

TIME TO STOP HATING THE ‘A’ WORD

To small and mid-sized businesses (SMBs), the “A” word usually coincides with fear and frustration. While small business owners love to hate Amazon, the time has come to embrace the changing purchasing and distribution landscape.

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Here's how SMBs can benefit from e-commerce services such as Amazon and why they should work with them, not against them.

Emerging Amazon resellers.

The e-commerce boom has led to Amazon resellers who buy goods in bulk to sell at low prices. Some claim these resellers are a threat to small businesses, but that's not always the case.

These resellers typically sell generic, low-quality products to make up for slim profit margins. Small businesses with a unique product or service have a more compelling presence online than generic resellers. While resellers could undercut some profits, SMBs should identify what makes their products unique, and focus on selling that online.

Growing business with Amazon.

Most SMBs hit a saturation point

where they struggle to grow. They then have two options: expand the product offering or line, or expand geographies.

E-commerce giants have huge imprints that enable SMBs to reach customers across geographies. SMBs with an online presence should view Amazon as another e-commerce route—one that continually sees success. For better or for worse, businesses that join forces with Amazon benefit from its success across geographies.

Using old inventory.

Inventory management is essential to maximize ROI. Excess inventory due to purchasing error or shifting customer demand can be cumbersome and expensive.

“Dead inventory” represents dead money—or money that could be used to expand, pay debt, or invest

in another product line. To alleviate excess inventory, businesses can sell it on Amazon. This helps to get rid of dead stock and reach new customers.

ORDERING AND INVENTORY TIPS

To successfully sell on Amazon, some businesses may need to restructure their purchasing and digital teams, or invest in an enterprise tool to assist the flow of business. To keep up with today's expectations of instantaneous shipping, businesses need to constantly monitor for orders made through Amazon.

Rather than manually check order statuses, businesses can use enterprise platforms such as ERP to integrate their e-commerce order and purchasing systems with the more traditional routes.

This ensures that purchase orders and inventory stay constantly up to date and businesses don't suffer



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from not shipping an order on time or not having enough inventory.

Customers who submit orders for products that turn out not to be in stock are likely to leave negative feedback. Businesses that get into this situation need to quickly inform the customer and, if appropriate, offer to compensate them for their trouble.

Businesses should also be as accessible as possible to customers. Nothing is more frustrating to a customer than not knowing the status of their order. Respond quickly to customer contacts and notify them when an order is delayed. Most importantly, businesses need to stay on top of orders from the moment of purchase to the customer's doorstep. Businesses that invest

in automated ERP systems benefit from instant, efficient, and accurate updates and feedback throughout the purchasing cycle.

In an e-commerce-driven age, SMBs should stop thinking about competing with Amazon and start strategizing how to join forces to grow their business and increase profits.



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