Boost Margins by Automating Vendor Incentive Management

The Best-Run Businesses Run SAP™

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Managing details for thousands of transactions

Consumer products firms manage thousands of deals with retailers – from off-invoice incentives, rebates, and chargebacks to markdown allowances, damages, and returns. Settling deductions and claims slows if documentation on promotions, terms, or other order-related information is insufficient or missing. Automating the process can help recoup monies due quickly and reliably.

Recouping monies due is especially challenging today because of the massive scale and complexity of deals that consumer products firms make with retailers. You may have huge numbers of retail promotions, orders, and shipments that you must manage. You must monitor hundreds – or even thousands – of specific transactions, thresholds, or other metrics multiple times each day. This requires access to accurate data that you can trust.

When you use manual, spreadsheet-driven processes to manage the details, it's inevitable that a certain percentage will fall through the cracks. This limits free cash flow, increases write-offs, reduces margins, and weakens your bottom line. With an automated system, you can more efficiently handle the complexity and velocity of these programs. SAP delivers such support with an integrated set of solution extensions: the SAP® Incentive Administration application by Vistex and the SAP Paybacks and Chargebacks application by Vistex.

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Quickly and accurately recoup money from retailers

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Automate processes to reduce days claims outstanding

Avoid profit leakage

Facilitate financial compliance requirements

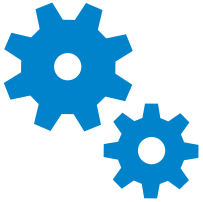
Increase visibility and control

Using SAP Incentive Administration and SAP Paybacks and Chargebacks, you can establish automated processes that streamline the way you keep track of the incentive programs your business participates in, including:

- Scan backs
- Purchasing rebates
- Chargebacks
- Damages and returns
- Markdown allowances

SAP solution extensions are tested, certified, licensed, and supported by SAP for compatibility with your SAP ERP application. The embedded nature of these solutions means that you avoid the cost of interfaces, additional infrastructure, and development of new skill sets. As a result, SAP solution extensions enhance the benefits of your SAP solution investments while minimizing risk and expense.

Once deployed, these solutions work behind the scenes to capture real-time transaction data, support the management of settlements and claims, and help you control varied and changing chargeback and rebate arrangements. Ultimately, the software can help you recoup funds more systematically and effectively.



Establish automated processes for tracking all chargeback, promotion, rebate, and other incentive programs.

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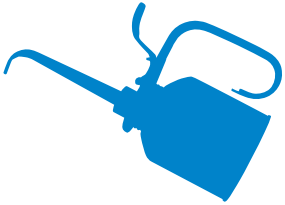
All agreements with business partners, regardless of type, reside in a single software system that automatically executes the determination and subsequent communication of claims. Barring exceptions, there is no need for human intervention – which saves you massive amounts of time. You recoup what's due sooner and recover those funds more quickly.

The software helps ensure that claims are legitimate and accurate. If a retailer claims a volume-based discount, you get full documentation about that discount. You also get proof that the retailer ordered the full amount required to justify the discount and didn't return inventory and benefit from a lower price on lower volume.

If and when discrepancies, rejections, resubmissions, disputes, and other delays in claims settlement occur, all of the parties involved can view detailed claim data from a central source online. With immediate visibility into up-to-date data, issues get resolved more quickly and with less effort on your part.

Quickly settle retailer claims for damages or returns; successfully dispute inaccurate claims; and secure payments related to those claims.



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Avoid profit leakage

Quickly and accurately recoup money from retailers

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Increase visibility and control

SAP Incentive Administration and SAP Paybacks and Chargebacks help you settle legitimate claims quickly to ensure an accurate and timely financial picture. They also help you quickly identify and resolve unjustified claims to ensure that retailers pay the full amount due.

These products let you capture real-time transaction data in SAP ERP, identify claims, and simultaneously execute multiple chargeback, rebate, and other incentive agreements. Recouping funds becomes a systematic, automated process to help you maximize free cash flow and avoid profit leakage across your business.

The software also streamlines retroactive application of agreed-upon changes to chargebacks, rebates, and other incentive agreements for the time period noted in the change. It automatically reprocesses all purchasing and sales histories for transactions that were not originally considered eligible but become eligible with a retroactive change to the governing agreement.

Similarly, you can retroactively apply new pricing to cover existing inventory, promotions in progress, and any open purchase orders. This ensures promotion and program continuity between you and your retailers, while mitigating the risk of unauthorized or unnecessary claims due to price changes that are poorly communicated or managed.

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Facilitate financial compliance requirements

Quickly and accurately recoup money from retailers

Automate processes to reduce days claims outstanding

Avoid profit leakage

Facilitate financial compliance requirements

Increase visibility and control

Given the large amount of money that consumer products companies spend on trade promotions, it is especially important that they have the processes and IT support they need to meet their financial compliance requirements.

With SAP Incentive Administration and SAP Paybacks and Chargebacks, you can eliminate dependence on auditing firms. Because you are always current on deals, you never need to call in an auditor. And because the timing of deal compliance is not delayed, you have better cash flow.

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Provide real-time deal auditing, correct pricing, and apply deals as orders are received, shipments move, and more.

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Increase visibility and control

Quickly and accurately recoup money from retailers

Automate processes to reduce days claims outstanding

Avoid profit leakage

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Increase visibility and control

One of the challenges that consumer products companies face is keeping track of the many promotions, programs, orders, and shipments that are in play with all of the company's retailers at any given time.

SAP Incentive Administration and SAP Paybacks and Chargebacks provide a single place where you can get the latest information. Predefined views for different business roles help everyone see what is relevant and ignore what is not. For example, sales representatives have up-to-the-minute information on the products, pricing, and promotions that they can offer to retailer partners at any given time. Sales managers have timely visibility into offers, promotions, and results across sales teams, retailers, and regions to assess performance, profitability, and other metrics.

If there is a discrepancy about a chargeback made to a retailer, the software facilitates reconciliation before it hits the accounts payable process. The information is available to retailers using a portal.

The software also facilitates accurate record keeping and documentation to help retailers with deduction and claim reconciliation. This approach saves you much of the time, effort, and cost normally associated with discrepancy handling and helps to strengthen – rather than hurt – retail relationships.

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Boost profit margins by recouping all funds due to you

Boost profit margins by recouping all funds due to you

If you're still managing chargebacks, rebates, and other incentives manually or with piece-meal systems, you're leaving a lot of money on the table and exposing your organization to unnecessary compliance risks.

With SAP Incentive Administration and SAP Paybacks and Chargebacks, you can boost your profit margins by systematically and accurately settling legitimate claims from retailers and by quickly identifying and resolving illegitimate deductions and claims.

The software provides a holistic overview of agreements, while increasing productivity throughout the entire incentive lifecycle. It gives you greater control over performance programs and improves real-time visibility into profitability. You can enhance compliance and institute audits of automatic write-off claims.

Plan future programs based on a deep understanding of past results, including demand variability caused by seasonality and other factors.

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Summary

Using the SAP® Incentive Administration application by Vistex and the SAP Paybacks and Chargebacks application by Vistex, you can establish automated, integrated processes that streamline management of all types of retailer promotions and programs. Leveraging tight integration with the SAP ERP application, these solution extensions can prevent margin leakage, increase cash flow, and boost your bottom line.

Objectives

- Prevent persistent margin leakage
- Streamline and automate retailer promotion and pricing processes
- Gain accurate insight into chargeback, rebate, and other incentive programs
- Speed discrepancy resolution processes and recoup funds more quickly
- Avoid strained relationships with retailers

Solution

- Ability to work collaboratively with retailers to create agreements and settle claims and chargebacks
- Transparency and traceability thanks to real-time visibility for key stakeholders
- Ability to retroactively apply agreed-upon changes to transactions

Benefits

- Speed claims recovery by streamlining and automating deal tracking
- Lower claims recovery costs by eliminating manual work
- Minimize profit leakage by helping ensure consistent capture of monies due
- Improve cash flow by accelerating discrepancy resolutions and the collection of monies due

Learn more

To find out more, call your SAP representative or visit us online at www.sap.com/solutions/solutionextensions/index.epx.

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