FIELD GUIDE / 2026 EDITION

THE DISTRIBUTOR OPERATIONS HEALTH CHECK

A practical guide to finding the bottlenecks that slow down wholesale and specialty distribution businesses.

CREATED FOR

Independent wholesalers • Specialty distributors • B2B product suppliers

For owners, general managers, operations leaders, and sales or purchasing managers.

THE WORK	WHAT YOU WILL LEARN
CUSTOMER ORDERS	Reduce re-entry and confusion
INVENTORY & VENDORS	Improve visibility and coordination
CONNECTED SYSTEMS	Decide what to fix, link, or replace

PREPARED BY

SET THE STAGE

Business systems • Workflow automation • Connected customer experiences

01 / START HERE

Is this guide for your business?

You do not need to know software terminology to use it. You do need to manage products, orders, and supplier relationships.

THE SIMPLE FIT TEST

Does your company buy products from manufacturers or suppliers and resell them to contractors, dealers, retailers, institutions, or other businesses? If yes, this guide was written with operations like yours in mind.

Typical businesses

DISTRIBUTOR TYPE	EXAMPLES
Building products	Flooring, tile, lumber, cabinetry, millwork, hardware
Trade & industrial supply	Fasteners, industrial parts, plumbing, HVAC, electrical
Landscape & exterior supply	Irrigation, hardscape, lighting, contractor supplies
Specialty distribution	Commercial equipment, signs/graphics materials, niche parts

Who should read it?

Business owners and presidents deciding how to grow; operations and general managers overseeing order flow; sales leaders managing trade accounts; and purchasing or warehouse managers coordinating vendors and stock.

Probably not your main use case

Businesses that only sell their own labor, companies selling exclusively to consumers with no supplier-order complexity, and software-only businesses may find parts useful, but most examples will not match their daily work.

TAKE 60 SECONDS

If three of these sound familiar—repeat B2B customers, product catalogs, customer orders, vendor purchase orders, inventory, special orders—the rest of this guide is likely relevant.

02 / UNDERSTAND THE BUSINESS FLOW

Follow one customer order

When an order moves through five departments and three systems, the problem is often in the handoffs—not any single screen.

CHECKPOINT	WHAT HAS TO GO RIGHT
1 CUSTOMER REQUEST	Customer chooses items, quantities, project requirements.
2 PRICE & PROMISE	Staff confirms customer terms and realistic availability.
3 SALES ORDER	Business accepts the customer order and records it.
4 SUPPLY	Stock is reserved or a supplier purchase is initiated.
5 FULFILLMENT	Products are picked, received, delivered, or collected.
6 ACCOUNTING	Invoice and financial transactions are recorded.
7 FOLLOW-UP	Customer receives updates; exceptions are resolved.

Three documents that people often mix up

TERM	PLAIN-LANGUAGE MEANING
Customer PO	Document the buyer sends to authorize a purchase from you.
Sales order	Your internal record of what you agreed to supply.
Vendor PO	Purchase order you send to a supplier to buy or replenish stock.

KEY QUESTION

Can a team member find the current, reliable status of any customer order without searching several inboxes or asking multiple people?

03 / RECOGNIZE FRICTION

Six warning signs that growth is creating extra work

These are operational clues—not proof that you need new software.

SIGNAL	WHAT TO LOOK FOR
01 Re-entry	Staff copy orders from emails or spreadsheets into other systems. Check: count repeated entries per order.
02 Pricing exceptions	A salesperson and invoicing staff see different prices. Check: trace where prices and overrides originate.
03 Inventory uncertainty	Sales staff ask the warehouse whether stock is actually available. Check: compare on-hand, committed, and promised stock.
04 Vendor status in inboxes	Supplier lead times and backorders are scattered across messages. Check: can every open supplier PO be viewed in one place?
05 Customer status calls	Contractors call to learn whether an order is ready. Check: what information could be self-service?
06 Reports built by hand	Managers export and combine several files to see basic metrics. Check: how long does the report take each month?

A USEFUL DISTINCTION

A busy office is not automatically an inefficient office. Look for repeated work, avoidable corrections, unclear ownership, and missing information—not just high order volume.

04 / A REALISTIC EXAMPLE

The contractor order that touched six systems

Fictional example: a specialty flooring distributor receives a large contractor order for a commercial renovation.

WHEN	WHAT HAPPENED
9:00 AM	Contractor emails product codes and requests availability.
9:20 AM	Inside sales checks one inventory screen and asks purchasing about incoming stock.
10:15 AM	Contract pricing is confirmed from an old spreadsheet.
11:05 AM	Someone retypes the order into the order-management system.
1:40 PM	Purchasing emails the manufacturer about a missing color.
Next day	Customer calls for an update that no one can immediately answer.

What actually went wrong?

No single person did anything reckless. The process required employees to bridge gaps between information sources. The fix might be better catalog data, clearer ownership, an integrated ordering workspace, or a customer portal—not necessarily a new ERP.

Three practical improvements

- Capture complete item, unit, price, and job details at the start.
- Show the employee a consistent availability and outstanding-order view.
- Record supplier exceptions and customer updates against the same order reference.

TRY IT WITH YOUR OWN ORDER

Find one recent order with a backorder, adjustment, or special request. Trace the information from the first customer contact to delivery and billing.

05 / CUSTOMER ORDERING

Capture a good order once

A correct order at the beginning prevents work later in purchasing, fulfillment, and billing.

A reliable order should contain

CHECK	MINIMUM INFORMATION
Who	Customer account, buyer, project/job reference, delivery location.
What	Correct SKU, variant, units of measure, quantity, substitutions.
At what price	Account pricing, approved discounts, freight and tax assumptions.
When	Requested delivery date, lead time, partial-shipment terms.
Who approved	Required internal/customer authorization and change history.

Make repeat ordering easier

Contractors and dealers often reorder familiar items. A customer portal, saved project list, quick-order form, or well-structured sales workspace can reduce the need to call or email the same details each time.

Do this next week

- Review ten recent orders. How many were incomplete on the first attempt?
- Ask the inside sales team which details they still have to clarify by phone.
- Identify one repeat-order workflow that can become a standard form or saved template.

WATCH FOR

Do not automate the wrong price or an incomplete product record. Validate product data and pricing ownership before expanding self-service.

06 / INVENTORY

Know what you can actually promise

"In the warehouse" and "available to the customer" are not always the same thing.

SIMPLE ILLUSTRATION

If 100 units are physically on hand and 30 are committed to other orders, 70 may be available to promise. Real policies can also account for damaged stock, safety stock, holds, and incoming shipments.

Four numbers worth separating

MEASURE	WHAT IT ANSWERS
On hand	Physical units currently in stock.
Committed / reserved	Units allocated or promised to existing orders.
Available to promise	Units that can safely be committed to a new order.
On order	Units expected from suppliers; may not be available yet.

Why it matters

When sales, purchasing, and the customer portal use different definitions of stock, the team can oversell products, place unnecessary replenishment orders, or promise impossible delivery dates.

Questions to ask your warehouse lead

- What event changes stock: order submission, allocation, picking, shipping, or receipt?
- How are cancellations, returns, damaged stock, and partial shipments recorded?
- Can staff see both quantity and the reason that quantity changed?

PRACTICAL FIRST STEP

Choose five fast-moving SKUs. Compare physical counts, commitments, and the available quantity seen by the sales team. Investigate any disagreement.

07 / VENDOR PURCHASING

Connect supplier orders to customer needs

Suppliers may have different part numbers, minimums, lead times, and delivery rules. Those differences must remain visible.

A useful purchase-order record

RECORD	WHY IT MATTERS
Supplier & reference	Vendor, supplier SKU, your SKU, purchase order number.
Demand link	Which customer order, forecast, or stock minimum triggered it?
Cost & terms	Agreed unit cost, minimum quantity, expected freight, terms.
Dates	Ordered, confirmed, expected, revised, actually received.
Exceptions	Partial receipts, substitutions, damaged goods, cancellations.

An example of a preventable problem

A contractor orders 40 specialty panels. The distributor has 12 available and buys the remaining 28 from a supplier. The supplier confirms only 20 for this week. If the customer order and supplier commitment are not linked, the sales team may promise all 40 on the original date.

What good coordination looks like

- Purchasing can see which open customer orders depend on a supplier delivery.
- Partial receipts update the internal order and the customer communication plan.
- Changes in lead time are recorded in one place rather than buried in email.

THIS WEEK'S CHECK

Pick the five oldest open supplier POs. Can you identify the customer impact, confirmed ETA, and person responsible for each one?

08 / CONNECTED OPERATIONS

When systems disagree, decide who owns the answer

Different software tools can work together. They should not independently decide the “correct” value for the same business record.

Start with a source-of-truth map

BUSINESS RECORD	OWNERSHIP QUESTION
Customer account	Which system creates the customer account and account terms?
Product catalog	Where do item details and variants originate?
Inventory	Which system authorizes stock movement and availability?
Sales order	Where is the accepted order officially recorded?
Supplier PO	Which system controls purchasing commitments?
Invoice	Which accounting system issues and records invoices?

A common setup

A company may use one tool for customer relationships, one for its operational catalog and orders, and one for accounting. The goal is not to force every tool to store everything. It is to make the handoffs dependable, secure, and visible.

WHAT IS AN API?

An application programming interface (API) is a controlled way for one software system to exchange information with another. It may let an ordering application send accepted orders to an accounting or ERP system without employees retyping them.

One question for every integration

If the connection stops working at 3:00 PM, will staff know which orders failed, and can they safely retry them without creating duplicates?

09 / CHOOSING THE RIGHT FIX

Optimize, integrate, or replace?

The least disruptive answer that reliably solves the problem is often the best starting point.

PATH	WHEN IT MAY FIT
OPTIMIZE	Current software can perform the job, but processes or data are inconsistent. Examples: clean product records; standardize order intake; improve staff training.
INTEGRATE	Existing accounting or ERP works well, but customers and employees face awkward handoffs. Examples: add a trade portal, approval workspace, or synchronized status updates.
REPLACE SELECTIVELY	A tool cannot support required operations, has unmanageable costs, or lacks suitable access. Examples: replace a legacy order-entry application while retaining accounting.

Before selecting an integration

- Confirm actual API functions, data access, permissions, subscription costs, and usage limits.
- Test a real product, customer, and order scenario before promising capabilities.
- Plan what happens when a system is offline, rejects data, or changes an order.

Before considering a full replacement

- Inventory existing workflows, integrations, reporting, accounting, and historical records.
- Estimate migration, employee training, controls, downtime, and support needs.

DECISION PRINCIPLE

Do not replace an ERP simply because its screens are difficult. First identify whether a better connected workflow can solve the real problem.

10 / MEASURE WHAT MATTERS

Five useful performance measures

Start with measures your team can actually record consistently. Improve from your own baseline before comparing with others.

MEASURE	HOW TO USE IT
Order accuracy	Correct first-time orders ÷ total orders. Why: highlights product, pricing, and entry problems.
On-time, complete fulfillment	Orders delivered as promised ÷ orders delivered. Why: exposes service reliability.
Order cycle time	Average time from customer order to delivery. Why: reveals handoff and lead-time delays.
Manual handling time	Avoidable re-entry and correction minutes per order. Why: estimates staff capacity consumed by rework.
Open exception aging	Count and age of unresolved order issues. Why: reveals items that need ownership and follow-up.

Metric definitions should remain consistent over time. Decide how to count cancellations, special orders, partial shipments, and nonstock products before you publish a dashboard.

SIMPLE MANAGEMENT PRACTICE

Choose two measures to baseline this month. Review them weekly with the employees who can explain why they changed.

What established frameworks emphasize

APQC and ASCM both emphasize reliable fulfillment, cycle time, costs, and process performance. Their public guidance can help choose useful measures; your company's specific targets still depend on its customers and operating model.

11 / WORKSHEET

Audit one real order

Choose an order with a special request, delay, backorder, correction, or partial shipment. Walk through it with the people who handled it.

Order/reference: _____ Customer/project: _____

CHECKPOINT	WHAT ACTUALLY HAPPENED?
Customer request	How was the order received? Was information retyped?
Pricing and terms	Where did the final price come from? Who approved changes?
Availability	What stock was promised, and how was it confirmed?
Vendor purchase	Was supplier purchasing needed? Could you see its status?
Fulfillment	How were partial shipments, pickup, or delivery tracked?
Billing	Was the invoice accurate? Were there corrections or delays?
Communication	How many calls or emails were needed to explain status?
Ownership	Who was accountable for resolving exceptions?

Where did employees wait, retype, correct, or search for information?

_____

_____

_____

PICK ONE IMPROVEMENT

Circle the step that caused the most avoidable work. A focused pilot here is usually more useful than replacing multiple systems at once.

12 / ECONOMICS

What does manual rework cost in staff time?

This worksheet estimates labor capacity spent on avoidable handling. It is not a promise that the full amount becomes cash savings.

Use your own monthly figures

INPUT	YOUR ESTIMATE
Monthly customer orders	_____ orders
Avoidable minutes per order	_____ minutes
Monthly corrections or exceptions	_____ cases
Extra minutes per correction	_____ minutes
Loaded labor cost	$ _____ per hour

CALCULATION

Avoidable monthly hours = [(orders × avoidable minutes) + (corrections × extra minutes)] ÷ 60. Multiply the hours by the loaded hourly labor rate to estimate labor value.

Example, not a typical distributor benchmark

600 orders × 7 avoidable minutes = 4,200 minutes. Add 30 corrections × 15 extra minutes = 450 minutes. Total = 4,650 minutes, or 77.5 hours. At $32 per loaded hour, that is $2,480 monthly or $29,760 annualized in staff capacity.

To avoid double counting, the correction minutes must be additional to the handling minutes. Factor in implementation costs, training, software fees, and the portion of the work that could realistically be reduced.

Where would recovered staff capacity be most valuable?

_____

_____

TAKE THIS ONLINE

The companion online calculator can complete the arithmetic and include the estimate with your assessment results.

13 / ACTION PLAN

A practical 30 / 60 / 90-day improvement roadmap

Use this as a decision framework, not a fixed software implementation deadline.

PERIOD	THE WORK
DAYS 1–30	Map one important order journey. Verify product and pricing data. Name the owner of each record. Capture starting KPI measures. Deliverable: one prioritized problem with evidence.
DAYS 31–60	Pilot the smallest change that can remove the biggest bottleneck: better intake, cleaner pricing, one integration, or customer status visibility. Deliverable: small, measurable pilot with an owner.
DAYS 61–90	Compare results with baseline. Fix exceptions. Decide whether to expand, integrate more functions, or evaluate replacement. Deliverable: rollout decision and follow-up plan.

Choose one measurable result

Examples: reduce manual order re-entry from seven minutes to two; shorten exception response from two business days to one; improve the percentage of first-time accurate orders.

My first improvement and its owner

_____

_____

Protect the existing business while changing it

Test with representative orders, permission levels, and failure scenarios. Decide who can authorize a rollout and how to roll back a change. Avoid letting two systems independently control the same core record.

14 / QUICK SELF-CHECK

Six questions worth answering today

You do not need to calculate a formal score here. Use these prompts to decide whether a deeper online assessment would help.

	CONSIDER THIS
1	Do customers or employees enter the same order details more than once?
2	Can your team confidently promise stock and delivery dates?
3	Can you link open vendor POs to the customer demand behind them?
4	Can staff see one reliable status for each customer order?
5	Can managers measure errors, rework, delays, and repeated customer requests?
6	If your current software stayed in place, what single connection would save the most work?

If you find gaps, what should you do?

Write down one example, the person who handles it, the systems involved, and what the customer experiences. That is enough to begin an informed conversation about improvement.

WHY CONTINUE ONLINE?

The online assessment goes deeper across six areas—customer ordering, internal handoffs, inventory, purchasing, financial coordination, and growth visibility. It calculates category findings and helps prioritize next steps.

The one change I would most like to make

_____

_____

15 / PLAIN-LANGUAGE REFERENCE

Common terms, explained

You can use this page when discussing improvements with employees, software vendors, or consultants.

TERM	MEANING
B2B	Business to business: selling to another business, such as a contractor or dealer.
ERP	Enterprise Resource Planning: software for core processes such as purchasing, orders, inventory, and accounting.
CRM	Customer relationship management: software for contacts, sales activity, and communications.
API	A controlled way for two software applications to exchange data.
SKU	Stock-keeping unit: an identifier for a product or variant.
Available to promise	Quantity that can realistically be committed to a customer order.
Source of truth	The system authorized to define or change a particular business record.
Exception	An order that needs special handling, such as a backorder or pricing dispute.
Rework	Extra effort required to re-enter, correct, or investigate work.

Further reading

ASCM, Supply Chain Operations Reference (SCOR) Digital Standard — process and performance guidance: scor.ascm.org

APQC, “Measuring Order Management Performance” (May 2026) — practical measures of reliability, speed, accuracy, and cost: apqc.org

THE POINT IS CLARITY

You do not need more software vocabulary to improve the business. You need a clear picture of who does what, where information comes from, and which step creates unnecessary work.

16 / YOUR NEXT STEP

Turn observations into a focused improvement plan

The ebook helps you identify possible issues. The online experience helps you see which areas deserve attention first.

What you will get online

STEP	WHAT IT DOES
01 Operations assessment	Answer 24 questions in six practical categories.
02 Automatic results	See a total score and category-by-category findings.
03 Cost-of-rework calculator	Optional estimate of labor hours tied to manual re-entry and corrections.
04 Personalized priorities	See suggested improvement areas and a practical roadmap preview.
05 Talk through your options	Choose a consultation or send a question about your existing systems.

ONLINE ASSESSMENT — LINK ADDED AT LAUNCH

ASSESSMENT URL: [INSERT YOUR PUBLISHED ASSESSMENT LINK HERE]

QR CODE

PLACEHOLDER
Not active yet

SCAN WHEN AVAILABLE

When the online experience is published, place a working QR code here. It should open the same assessment as the URL above.

Want help interpreting the findings?

After you complete the assessment, you can request a complimentary introductory Distributor Operations Review. Bring your key findings and the names of the systems your company uses today.

CONSULTATION / CONTACT: [INSERT BOOKING LINK OR CONTACT METHOD]

PREPARED BY SET THE STAGE • Business systems, automation, and connected customer experiences