

Quick Take: Making Ideas Actionable



When it comes to artificial intelligence (AI), most business practitioners are on the receiving end, rushing to catch up with perceived best practices but unable to imagine how AI might change the future of how business is done. We will address this challenge on our next NAED Office Hours, Artificial Intelligence: Insights from Superusers, on January 12, 2023, at 1 pm CT. We will discuss the theory and practice of AI, what is known and what is possible. Feel free to [join us](#) and add to our conversation.

Distribution’s innovators must ‘own the future’

I’ve discovered something important about innovating distribution. In the digital age, every innovation must consider technology, at least as an enabler of innovation and often as the core capability that makes innovation possible. But distribution’s innovators—the individuals that are thoughtful, curious, and driven to do business in a modern way—are mostly business people, not technologists. And so, every innovator must proactively recruit technology partners— but not simply to supply known best practices. Best practices are for today, not what comes next.

The “business people of distribution”—not the technologists—must own the future. By this, I mean people who have a stake in distribution, those who understand it and want more.

Distribution is breaking out, offering new and radical experiences, and achieving unimagined outcomes. Or, better said, there is a huge opportunity to possibly do great things, but only if distribution's business people step up as innovation stewards, leaning in and leading.

Distribution innovators must take the first step, offering ideas about how business might work in the future and then asking their technology collaborators to design solutions and platforms.

Using language technologists understand, distribution's innovators should position their ideas for doing business differently as "use cases" to identify, clarify, and prioritize technology requirements. This is especially important when visualizing the future use of artificial intelligence and machine learning (AI/ML.) Today, AI/ML best practices are gaining traction to help innovate distribution business models by automating manual workflows, directing salesperson activities, suggesting products customers might buy, and optimizing prices for one-off purchases and more complex project bids.

More significant ideas are needed to fulfill the promise of distribution. To help accelerate progress, I suggest three use cases for consideration. These ideas are not mine alone; they come from conversations with manufacturers and distributors, startups, and supply chain pros. More work is needed, but these are something more than a first step toward radically reimagining the future of distribution:

- **Super self-service.** Web stores, kiosks, and e-commerce are self-service forms helping customers find products and place orders without assistance. Pushing to an extreme, distribution providers might make their systems and data fully available to customers and suppliers. Every buy scenario would be automated and customer-driven, including setting up and managing repeat purchases, custom products, kitting and light manufacturing, and on and on. The value created by distribution might be realized by licensing access to the distribution company as a service, platform, or utility.
- **Knowledge hub.** Distribution businesses are knowledge resources; they share experiences and advice through phone conversations, emails, videos, written content, and more. In this use case, all of this knowledge would be digitally captured and stored in the same way as product, inventory, and delivery information. Customers know that they need knowledge from outside their company to run their company, and the future of

distribution may be more about knowledge than products, helping customers and suppliers compete through faster, better, and more creative execution of their business strategies.

- **Supply chain captain.** Distribution companies are uniquely positioned to lead the supply chain to a resilient, responsive, and regenerative future. (Read [here](#) for more.) In this use case, distribution would move beyond looking down the supply chain while adding value to products and instead look up the supply chain to manage the flow of goods from faraway places to help customers optimize their operations and execute their business strategies.

Foresight and footsteps

Working with electrical distributors and manufacturers, I have developed five questions for creating business-savvy, distribution-centric use cases. These questions will help guide our Office Hours discussion and are relevant for all distribution innovators in any industry or line of trade:

1. What critical decisions must your customers and suppliers scrutinize and answer?
2. What data is needed for making those decisions? Where does it reside?
3. How can AI/ML help your customers and suppliers make better and faster decisions?
How can you help? Do you know an AI/ML expert that can help develop your use case?
4. How will your business model change as you help your customers and suppliers answer critical questions? Will you need new partners or platforms, processes, or capabilities?
Can you earn new revenue or improve your margins?
5. What are your immediate next steps? Can you lay out a timeline of actions and investments for the next few years? How will you measure success?

Please share your questions and comments below—and better, [join us](#) for our next NAED Office Hours, *Artificial Intelligence: Insights from Superusers*, on January 12, 2023, at 1 pm CT. As always, feel free to reach out directly at mark.dancer@n4bi.com.