



SHIFT

»» the future of distribution

presented by **NAW**



ABOUT THE RESEARCH

426

distribution leaders surveyed

80%

senior leadership (VP+)

19

sectors represented

87%

actively pursuing AI

37%

owners or founders

\$1M–\$1B+

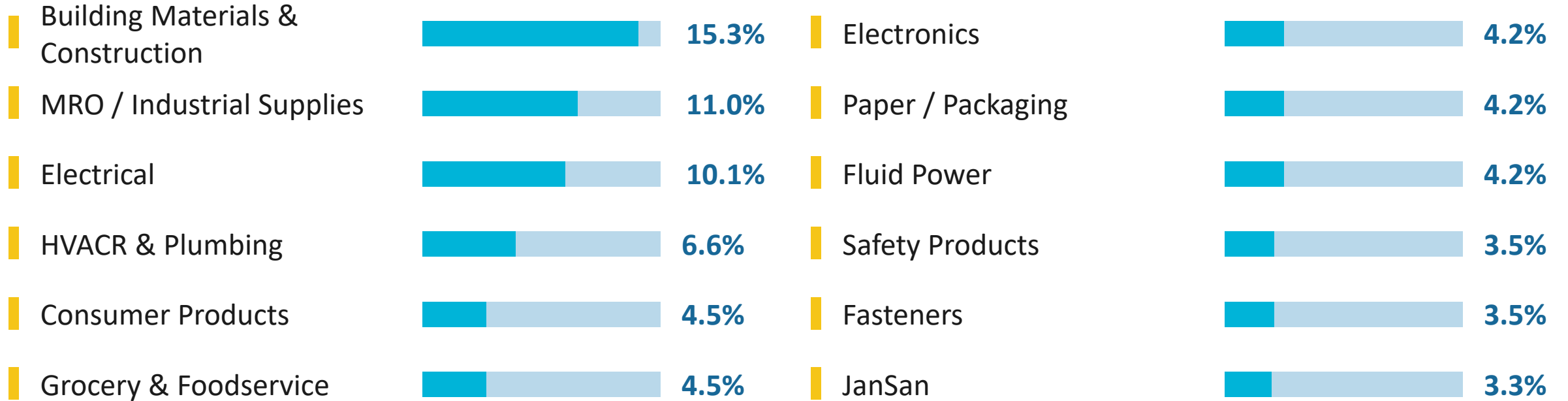
full revenue spectrum



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BROAD INDUSTRY COVERAGE

19 distinct sectors — not one vertical's story. The distribution industry's story.



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FIVE OPPORTUNITY AREAS

Where distributors are concentrating AI investment today

1

Pricing & Margin Optimization

Dynamic pricing
rebate management
contract leakage

2

Inventory & Demand Planning

Demand forecasting
reorder optimization
inventory balance

3

AI-Enhanced Customer Service

Chatbots
self-service portals
automated order entry

4

Predictive Sales Enablement

Account prioritization
personalized outreach
opportunity ID

5

Logistics & Delivery Optimization

Route optimization
fleet management
delivery prediction



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5 PATTERNS ACROSS THE DATA

1

Adoption Landscape

Where the industry is actually moving — and what's lagging

2

“Killer Apps” vs. Uncertainty

Some areas have clear winners; others remain fragmented

3

The Expectations-Reality Gap

Consistent spread between expected and realized returns across all 5 categories

4

The Push to Scale


~60% of distributors expect to reach scale within 12 months

5

Leveling the Playing Field

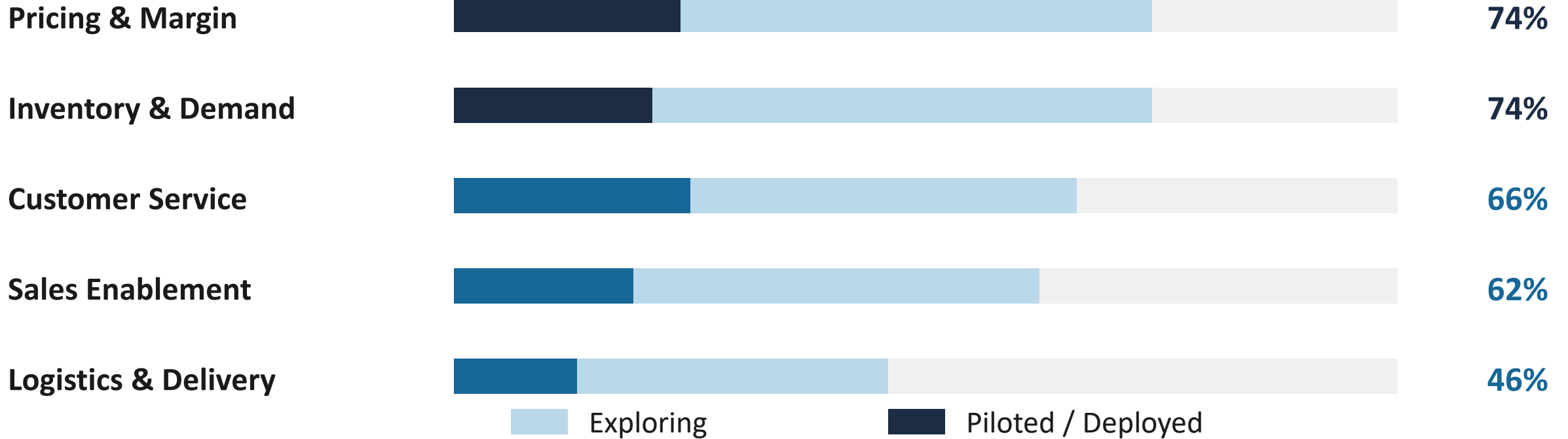
AI is lowering the barrier to entry — not raising it



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PATTERN 1 Adoption Landscape

% Actively Pursuing AI (Exploring, Piloting, or Deployed)



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54%

of distributors haven't placed logistics AI on their roadmap.

Delivery is a direct customer touchpoint — visible, measurable, and getting more expensive every year.

When 54% of the industry is sitting out a category, is that a warning sign — or the biggest white space in the room?

54%

LOGISTICS AI

Early movers who invest ahead of the market build significant advantage.

PATTERN 2 “Killer Apps” vs. Uncertainty

CLEAR WINNERS

Demand Forecasting

54%

Dynamic Pricing

46%

CX Improvement

36%

Self-Service Portals

25%

WHERE CLARITY IS MISSING

Sales Enablement — Top Use Case

16%

vs. 54% for Demand Forecasting — a 38-point gap

What’s holding sales AI back?

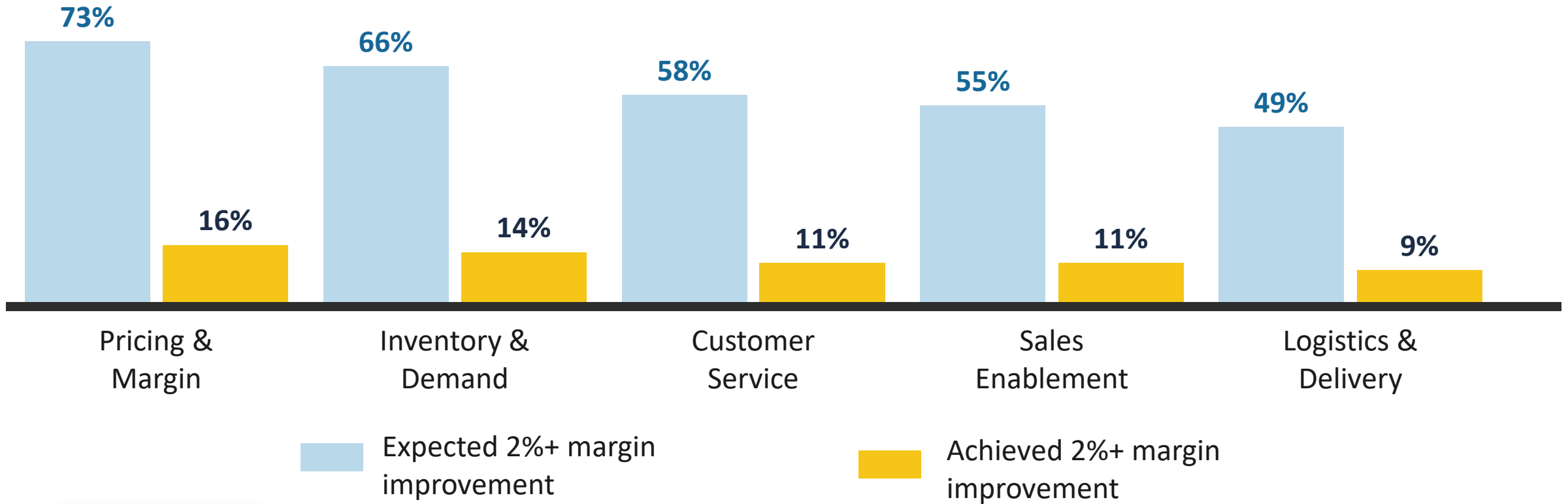
- Skepticism that AI can augment veteran reps
- No clear ‘killer app’ in the category yet
- Higher perceived implementation complexity



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PATTERN 3 The Expectations vs. Reality Gap

Across every category, expectations are high — but realized results are still early.



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✗ WRONG CONCLUSION

“AI isn’t delivering.”

✓ RIGHT CONCLUSION

Most distributors are still early in the journey.

The organizations building institutional learning now will compound that advantage over the next three years.

Start now isn’t urgency rhetoric. It’s math.



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PATTERN 4 The Push to Scale

~60%

of distributors expect to reach scale
within 12 months

The shift is already underway.

- The last two years were about experimenting — pilots, proofs-of-concept, cautious starts.
- The next 12 months are about scaling — operationalizing, embedding, and measuring.
- Learning compounds. Organizations building habits now will move faster than those starting today.



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PATTERN 5 Leveling the Playing Field

Is AI just a big-company game? The data says: not really.

41%

of companies with NO formal AI budget are still actively experimenting

\$10K

meaningful AI pilots can run for thousands of dollars with results in weeks

Equal Speed

smaller distributors are piloting and moving as fast as enterprise peers

AI is doing something unusual for technology in distribution: lowering the barrier to entry — not raising it.



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WHAT TO DO ON MONDAY

1

Bet on Proven Use Cases First

Dynamic pricing and demand forecasting — clearest ROI path, mature vendor ecosystems, and peers have already shown it works. If you're not here yet, this is where you start.

Table
Stakes

2

Find Your White Space

Logistics is the most under-explored category. If competitors are clustering in pricing and inventory, ask whether there's a service advantage available in delivery optimization they're leaving on the table.

Opportunity

3

Treat Change Management as Equal to Tech

The gap between expected and realized returns is not primarily a technology failure — it's an adoption failure. The tool is only as good as the organization you build around it.

Execution



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87%

of this industry
is already moving.

The conversation has shifted from

“if” → *“how fast”* and *“where first.”*

This research helps answer both questions.

Mike Hockett, NAW’s MDM · Patti Rausch, NAW

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