



## **MANAGING THE CHARGEBACK LIFE CYCLE**

### **Build Efficiency and Accuracy into Your Chargeback Programs**

Managing chargebacks associated with promotions and special pricing can be complicated, slow, and costly. Both manufacturers and distributors benefit by implementing the SAP® Paybacks and Chargebacks application by Vistex. The application streamlines processes, reduces errors, validates claims, reduces disputes, prevents overpayments, and achieves dramatic savings in labor costs.

To remain competitive, manufacturers frequently offer their customers special pricing promotions. Sometimes these offers require distributors to sell products for less than the actual price they have paid. The chargeback process allows the distributors to recover the difference between their acquisition cost and the customer sales price.

However, chargebacks can be complex. Many companies engage in frequent and complicated promotional pricing agreements that offer incentives at various levels of the supply chain – for example, warranty recoveries, marketing funds, and price-related credits. These agreements may span multiple customers, cover a vast array of products, and change frequently. Claims data can originate from the channel partner, end customer, or an external source such as a group purchasing organization or data aggregation service.

Many manufacturers and distributors attempt to manage chargebacks using basic tools such as spreadsheets, e-mails, faxes, and phone calls, or outdated legacy applications. These often result in missed opportunities to file claims, processing delays and errors, and lengthy claims dispute cycles. The result is higher costs, impaired cash flow, and lower profitability for everyone concerned.

What is needed is an efficient, highly automated approach to managing the entire chargeback life cycle, from creation to settlement.

### **SAP® Paybacks and Chargebacks by Vistex**

The SAP® Paybacks and Chargebacks application by Vistex is a powerful, proven solution that allows you to efficiently and cost-effectively manage the complete chargeback process. The application, which is embedded in the SAP industry solution portfolio, integrates with the SAP ERP application, as well as the SAP NetWeaver® Business Intelligence component and the SAP Customer Relationship Management application.

The application allows manufacturers and distributors to manage the entire chargeback process life cycle, from claim initiation and receipt through adjudication, accrual, settlement, and postsettlement adjustment.

SAP Paybacks and Chargebacks allows you to do the following:

- Create a variety of contract agreements with multiple manufacturers and end users
- Process claims using electronic data interchange (EDI), flat files, a Web portal, or manual entry using fast entry tools
- Validate contract agreements
- Settle payback and chargeback documents based on flexible settlement parameters
- Settle accrued rebate expenses (with automatic reversal of accruals) to SAP accounts receivable or accounts payable software
- Easily reconcile and resolve disputes
- Use multiple currencies and units of measure
- Report rebate claim and plan/performance tracking to management and plan participants through standard reports, a Web-based portal, or ad hoc reporting tools
- Establish a full audit trail for the entire chargeback life cycle to support corporate accounting and compliance efforts
- Use analytical and simulation functionality to evaluate and promote desirable programs and model new programs

### **Increase Sales, Reduce Payback Errors and Inefficiency**

SAP Paybacks and Chargebacks has a proven track record with SAP customers around the world. Their experience indicates that by managing your chargeback life cycle with this application, you can expect increased promotional sales, reduced payback rebate errors and overpayments, and as much as a 50% decrease in manual administrative work. In addition, you can expect a reduced cost of goods sold, improved cost recovery cash flow, and lower working capital requirements.

### **For More Information**

SAP Paybacks and Chargebacks is a valuable tool that allows you to manage the complexities of the chargeback life cycle. To learn more about SAP Paybacks and Chargebacks and how it can help your organization, call your SAP representative or visit us on the Web at [www.sap.com](http://www.sap.com).

### **Powered by SAP NetWeaver**

SAP Paybacks and Chargebacks is powered by the SAP NetWeaver technology platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business applications rapidly using enterprise services. As the foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.