions?
- How can running a sensor-fed virtual digital twin of equipment in the field allow for more accurate maintenance and operational modeling?
- How can a company apply design thinking to help determine where and how to invest to unlock business value?
- How can the ability to truly understand the current and emerging behaviors of customers inform the next generation of business processes?
- What is required to bring together the right mix of designers, business transformation specialists, industry experts, and technology consultants to help uncover and develop strategic opportunities for business transformation?

Perhaps the most significant question, however, involves the value of innovation—is there a mechanism to both leverage individual innovation project across the business, and to drive innovation and value within the core business itself?

Getting started

For digital transformation and innovation to take place, it's critical for businesses to understand where they are on the digital innovation journey and recognize that most innovation strategies fail if they are not on the right path at the right time. Success in digital innovation for one firm may not be the same as for another, even a direct competitor. **The question may not be one of how to begin a digital innovation strategy, but rather how to ensure your current digital innovation strategy is successful.**

Never before have there been so many promising breakthrough technologies available — and so many businesses ready to capitalize on them. From machine learning to blockchain, from cloud to the Internet of Things, smart devices, analytics, and more, business is changing slower today than it ever will and faster than it ever has.

From SAP

We hope you found this **Accelerating Digital Transformation in the Wholesale Distribution Industry** white paper valuable and informative. As you navigate through this digital renaissance, game-changing technology is evolving at an incredible pace, and the decisions you make can have a profound impact on your company's future. But before you make these kinds of decisions, we have found that completing the workbook below is an eye-opening exercise in revealing your readiness, your priorities, and your strengths/weaknesses. Since the answers are intended for you to discover your "industry technology profile", there's no need to submit them to us. These questions are not easy and will require that you look across your organization versus working within a silo.

If you're interested in taking the next step by enrolling in one of our award-winning Design Thinking Workshops, then your answers are a great first step. The workshops are a deep dive into the industry-specific technology strategies that will not only propel your company forward but create an incredible engine for innovation.

Not ready to commit to a Design Thinking Workshop?

We understand. As a first step, and for a limited time, you are invited to a one-hour conference call with a member of the SAP Industry Value Advisory (IVA) team. With an average of 20 years' experience across 24 industries, the IVA team members are charged with engaging with customers on a case-by-case basis, devising comprehensive strategies for business development as well as strategic business model transformation and innovation.

How can organizations create cultures of design-led innovation? To answer this question, we developed a framework based on our experience working closely with over 500 clients around the world on strategic design and co-innovation initiatives. From this framework, we have created an assessment that helps organizations like yours determine your innovation readiness, some barriers to innovation you face, and strategies to overcome them. Over the course of 60 minutes, one of the IVA team will work with you and up to two additional colleagues to guide you through the assessment, to help inform your own transformation journey. There is no obligation beyond the meeting.

To access the workbook, please follow this link:
http://sapinnovate.me/workbook.

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