

STUDY HIGHLIGHTS



Supply Chain Benchmarking *What is Driving the Ag Distribution Channel?*

Over the past decade, the ag distribution channel has seen a proliferation of ERP systems and advances in electronic information exchange; but when it comes to the nuts and bolts of product delivery, things have remained relatively stagnant.

In 2015, Entira dug deep into this issue with a multi-client study, *“Supply Chain Benchmarking – What is Driving the Ag Distribution Channel?”*

Research Scope

The study focused on understanding the supply chain from the perspective of suppliers’ manufacturing facilities to retail stores, and covered the following:

- **Self-assessment** of supply chain goals and upcoming investments, as well as an evaluation of their own performance, use of technology, and supply chain initiatives (e.g., forecasting and product allocation).
- **Benchmarking of the big six chemical manufacturers**, assessing supply chain performance in areas related to product availability, reliability, accuracy, responsiveness and communication, and how easy they are to work with.
- **Current industry trends and long-term outlook**, in terms of data sharing and use of “big data,” the effects of globalization, and regulatory pressures.

Study Methodology

Entira first conducted a series of qualitative interviews with supply chain industry veterans representing both regional distributors and national organizations. Interviewees included front-line operations managers up to VP-level leaders, averaging 14 years in the industry. The qualitative interviews were followed by quantitative surveys of supply chain professionals at 100 U.S. retail locations. The majority (70%) handled greater than 500 inbound deliveries per year.

Timing

Research was conducted during May and June of 2015.

Study Highlights

Our research affirmed our belief that with the ag supply chain, there’s tremendous opportunity for improvement and cost savings. Some highlights from the study include the following:

- More than 70% of the retailers we interviewed still handle orders by phone. Incorporating automation on orders could move a company forward by leaps and bounds with relatively low effort or investment.
- Retailers are getting on board with forecasting due primarily to their impact on product allocations.
- Subscribers came away with key areas to focus on for improvement and some potential collaboration projects with key downstream channel partners, as well as ideas for operations and technology improvements.
- Survey participants told us which of the big six had the best supply chain overall, and why—and there were some surprises.

Overall, participants expressed willingness to work with basic manufacturers not only on daily operations but on a more collaborative front to forge true partnerships, believing that most cost savings and efficiencies can be achieved when points along the chain work together.

Contact

If you would like more information about this study or to talk about making improvements to your point on the chain, please contact Nancy Appelquist at 845-544-1985 or nappelquist@entira.net.