Acumatica
The Cloud ERP

Perfecting Distribution and Retail Quote-to-Cash Processes with Acumatica

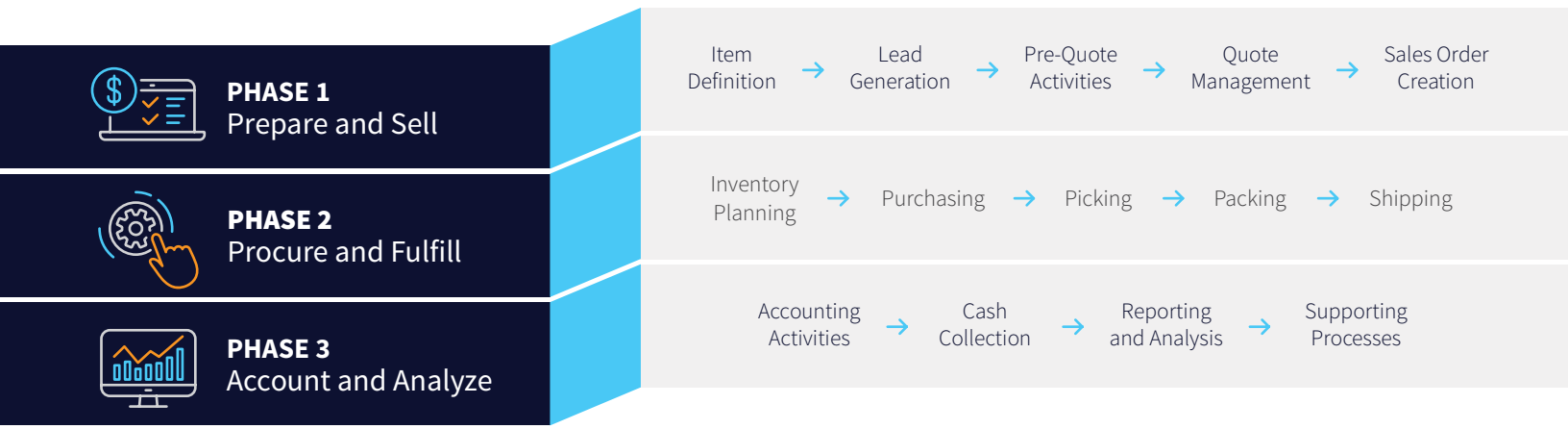
Get Paid Faster with Flexible Distribution and Retail Quote-to-Cash Workflows

Every wholesale distributor and retail business has a slightly different quote-to-cash process. Some inventory-centric companies forecast demand, order-to-stock, and fulfill orders from inventory. At the same time, other organizations invest heavily in marketing and sales with third-party inventory management and outsourced order fulfillment via drop-ship orders. Item management is critical in environments where product families contain hundreds or thousands of items that vary only slightly by attribute. Lot and serial traceability and kitting with disassembly are crucial for many organizations.

Acumatica provides flexibility to support many different quote-to-cash workflows with powerful applications to manage leads, inventory, purchasing, picking, packing, shipments, and accounting. Omnichannel sales are supported for in-house sales, online commerce storefront orders, or retail point of sale transactions. Extended applications support the quote-to-cash process with field service appointments for installation and repair and project accounting for professional services that include distributed goods.

This Playbook illustrates how Acumatica supports simple and complex quote-to-cash processes for businesses that sell, install, and service distributed products.

The quote-to-cash process comprises three phases and 14 unique steps, from item definition and lead generation to reporting and supporting activities.



PHASE 1:

Prepare and Sell



Most sales start well before the quote is created. Set up stock items for products and non-inventoried items for services. Leverage embedded marketing automation to generate business leads. Manage the sales cycle with lead assignment and opportunity activities. Create and manage product families with matrix items and send quotes to customers for electronic approval. Convert quotes to sales orders and manage order details for a clean hand-off to the warehouse, drop-shipments by vendors, or third-party order fulfillment agencies.

Step 1: Item Definition

Wholesale distributors and retail companies manage stock and non-inventoried items used in sales, projects, and services. Deferral codes ensure accurate revenue recognition for sales of service, support, and other non-inventoried items. Generate unique items with Matrix Items using attributes such as length, width, style, color, and more. Contract items are set up as non-inventoried items to define services with price and provision policies for the original non-inventoried item sold and different non-inventoried items for renewals.

Stock Items

There are six ways to create stock items in Acumatica.

- Import items from vendor files
- Manual item creation
- Copy items from similar items
- Create items from templates
- Convert items from requisitions
- Create items using attributes with matrix items

Non-Inventoried Items

Maintain non-inventoried items such as:

- Professional and field services
- Product documentation
- Digital downloads
- Billable expenses
- Support contracts
- Other non-inventoried items

“The sales reps were never allowed into our ERP system, but now they can connect at any time. They can access data within the permission levels they have been granted. They can see which customers ordered in the past and get reports. With access to CRM, they can see notes and activities entered by the customer service team. There is improved communication between our reps and the inside team, which we didn’t have before.”

JODI ANSTANDIG, FINANCE DIRECTOR, BIOPELLE

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Step 2: Lead Generation

Next, the marketing department develops marketing lists and executes campaigns to generate leads. Opportunities are assigned to sales reps based on the product line, sales territory, or other user-defined criteria. Schedule activities and store completed tasks with notes for each opportunity. Disqualified leads can be routed back to marketing for additional activities. Integrated marketing supports crucial inbound marketing activities for commerce-driven companies with social media marketing, blogging, and search engine optimization activities.

Lead Management

Marketing activities drive business leads from events, email, inbound website traffic, trade shows, telemarketing, cold calls, referrals, and other activities. Import and manage marketing lists for email, direct mail, telemarketing, and different types of campaigns. Create and execute marketing activities with tasks and events to develop qualified opportunities for sales, projects, and services to grow your organization. Harness commerce data to improve campaign plans.

Opportunity Management

Qualified leads are converted to new business opportunities by the sales team. Configure sales processes, schedule tasks, add notes, and attach documents to manage each opportunity efficiently. Opportunities enable sales professionals to manage quotes and sales orders and create service orders for opportunity line items. Monitor your pipeline with key performance indicators with built-in workflows to move opportunities through the sales cycle.



"Because we didn't realize we already had something in another warehouse, we would buy things we didn't need and carry excess inventory . . . We've really taken the human element out of things like special pricing and leaned on the Acumatica system, which has paid a lot of dividends. It's made my life a whole lot easier."

BRETT DAVIS, OPERATIONS MANAGER, BOB DAVIS SALES

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Step 3: Pre-Quote Activities

Wholesale distributors often quote standard products stocked in inventory. In contrast, others may provide quotes for customized kits, new items from vendor catalogs that they have never sold before, or non-inventoried items such as services. Business-to-business (B2B) commerce companies utilize online storefronts to capture information to prepare customer quotes for complex items, projects, or services. Commerce companies who sell primarily to consumers have simple quote-to-cash processes as most products are stocked or readily available for drop-ship from suppliers. Sales are commonly paid at the time of purchase, eliminating the need to invoice and collect the cash. Below are just a couple of activities that distributors and retail companies may require before developing the customer quote.

Requisitions Management

Some quote-to-cash workflows involve new inventory items essential for developing pricing for customer quotes. Requests for new items or services are created in the Purchase Order Requisition application. Requests are sent to vendors electronically to solicit bids with vendor quote submission and configurable workflows for internal purchase order approvals. The winning vendor bid is converted to a new item or non-inventory item record when the requisition is approved, and the customer formally approves the sales quote.

Inventory Kitting

Many distributors and commerce companies configure inventory kits by assembling components into unique items. These kits are sometimes pre-assembled and stocked to fulfill future orders. Kits may also be built-to-order as orders come into the organization. Disassembly of kits into their components is common where a customer may need a part that is out-of-stock but available as part of a stocked kit. Disassembly may involve the destruction of kit components which must be accounted for as part of the disassembly process.

"Acumatica has already proved effective in handling future needs with a clean and simple integration to our e-commerce system, and we are confident it will continue to do so for many years. I would recommend Acumatica to any growing distributor looking for a great system."

JUSTIN LEFLAIVE, FINANCE MANAGER, TOFFELN

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Discover Why Distributors Rely on Acumatica to Perfect the Quote-to-Cash Process



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Step 4: Quote Creation

Acumatica has defined workflows for everyday business and operational processes. These processes can be tailored to meet specific company or industry requirements. For example, some distributors quote product sales, while others provide quotes for larger projects, field services, or support contracts. Sales quotes are converted to sales orders, while service quotes are converted to service appointments. Approved project quotes define the project and related tasks. Contract quotes are easily converted to new contracts or contract renewals.

Sales Quotes

Create quotes from sales order entry for quote order types or from CRM opportunities. Copy quotes from prior quotes or sales orders and email them to customers directly from the application.

Acumatica provides flexible pricing, including quantity and volume discounts as a percent or an amount. Specify multiple discount rules and sequences or allow the system to automatically apply the best discount combination for individual items, groups of items, and documents.

Establish rules and policies for price overrides by warehouse, quantity sold, or unit of measure. Define workflows for discount approvals for quotes or orders that require supervisor approval. Supervisors and managers on-the-go can review and approve discount requests from their mobile devices.

Project Quotes

Distributors who offer professional services create quotes for customer projects. Project templates streamline the quotation process. Quotes include estimates, tasks, billing details, and tax information to calculate project costs, expected revenue, and gross profit margin. Quotes are easily converted to projects with options to populate labor cost rates, activate tasks, include notes and files, and link activities.

Service Quotes

Quotes for one-time break-fix services or long-term service contracts are created in Acumatica and converted to sales orders, appointments, and contracts.

Support Quotes

Create quotes for one-time support engagements or long-term support contracts as quote types from sales order entry or CRM opportunities. Quickly convert quotes to sales orders and support contracts.

Electronic Signatures with DocuSign

Acumatica integrates seamlessly with DocuSign to automate quote and sales order approvals. The DocuSign integration provides a dashboard showing completed and pending documents. When the customer approves the quote, the signed copy is synchronized into Acumatica and attached to the quote record. Tailor system workflow to change the record type from quote to sales order with a notification to the sales manager.

B2B Commerce Quotes

Internal sales reps can add items to shopping carts and share the link with customers for quotes. Marketplace quote applications such as Quote Ninja integrate with BigCommerce. These applications are easily integrated with Acumatica using no-code and low-code integration via Open APIs.

"The nice part about having a system like this is we can all follow along: if someone's not in on a certain day, anyone can pick up where the other person left off; you can track orders whether you wrote the order or not."

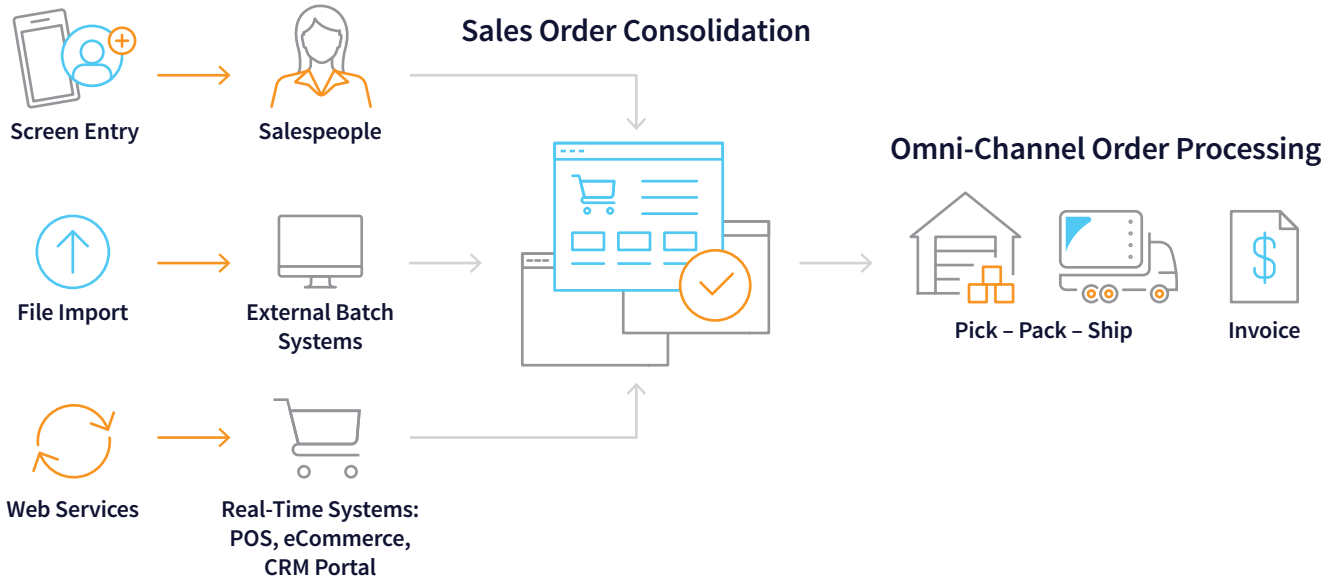
PAT MOBILIO, OWNER, NEW ENGLAND TILE

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Step 5: Sales Order Creation

Convert prospects to customer accounts when sales orders are generated from opportunities. Workflow notifies accounting to complete the account setup with credit checking, defined credit terms, credit limits, shipping locations, accounts payable contacts, and more. Additional details, such as sales tax and commission schedules, may be added or adjusted to complete the sales order. Reserve required stock to ensure availability for customer order fulfillment.

Distributors and retail establishments with smaller warehouse facilities and simple processes can bypass the pick and pack process to generate shipments directly from sales order entry if they have adequate stock on-hand to fulfill the order. Project quotes may be converted to projects, and service quotes converted to service orders directly from sales order entry. Generate sales orders from point of sale transactions, commerce storefront orders, file imports, or electronic data interchange (EDI) transactions through connected applications.



"We also have a fairly reasonable volume in our sales, so we have a lot of transactions, and because the of way do business, we cut some very large deals at times, so we have purchase orders with a large number of products on them . . . Every time inventory is moved, the transfer is documented, which allows us to have tighter control over where the product is and how much we have, which has helped with shrinkage and quality control . . . Because we can sell in real time, we can sell with lower buffers and sell through inventory with less overstocking."

THOMAS FINNEY, IT DIRECTOR, SHOEBACCA

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PHASE 2:

Procure and Fulfill



Inventory planning begins prior to sales in many distribution and commerce environments. Companies purchase inventory to maintain stocking levels to avoid stock-out scenarios. Purchase orders and inventory replenishment balance supply and demand ensuring sufficient stock while avoiding overstock which increases carrying costs and the risk for product obsolescence. Multi-location wholesalers or hub-and-spoke distribution centers setup replenishment rules to generate transfers to replenish warehouse locations when stocking levels fall below safety stock values. Further, some companies establish long-term contracts with suppliers using blanket purchase orders to control purchasing with periodic releases sent to the vendor.

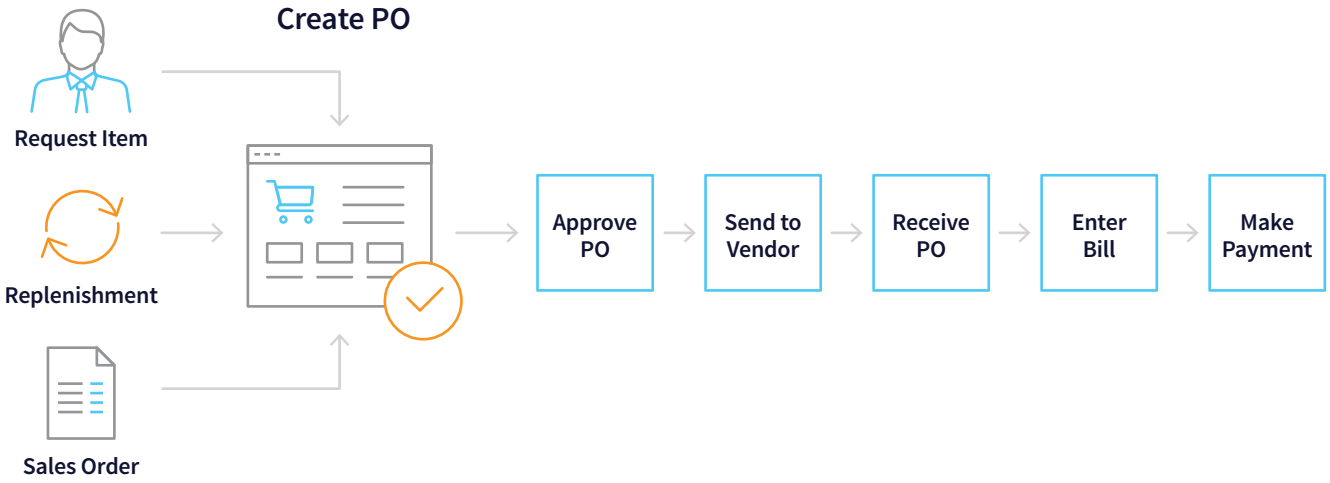
Step 1: Inventory Planning

Effective inventory planning is crucial for streamlining quote-to-cash business processes. Inventory planning encompasses many inter-related disciplines, including warehouse stocking location layout to optimize locations for high-volume items and staging areas for picking and packing. Inventory settings for minimum or maximum stocking levels, economic order quantities (EOQ), safety stock, vendor lead times, order quantities and order multiples, and other settings drive procurement across warehouse locations. Warehouse transfers require source warehouse definitions to trigger transfer orders between locations when stock falls below safety stock levels at specific warehouses.

Demand forecasting is another critical element of inventory planning. Some distributors and retail establishments create manual forecasts for items to drive their operational planning processes. Other companies use historical data and advanced statistical models to predict future demand. Acumatica provides multiple methods for managing demand forecasts with additional options through connected marketplace applications.

Step 2: Purchasing

Acumatica Purchase Order Management helps reduce costs and improves vendor relationships by automating and centralizing global purchasing processes. Streamline procurement processes to ensure a steady supply of materials while enforcing policy and process controls. Create purchase orders manually or streamline purchasing with replenishment reports, purchase order creation from the requisition management application, or create releases from pre-defined blanket purchase orders.

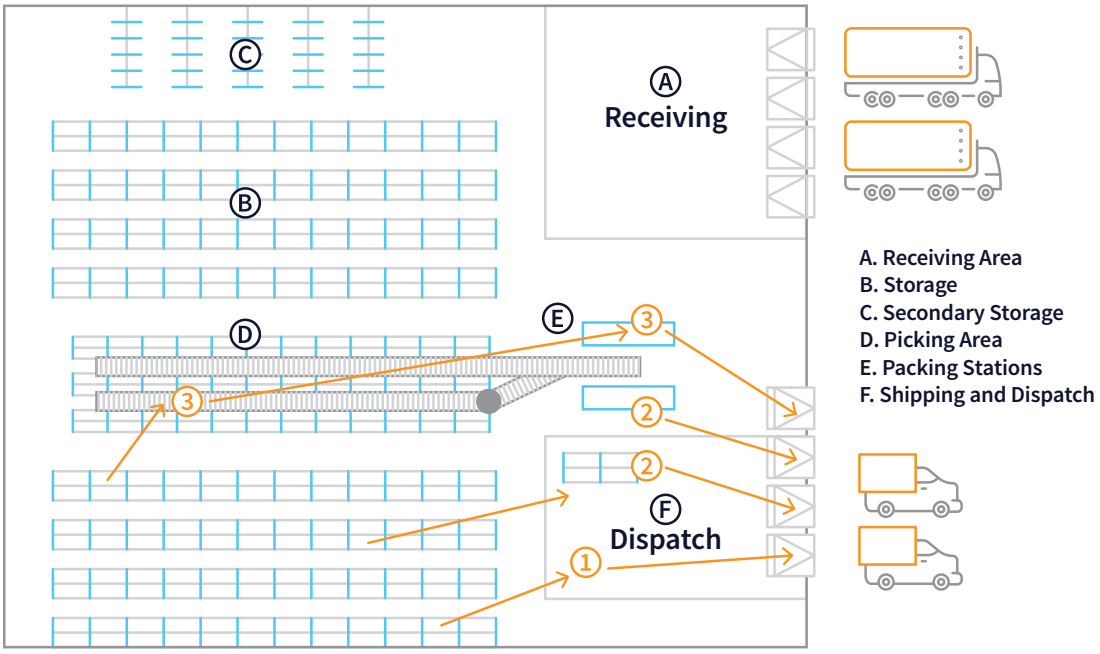


Flexible Pick, Pack, and Ship Processes

Acumatica supports simple warehouse processes for single-step pick, pack, and ship activities or advanced order fulfillment with wave and batch picking using carts with staging areas for packing and shipment preparation.

Shipping Flows

1. **Single order picked, packed, shipped. Option to specify box contents and select carrier.**
2. **Use cart to pick multiple orders and bring them to a packing area for boxing, labeling, and shipping.**
3. **Supply picking stations via bulk transfers with breakdown. Pick, pack, label, and ship with options described in #1.**



A. Receiving Area
B. Storage
C. Secondary Storage
D. Picking Area
E. Packing Stations
F. Shipping and Dispatch

Step 3: Picking

The first step in the process is picking. Picking can be manual or automated using advanced wave or batch picking methods with or without carts. Tailor pick worksheets to include the information your warehouse team needs to improve picking accuracy. Pick sheets can be sorted by employee and stocking location for normal, wave, or batch picking methods. Barcoding validates the correct items, and serial or lot numbers are picked.

Step 4: Packing

Small and midsized warehouse operations can pack products as part of the picking process. Larger distributors may separate the packing process. Maintain package dimensions and specifications in Acumatica and print packing lists for inclusion in shipments. Barcoding expedites and validates data capture by identifying each item packed for the shipment. Acumatica supports user-defined packaging definitions and unit of measure conversions providing ample flexibility for wholesale distributors and commerce businesses.

Step 5: Shipping

The last step in the fulfillment process is shipping. The shipment is prepared inside Acumatica with carrier integration via connected shipping applications to transmit shipment orders and associated shipping documents such as bills of lading, packing slips, and other shipment information. Compare shipping options to identify low-cost options or shortest delivery time based on customer needs and internal shipping policies. Scale integration and packaging dimensions stored in Acumatica to calculate shipping costs. Connected applications support small parcel, less-than-truckload (LTL), and truckload shipments.

PHASE 3:

Account and Analyze



Accounting engages in the quote-to-cash process at various points for invoicing, vendor payments, and related activities. Invoices are typically sent after the order has shipped. However, some companies send multiple invoices for larger orders or sales that include field services, contracts, or multi-task projects. Vendor invoices are received, vouchered, and paid. Collection activities are managed for past due invoices with phone calls and email communication. Additional activities and reports complete the process with sales commissions and detailed analysis. There are many other supporting applications and processes crucial to perfecting the quote-to-cash process that should not be ignored.

Step 1: Accounting

Every inventory, sales, and purchasing transaction flows back to the general ledger for financial reporting and analysis. Accounting ensures that invoices are sent, cash is collected, and vendors are paid on time. Wholesale distributors and retail establishments have other specialized accounting requirements for employee payroll, bank feeds, expense management, project accounting, contract billing, intercompany accounting, deferred and recurring revenue, multicurrency, and more.





PHASE 3 Account and Analyze

Vendor Payments

Spend less time processing vendor payments with improved data accuracy. Automatically sync vendor invoices for products and services from email or via EDI transactions. Artificial intelligence with machine learning identifies the vendor, items, prices, payment terms, and other vendor invoice details automatically. Manage recurring bills by setting up defaults for frequency and timeframes. Streamline vendor refunds and 1099 tax documents. Pay vendors online, by credit card, or through ACH. Automation streamlines the voucher process, ensuring prompt payment to your best vendors with minimal effort. Email reports and documents to vendors directly from the ERP system.

Customer Invoicing

Generate invoices automatically from customer shipments. Project-centric distributors generate invoices from projects for work completed. Invoices are generated for service appointments or recurring customer service contracts. Create invoices for service and support contracts. Acumatica supports deferred and recurring revenue with ASC 606 and IFRS 15 compliance. Manage sales tax and multiple currencies for international accounting and customer requirements. Charge late fees and manage sales tax requirements. B2B commerce companies that sell on credit terms complete the accounting process inside Acumatica for invoicing and payment processing.

"Acumatica has allowed us to be a better digital business. From Sales to Operations, from Admin to C-Level Executives, Acumatica allows us to have insight into data to make good decisions to grow our business in a powerful way."

BRYAN PAPÉ, FOUNDER AND CEO, MIIR

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Step 2: Cash

Acumatica provides tools to help businesses get paid faster. It all starts with accurate and easy-to-understand invoices. Flexible billing cycles and automation ensure that customers receive invoices promptly.

Manage credit and collection activities with embedded tasks, cashflow dashboards and reports, dunning letter templates, and native email integration. Proactive collections and access to information throughout Acumatica enable accounting professionals to reduce days sales outstanding (DSO) with minimal effort.

Integrated applications enable customers to remit credit card payments safely and securely online. Payments may also be made through electronic funds transfers (EFT) or paper checks. Automated bank feeds synchronize transactions from your bank or lending institutions.

Step 3: Reporting and Analysis

You cannot perfect the quote-to-cash process without access to real-time, accurate information. Acumatica dashboards, generic inquiries, financial reports, alerts and notifications, and business intelligence ensure your process is on-track with notifications when processes are outside the norm.



General Ledger

General Ledger (GL) is the central repository for your financial information, including the chart of accounts, financial periods, ledgers, and allocations. Because GL is fully integrated with the entire Acumatica system, you can make entries in other modules such as inventory, purchasing, and sales, and post them to GL. Combine data from multiple entities for consolidated reporting and analysis, various currencies, or different account structures.

Financial Reports

Create different views of the data or dimensions using Acumatica sub-accounts. Unlimited reporting dimensions are available to slice financial reports by product, department, or any user-defined segment. Display consolidated and summarized data in monthly, yearly, and quarterly views.

Dashboards

ERP Dashboards are a convenient way to display essential data to manage your business by exception. Understand real-time financial, operational, and organizational information, and analyze trends and key performance indicators by role. Acumatica dashboards offer flexibility with clear visualizations of complex data for charts and tables with drill-downs to source transactions.

Business Intelligence

Acumatica leverages powerful business intelligence tools, such as Microsoft Power BI, to help you aggregate your data from multiple sources, extract actionable information for strategic and tactical decision-making, and present it visually to stakeholders. Business Intelligence enables you to make sense of all the raw data from your system, such as finding your most profitable products and sales regions, identifying the weak links in your supply chain, or evaluating supplier performance.

Operational Reports

Acumatica tracks transactions across business entities, including sales, inventory, purchasing, projects, and services. Reporting accesses raw information and presents it in the form of reports containing actionable data for informed decisions. Create elegant reports without programming experience using the native Analytical Report Manager and modify hundreds of existing reports with ease.

Alerts and Notifications

Automate text or email notifications for low inventory stock, late orders, large sales orders, inventory nearing lot expiration dates, broken promises to pay by customers, and other scenarios to stay on top of the entire quote-to-cash process. Manage your business by exception with real-time insights to drive growth and profitability.

Generic Inquiries

Generic Inquiries offer a way to extract the specific data you need and present it to reporting functions for analysis. The Generic Inquiry writer is a reporting tool that accesses any data in Acumatica—including data stored in customized fields or external data synchronized into the database. Export data to Excel or format it for OData to expose the data in open data format for analysis using business intelligence tools like Microsoft Power BI. Generic Inquiries require no prior coding knowledge. Select the data you need using wizards that walk you through the process. Generic Inquiries can be reused and modified for a variety of purposes.

Sales Commissions

Calculate commissions with split commissions for multiple salespeople. Link commissions to specific line items and pay employees when the invoice is issued or paid. Calculate commissions monthly, quarterly, or annually.

Step 4: Supporting Processes

It is impossible to perfect the quote-to-cash process if you do not have a complete business system that supports quote-to-cash activities. Acumatica is a holistic and modern ERP system with applications to manage your entire enterprise. Empower employees with role-based information, mobile time and expense entry, and native payroll processing. Embedded document management, task management, and access to every business function are available on mobile devices anytime and anywhere.

Maintain complete visibility of fixed assets and depreciation calculations. Add fixed assets for office and warehouse equipment directly from AP purchases, import from a file, or add them individually. Select from pre-defined depreciation schedules or create custom schedules for accurate accounting and reporting.

Manage production with a connected suite of manufacturing management applications, including production, scheduling, material planning, engineering, estimating, product configuration, and shop floor data collection. Exceed customer expectations with adaptable omnichannel features. Manage returns for credit, formalized return merchandise authorization (RMA), or return for exchange.

Marketplace applications provide additional functionality for advanced warehouse automation, pricing, quality management, transportation and logistics, electronic data interchange (EDI), inventory optimization, demand forecasting, container tracking, industry-specific applications, shipping and carrier integrations, rental, and more.

"Acumatica saved us time and money processing over 4,500 orders per day. Since it's cloud-based, Acumatica can support our double and triple digit growth rates . . . By automating with Acumatica we were able to reassign personnel from routine data management to growth opportunities."

CHRIS NELSON, CFO, YOUNGEVITY

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Discover Why Retail Establishments Rely on Acumatica for Their Success



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Streamline Quote-to-Cash Processes for Distribution and Retail with Acumatica Cloud ERP

Distributors and retail organizations perfect the quote-to-cash process and get paid faster with a comprehensive and modern ERP application like Acumatica. Manage every step effectively and with the flexibility to adapt the system to the way you do business.

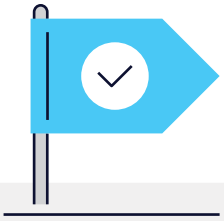
Streamline item creation for stock and non-inventoried items. Use native shipping integration, advanced wave and batch picking, and embedded barcoding to improve warehouse operations. Acumatica's embedded CRM includes marketing automation for lead generation with configurable sales processes and automation to manage complex product sales cycles.

Reserve stock to ensure availability for customer orders. Harmonize inventory with demand forecasts to improve inventory turns while reducing carrying costs. Streamline operations with supporting accounting activities, sales commissions, engineering changes, subcontracted, outside processing, and more.

With Acumatica, you have a complete and connected business application with powerful tools to analyze data in real-time. Manage your business by exception with role-based dashboards, real-time reports and inquiries, and connected business analytics.

Acumatica is a future-proof, cloud ERP application built on a modular and adaptable platform with open APIs for rapid integration to external systems to help businesses thrive in the new digital economy.

Acumatica is designed for midmarket distributors and retail establishments that struggle with disparate, siloed systems providing end-to-end business management solutions that can be accessed in the cloud using a standard web browser or mobile application.



"We made the necessary change and set up nearly all our customers onto direct debit payment processing, which is all managed through Acumatica. That's been a huge benefit for our cash flow and works very well for us. It's something we struggled with before lockdown. But again, Acumatica helped us to navigate that situation."

COLIN GILHESPY, CO-OWNER AND MANAGING DIRECTOR, CAVE DIRECT

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Acumatica
The Cloud ERP

Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today's digital economy, Acumatica's flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

For more information on Acumatica, visit www.acumatica.com or follow us on LinkedIn.