Sharpen Your Strategic Plan

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Art Waskey is a national speaker who delivers with power. With 50 years in welding and gas distribution, both with supplier and distributor experience, Art has the expertise to serve as a trusted broker. There are currently 13 companies vying to buy your business, Art will ensure you maximize the value.Art is an author of multiple books on sales and writes weekly and monthly columns, The Art of Sales.

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When I retired from a very successful distribution company in 2018, we were creating our strategic plan using the most current and sophisticated methods available. Sales forecasting was accomplished by looking at our previous sales cycles, following leading economic indexes, and reviewing other companies' plans and suppliers' forecasts in our distribution vertical. Using that information we then projected our top customer sales. Our 5-year Strategic Plan was drawn up using a combination of SWOT analysis, future asset development, market share projections, and estimating the impact of adding new locations and products.

This type of strategic planning could not foresee the effects of a global pandemic, 2023's inflation, supply chain immobilization, generative AI, international wars, and tariff corrections. Yet each of those forces impacted how distributors operate, compete, and, most importantly, plan for the future. **To effectively compete in today's technologically fueled market, new methods need to be added to traditional strategic forecasting techniques.**

To continue to build resiliency in your strategic planning, keep up on new methods through sources like Distribution Strategy Group, National Association of Wholesaler, and their affiliate, Modern Distribution Management.

Three questions

I suggest you ask these three questions when formulating your strategic plan.

1. **How are changes in technology affecting your operations? When developing a strategic plan, be sure to consider how the use of artificial intelligence (AI) is impacting your operations.** Are your younger employees using one of these AI Assistants: ChatGPT, Microsoft Copilot, Gemini, Agentforce, or Claude AI?

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A recent report from the [Harvard Department of Education] looked at the use of artificial intelligence (AI) by younger generations. It pointed out that younger employees are already using AI generative agents while at work. According to the report, 65% of generative AI users are Millennials or Generation Z, while 68% of non-users are Gen X or Baby Boomers. Regarding the future workforce, half of the teens surveyed have already used generative AI.

2. **What differentiates your company? Personalization is your greatest asset. Make this a critical part of your strategic plan.** Focus on your company's unique expertise and skills. These allow you to offer value-added services and local visibility. Look at ways to improve bundling, assembling, repairing, and customer training. Use advanced technologies to enhance your personalized differentiators. Regulatory pressures and cost headwinds will continue to slow the pace of competing online e-commerce verticals such as Amazon, Granger, Home Depot, other evolving companies, and AI-native upstarts. Use personalization to boost your market share.

3. **What means the most to your customers?** What continues to differentiate the distributor from Amazon, Granger, Home Depot, and other evolving companies? What I hear loud and clear is that customers still value trust, adaptability, and deep local relationships. **In your planning, consider how you can focus on person-to-person availability in new ways that will generate greater profits for both parties.** This includes using AI technology which can reduce costs of doing business in these key areas: Order & Quote Automation, SKU product information enrichment, Sales System Enablement, Marketing, Supply Chain, and Returns processing. In addition, AI can improve customer personalization by providing effective and timely knowledge of customer changes. **Be sure to make targeted investments in digital technology, particularly AI applications.**

Exciting times

We live in an exciting time for distribution. How do you plan for the future? Make sure your current planning strategy addresses the use of new technology, personalization, and your unique differentiators.

5 KEY TAKEAWAYS

1. ***To effectively compete in today's technologically fueled market, new methods need to be added to traditional strategic forecasting techniques.***
2. ***When developing a strategic plan, be sure to consider how the use of artificial intelligence (AI) is impacting your operations.***
3. ***Personalization is your greatest asset. Make this a critical part of your strategic plan.***
4. ***In your planning, consider how you can focus on person-to-person availability in new ways that will generate greater profits for both parties.***
5. ***Be sure to make targeted investments in digital technology, particularly AI***