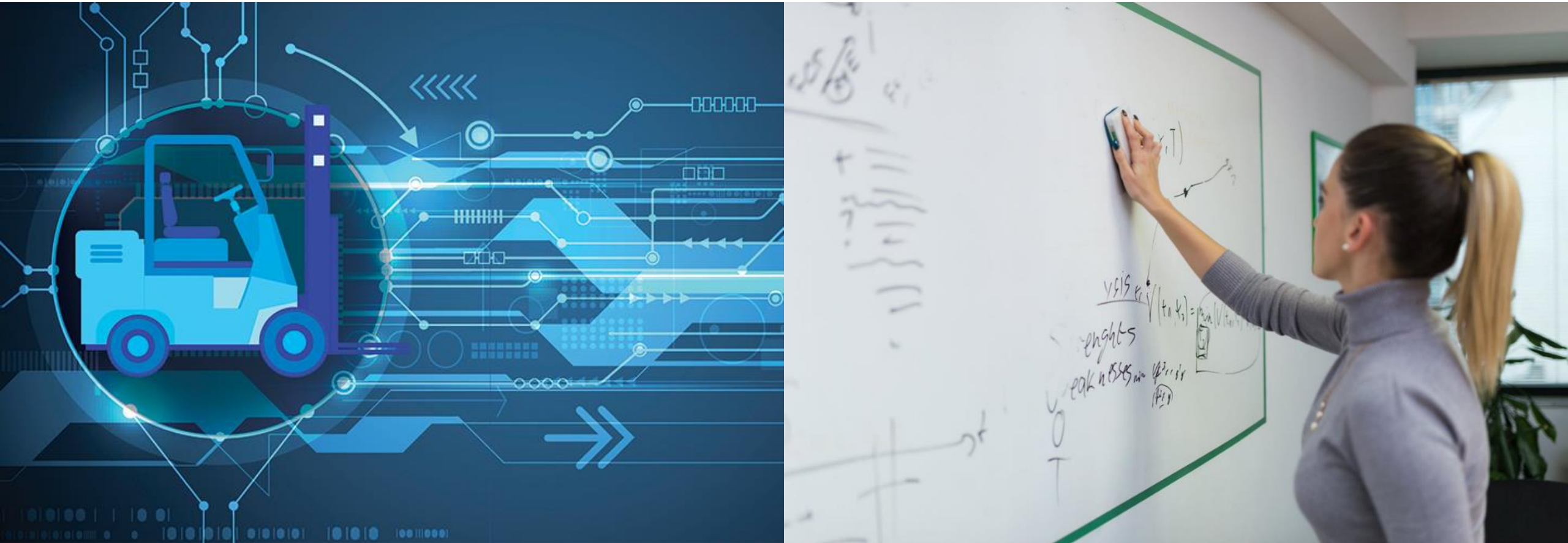


# Technology and Business Model Shifts in Distribution



## Billion Dollar CEO Roundtable

# SPARKING TODAY'S DISCUSSION

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## TECHNOLOGY-DRIVEN SHIFTS

What are the major  
shifts and emerging  
business models?



## GREENFIELD DISTRIBUTION MODEL

How would I rebuild  
my business from  
scratch today?

# OUR PANELISTS

---



**Dan Lewis**  
CEO,  
Convoy

- *CEO and Co-Founder of Convoy, the leading technology-enabled trucking network reinventing the \$800B transportation industry*
- *Previously served as General Manager of New Shopping Experiences at Amazon.*



**Wes Clark**  
Distribution board member,  
Advent Private Equity

- *Board member of Advent Private Equity, global private equity firm focused on international buyouts, growth and strategic restructuring*
- *Previously served as President of Grainger*



**Chris DeBrusk**  
Partner,  
Oliver Wyman

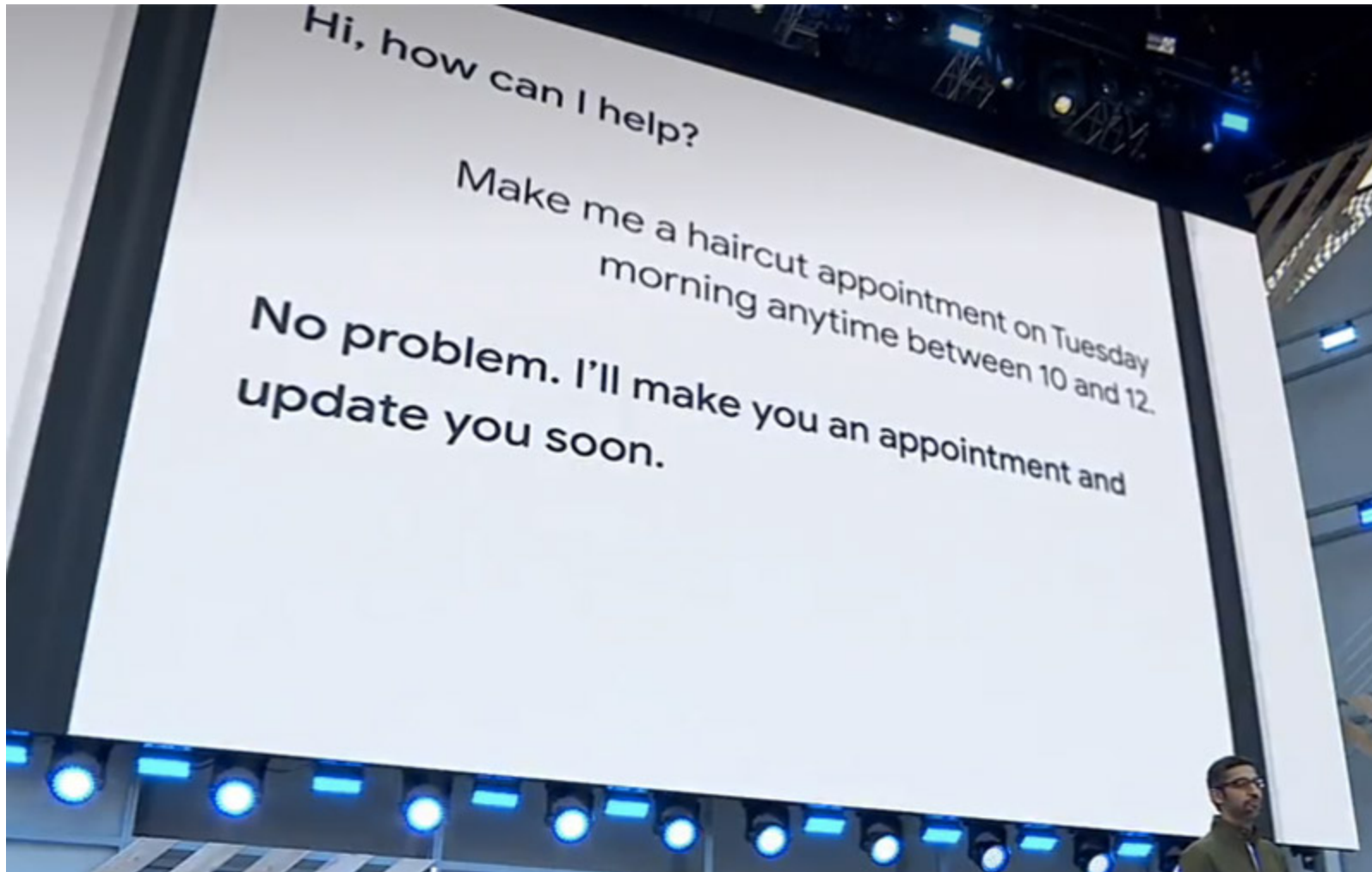
- *Partner at Oliver Wyman in the Finance and Risk, CIB, and Digital practices*
- *Expertise in cyber and market risk, financial regulation, enterprise data architectures, process efficiency and automation.*



# 01

## TECHNOLOGY-DRIVEN SHIFTS IN DISTRIBUTION

# FUTURE TODAY?





# REACTIONS

## What will happen to phone sales?

If you believe the keynote example was not a contrived example (as they assured us) but the norm of what Duplex can do, it's scary how close we are to seeing high-velocity, script-based inside sales jobs being completely displaced.

Enterprise sellers may be safe for the time being (if you rule out a [Westworld scenario](#) anytime soon) but top of the funnel, enterprise SDRs may also be displaced in its current form.

With the hiring constraints of inside sales reps removed, I could see sales organizations cranking up call volumes and frustrating prospects. And that will in turn probably lead to new regulations and tools to protect the consumer and business owners.

It's unclear whether buyers will even care that they are buying over the phone from an indistinguishable bot versus a real salesperson but if the conversation is good, they won't even know. If the adoption of AI-powered sales isn't good, customers could get so fed up that they stop answering the phones. We may have to resort back to sending brochures and doing more field sales. Either way, corporations should see some productivity gains (at least short term) through lower costs of making cold calls or better conversions because let's face it, it's really hard training great sales reps.

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SOLUTIONS ▾ PRICING

## Google Duplex technology: will the AI affect call centers?

There's been a lot of buzz around newly emerging, ever-more sophisticated AI technologies that will transform our business and everyday lives.

There's no doubt that technology is continuing to evolve at lightning speed, and it's difficult to forecast how far it will advance in the coming years.

The most recent advancement came with Google's announcement of its "Google Duplex" system at its 2018 developer conference. With Google Duplex, the tech giant took AI technology to a whole new level, creating artificial intelligence that can be used even without you knowing it.

## Report: Google Duplex could be replacing a customer service representative near you soon

Email Share LinkedIn Tweet Save Print Order Reprints



Abstract digital and technology background.  
GETTY IMAGES (4410000718450000)

### TRENDING

TECHNOLOGY  
How the \$90K typical salary at Oracle compares



TECHNOLOGY  
Cisco's security business chief quits to join Andreessen Horowitz



## Will our Account Executives all be replaced by Sales Trainers?

From Duplex:

*The Google Duplex system is capable of carrying out sophisticated conversations and it completes the majority of its tasks fully autonomously, without human involvement. The system has a self-monitoring capability, which allows it to recognize the tasks it cannot complete autonomously (e.g., scheduling an unusually complex appointment). In these cases, it signals to a human operator, who can complete the task.*

The current implementation of Duplex uses supervised training and will still require a human sales trainer (that's of course until we build unsupervised learning models of sales conversations).

So the ceiling for AI-powered sales conversations still require a sales trainer to handle corner cases on calls and continuously "coach" the algorithm to sell better.

As training data grows, I wonder if we get actually better sales conversations as the algorithm learns from vast amounts of sales calls and various buyer personas.

# TECHNOLOGY AROUND US

## Universal Omnichannel



85%

of online shoppers start a purchase on one device and finish on another

## Adoption of Agile



2-4 weeks

Average agile development cycle (vs. 6-12 months for traditional 'waterfall' programming)

## Emergence of VR



30%

of companies experimenting with VR / AR in marketing efforts

## Expansion of Robotics automation



90%

of crop dusters in Japan are drones

## Accessibility of IoT



8.4 BN

connected devices being used worldwide, up 31% from 2016

## Rise of AI and Machine Learning



85%

of customer interactions will be managed without a human by 2020

# DISTRIBUTORS: USING ROBOTICS TO AUTOMATE WAREHOUSES



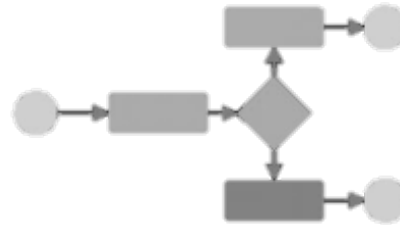


# DISTRIBUTORS: USING ROBOTICS TO AUTOMATE THE BACK OFFICE

Robotic Process Automation (RPA) is a software solution that acts as a virtual workforce to automate processes



Records and replicates  
actions of human operators



Definable, repeatable, and  
rules-based tasks can be  
automated

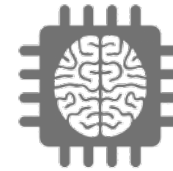


Integrates on top of  
company's IT  
infrastructure

# DISTRIBUTORS: PREDICTING CUSTOMER ATTRITION



Customer Data

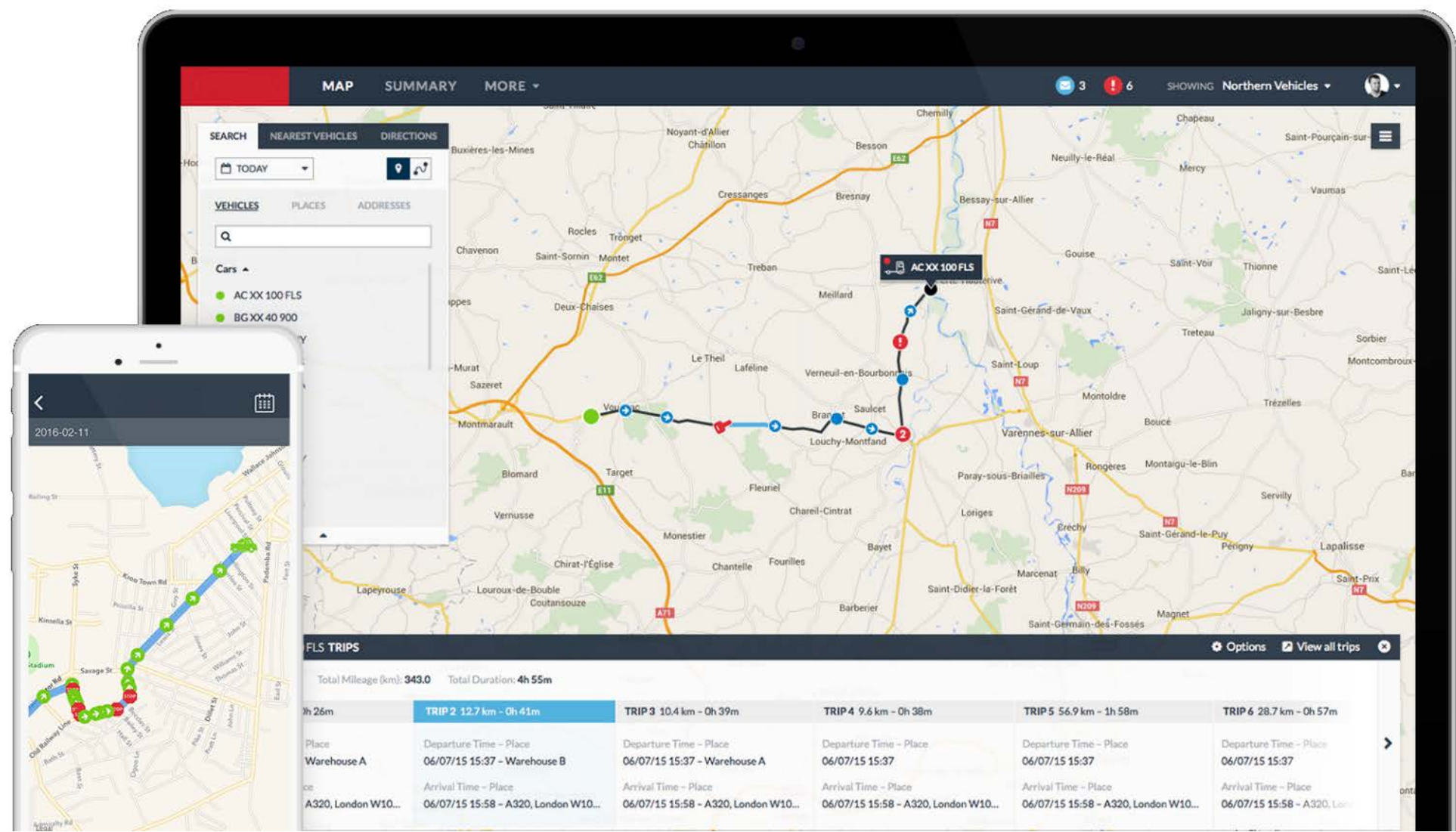


Artificial Intelligence



Prediction of risky  
customers

# DISTRIBUTORS: REAL-TIME NETWORK VISIBILITY



# DISTRIBUTORS: CREATING DATA BUSINESSES



Agriculture



Restaurant industry



Building products









MRO



# EXISTENTIAL THREAT FOR SOME... ...ILLUSTRATION OF THE POSSIBLE FOR OTHERS



**“We provide easy access to hundreds of millions of products – everything from IT equipment to janitorial supplies – to businesses of all sizes and across industries”**

 <p><b>Business Pricing &amp; Quantity Discounts</b> Access pricing customization tools only visible to business customers.</p>	 <p><b>Tiered Referral Fees</b> Pay lower fees on large business transactions in core B2B categories.</p>	 <p><b>Enhanced Product Content</b> Augment your listings by uploading CAD drawings, User Guides, and more.</p>
 <p><b>Display Quality and Diversity Certifications</b> Differentiate your business with 18 different quality and diversity credentials.</p>	 <p><b>Profile Editor</b> Showcase your logo and tell your company's story.</p>	 <p><b>Business-Only Offers</b> List professional grade selection exclusively to business customers.</p>



# 01

PANEL DISCUSSION



02

# GREENFIELD THINKING

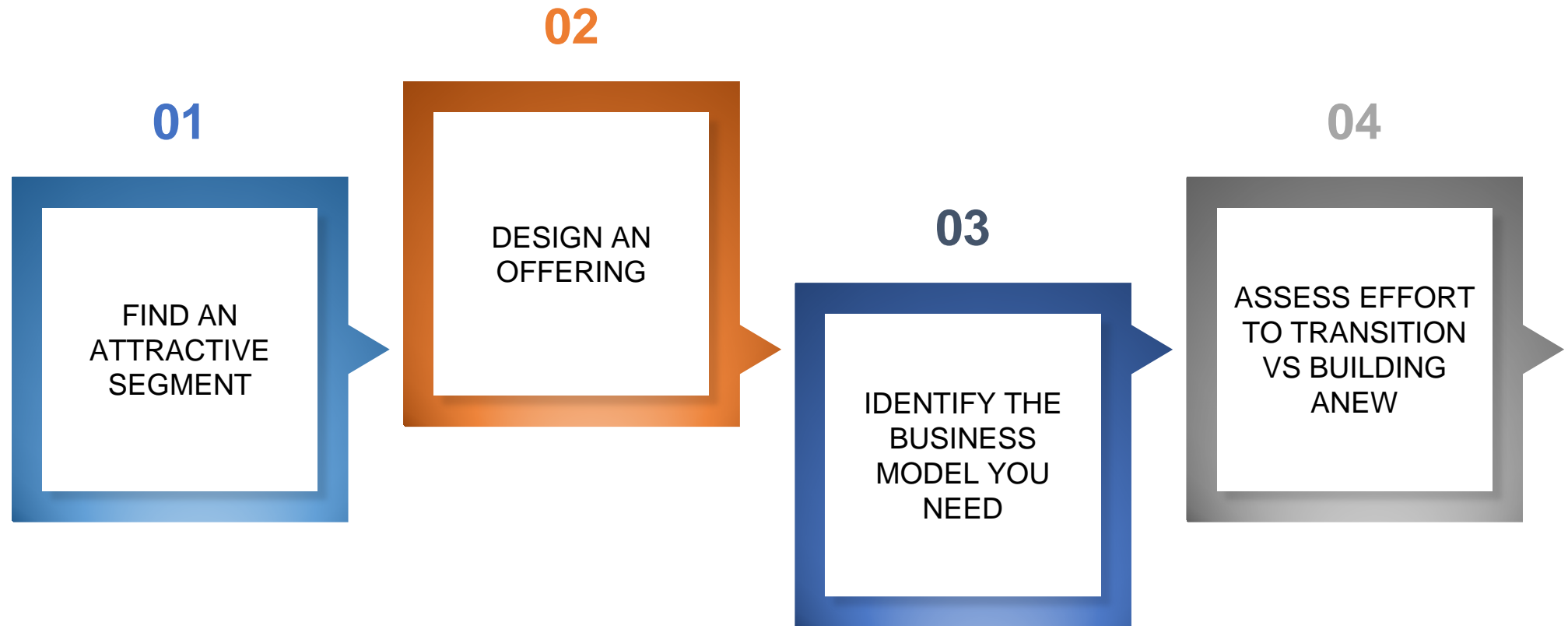
# GREENFIELD THINKING



**“What would we do if we could start over without any legacy applications...  
...we are free to innovate and reinvent the core processes”**



# GREENFIELD APPROACH



# GREENFIELD EXAMPLES CROSSES MANY SECTORS

No-fee Personal Loans.  
High-yield Online Savings.  
Make money yours™.

Get a loan

No-fee, fixed-rate loans  
from \$3,500 to \$40,000

Start saving

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Online Savings Account Annual  
Percentage Yield (APY).  
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Marcus:  
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Fidor's Fresh Banking Approach

"Smarter banking for a better world"



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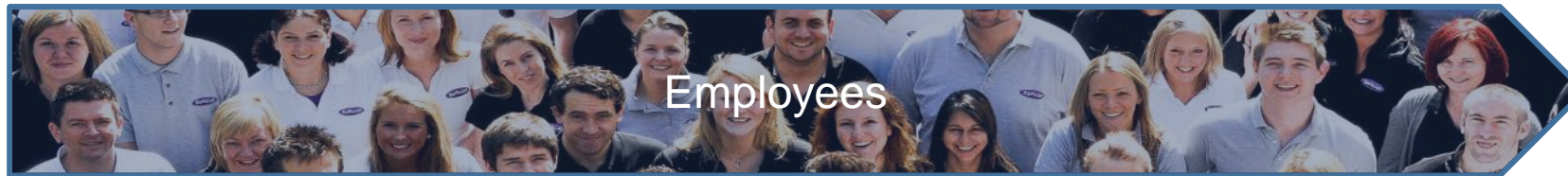
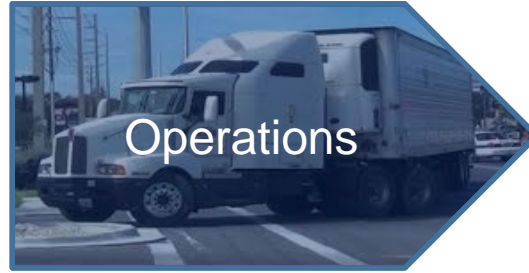


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# DISTRIBUTION BUSINESS MODEL



# DISTRIBUTION CRITICAL LEGACIES



Sales rep owns the customer, but can't deliver the experience and expertise my customers want



Outdated systems implemented for businesses as they were decades ago



Wrong size, wrong shape, wrong capabilities, wrong location



# SALEFORCE: HIGH-TOUCH, HIGH-COST, OWN THE CUSTOMER



How do I ensure the customer relationship lies with the distributor, not the representative?

Can I effectively build digital engagements channels which reduce the need for sales to take orders?

Is there a way to make this transition without causing breakage?



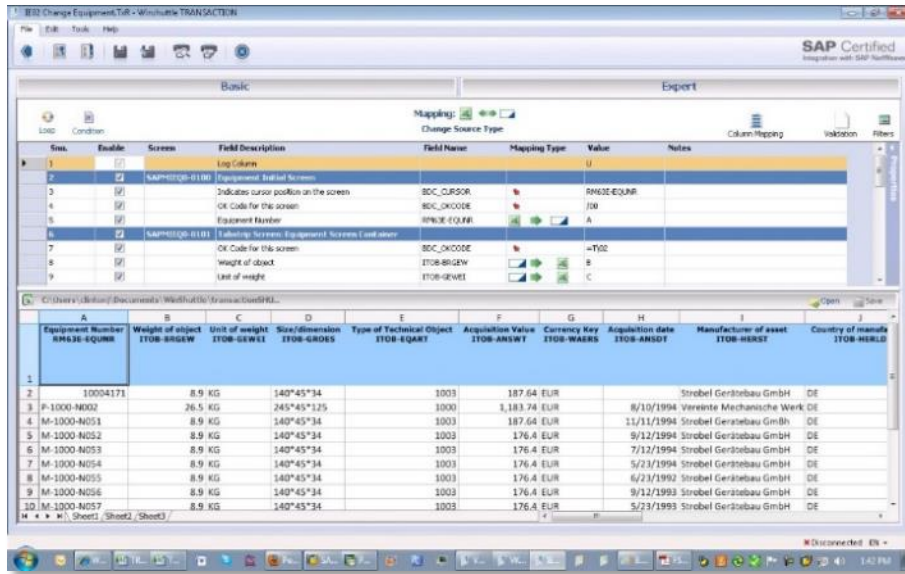
# SYSTEMS: OUTDATED TOOLS AND TECHNOLOGIES LIMIT CAPABILITIES

My legacy systems were built for the business I ran 15 years ago!

How can I adopt systems tailored to the business I need to run today ?

Is there a viable path to move to the modern flexible architecture I need to run my business?

Is automation and overbuilding going to get me the change I need?



The screenshot shows the SAP Change Equipment tool interface. The top section is a mapping table with columns: Seq., Enable, Screen, Field Description, Field Name, Mapping Type, Value, and Notes. The bottom section is a data table with columns: A (Equipment Number), B (Weight of object), C (Unit of weight), D (Size/dimension), E (Type of Technical Object), F (Acquisition Value), G (Currency Key), H (Acquisition date), I (Manufacturer of asset), and J (Country of manufacture).

Seq.	Enable	Screen	Field Description	Field Name	Mapping Type	Value	Notes
1	<input checked="" type="checkbox"/>	SAPMEQ06-0100	Long Column			U	
2	<input checked="" type="checkbox"/>	SAPMEQ06-0100	Transactional Initial Screen				
3	<input checked="" type="checkbox"/>		Indicates cursor position on the screen	BDC_CURSOR		RHSE-EQUIP	
4	<input checked="" type="checkbox"/>		OK Code for the screen	BDC_OKCODE		/00	
5	<input checked="" type="checkbox"/>		Equipment Number	RHSE-EQUIP		A	
6	<input checked="" type="checkbox"/>	SAPMEQ06-0101	Tabstrip Screen: Equipment Screen List view				
7	<input checked="" type="checkbox"/>		OK Code for this screen	BDC_OKCODE		=T02	
8	<input checked="" type="checkbox"/>		Weight of object	ITOB-GRGEW		B	
9	<input checked="" type="checkbox"/>		Unit of weight	ITOB-GEWEI		C	

A	B	C	D	E	F	G	H	I	J
Equipment Number	Weight of object	Unit of weight	Size/dimension	Type of Technical Object	Acquisition Value	Currency Key	Acquisition date	Manufacturer of asset	Country of manufacture
RHSE-EQUIP	ITOB-GRGEW	ITOB-GEWEI	ITOB-GROES	ITOB-EQART	ITOB-ANSWT	ITOB-WAERS	ITOB-ANSDT	ITOB-HERST	ITOB-HERLD
1									
2	10004171	8.9 KG	140*45*34	1003	187.64 EUR			Strobel Geratetechnik GmbH	DE
3	P-1000-N002	26.5 KG	245*45*125	1000	1,183.74 EUR		8/10/1994	Vereinigte Mechanische Werk	DE
4	M-1000-N051	8.9 KG	140*45*34	1003	187.64 EUR		11/11/1994	Strobel Geratetechnik GmbH	DE
5	M-1000-N052	8.9 KG	140*45*34	1003	176.4 EUR		9/12/1994	Strobel Geratetechnik GmbH	DE
6	M-1000-N053	8.9 KG	140*45*34	1003	176.4 EUR		7/12/1994	Strobel Geratetechnik GmbH	DE
7	M-1000-N054	8.9 KG	140*45*34	1003	176.4 EUR		5/23/1994	Strobel Geratetechnik GmbH	DE
8	M-1000-N055	8.9 KG	140*45*34	1003	176.4 EUR		6/23/1992	Strobel Geratetechnik GmbH	DE
9	M-1000-N056	8.9 KG	140*45*34	1003	176.4 EUR		9/12/1993	Strobel Geratetechnik GmbH	DE
10	M-1000-N057	8.9 KG	140*45*34	1003	176.4 EUR		5/23/1993	Strobel Geratetechnik GmbH	DE

# NETWORK: DO YOU HAVE THE RIGHT SHAPE, FOOTPRINT, AGILITY, ?

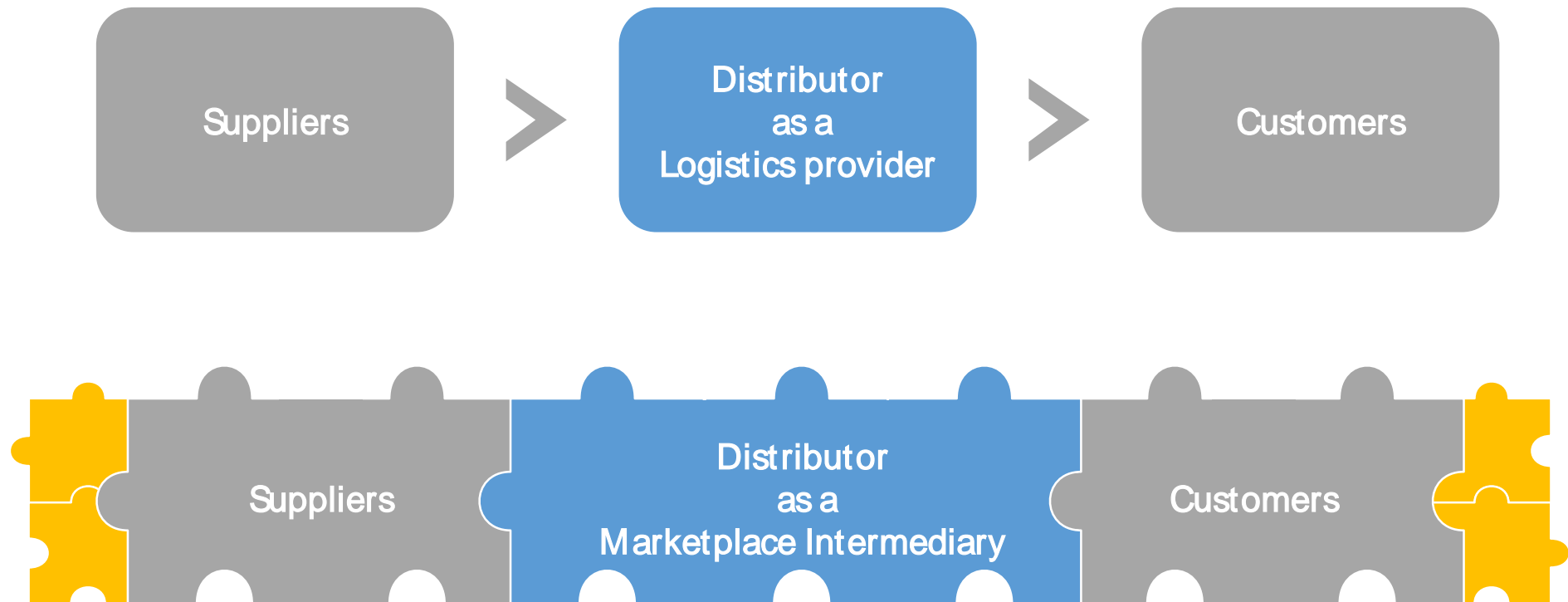


**My footprint is too small for the type of next day or next hour delivery I need...**

**..but my footprint is too large and costly for my existing volumes...**

**I have the wrong types of assets in the wrong places.**

# THINKING OUTSIDE THE TRADITIONAL ROLES





A landscape photograph featuring a vibrant green field in the foreground, a single tree on the left side, and a bright blue sky with scattered white clouds. The scene is captured in a wide-angle shot, emphasizing the vastness of the landscape.

# 02

PANEL  
DISCUSSION