

 e-bate

Whitepaper

# From Excel Errors to Automated Efficiency

Unlocking the Hidden ROI of Rebates

e-bate.io

## Contents

# From Excel Errors to Automated Efficiency: Unlocking the Hidden ROI of Rebates

Rebates have formed part of business strategy for decades, and with good reason. A well designed and maintained rebate strategy can be mutually beneficial for all parties involved. But if mismanaged, a rebate process can easily cause big headaches and even bigger revenue leaks for businesses. In this whitepaper we discuss the challenges that ineffective rebate management presents, and the steps businesses can take to make sure every rebate counts.



## Contents

- 03 Introduction
- 04 Breaking down the problem: Understanding the challenges of effective rebate management
- 06 Pinpointing the danger zones: How to identify risk in your current rebate management process
- 09 The cost of doing nothing: The true financial impact of rebate errors, from overpayments to miscalculations
- 10 Gain a secret weapon: A case for automation
- 12 Maximising ROI through automation: Best Practices for implementing automated rebate management
- 15 Effective change management: Steps to achieving effective rebate management

Unlock Hidden Revenue

# Introduction

Mounting market pressures have had a considerable impact on businesses in recent years. High inflation coupled with pressures to keep prices down means profit margins are tight, and commercial teams must leverage all available opportunities to influence buying behaviour, while avoiding price discounts.

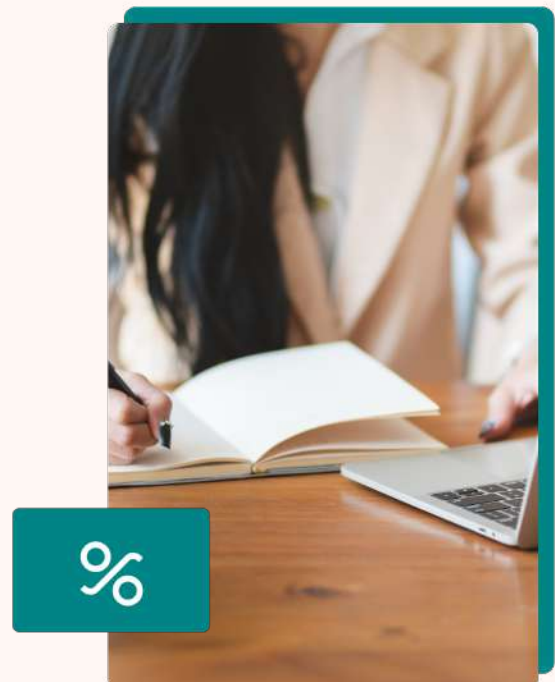
Rebates are an intrinsic part of how the commercial supply chain process operates across many industry sectors. Rebates are a strategic lever to maximise margins, optimise sales, and can be an important contributor to net profit so it's more important than ever to ensure rebate programmes are optimised.

Rebates are essentially conditional discounts that are only applicable when a customer demonstrates certain buying behaviours. Therefore, rebate programmes are an increasingly important tool for businesses wanting to thrive in a competitive marketplace where costs are rising, and margins are squeezed.

The structure and extent to which rebates are used varies from business to business. For some, rebates form part of commercial contracts and are used by sales teams almost by default. For other businesses, rebates are treated as a strategic lever to save costs, increase profitability, and build mutually beneficial relationships across the entire supply chain.

Despite the obvious benefits of rebates, billions are lost every year across the UK and globally. That's why almost all businesses have one thing in common when it comes to pricing, profitability, and rebates – they know that they can do more to maximise contribution - they just don't know by how much or where to even start.

In this whitepaper, we mainly focus on common pitfalls and pain points associated with customer rebate management, however, there is also value in it for the management of rebates offered by suppliers because of similar challenges and issues. Let's explore how manual processes can stunt collaboration and innovation between teams, and offer a step-by-step guide to overcoming real-world challenges with automation to unlock substantial improvements and material return on the effort put into them.



## Unlock Hidden Revenue

# Breaking down the problem

## Understanding the challenges of effective rebate management

Businesses use rebates for a variety of reasons. Typically, rebate agreements are structured to offer one or a combination of rebate types to encourage certain buying behaviours. Rebate agreements could include:

- Volume incentives to encourage higher sales order volume
- Performance incentives tied to sales targets and growth metrics
- Product mix incentive to promote the sales of new products or higher margin products
- Channel incentives to dictate where you want products to be sold, whether it's online or in-store, or regionally
- End-of-life incentives to clear products that are reaching their end-of-life cycle



The challenge is that very often multiple rebate agreements are active but there isn't a complete view of the consequences of the buying behaviour being encouraged. For example, a manufacturer may incentivise volume to achieve economies of scale.

But depending on how that agreement is structured, they may run into a fulfilment issue if, at the end of the rebate period, a big order is placed to achieve the payment threshold. However, if this agreement was carefully structured and managed, it could result in a more mutually beneficial contract between stakeholders.



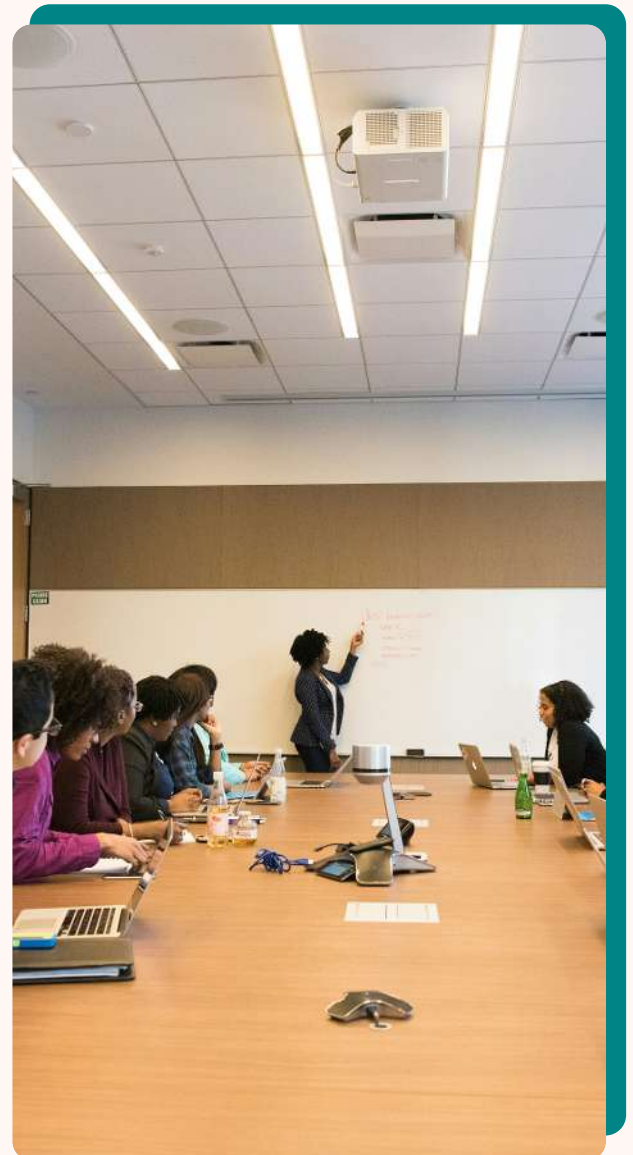
The reasons why businesses don't derive the full benefit out of rebates vary and are usually hidden from view. In some cases, rebate deals are not fully executed because they are too difficult to track and manage. In other cases, it's impossible to know with any certainty whether all rebate deals work for the business or not. And in many instances, sales teams are running rebates separately from procurement teams running procurement rebates so the commercial values are not connected. At face value, these challenges differ but at the root of underperforming rebate systems are three commonalities:

- Use of inefficient manual systems, often Excel spreadsheet-based.
- Reliable data is not readily available to know whether rebate strategies are helping businesses achieve their objectives.
- Cross-functional teams and stakeholders can't effectively collaborate to positively impact pricing strategies.

These factors are well-known and widespread resulting in wasted rebate payments, missed opportunities to grow accounts and build customer relationships, as well as increased cost of inefficiencies. So, if rebates can help businesses gain a strategic competitive advantage in the market, why are they not tackling the problem of inefficient rebate management head-on? Possible reasons include:

- The problem is not fully understood, with hidden losses and bottlenecks only sometimes revealed in retrospective audits.
- Effective rebate management hinges on the active participation of cross-functional teams. Commercial, financial, operational, and management teams must collaborate to optimise pricing and rebate programmes. However, rarely is there clear ownership of rebate programmes and their management. This lack of ownership stunts rebate ROI.
- Operational 'headaches' and poor administration such as unclear trade agreements or, as often is the case, unsigned agreements make it difficult to make improvements or fix individual rebate challenges within a business.

The reality is that teams spend considerable time and resources negotiating and managing contracts but it's all for nothing if these agreements don't deliver the desired outcome/s. In the following section, we'll discuss how to identify whether your rebate management processes are falling short and what to do about it.



## Unlock Hidden Revenue

# Pinpointing the danger zones

Even a high-level review will give businesses a good grasp of whether rebate programmes are working. A drain on time and resources is an underlying symptom of an ineffective rebate programme.

*“Businesses are spending so much time and resources on the management, administration, and re-management of rebates that there’s no time to convert those efforts into proactive, strategic efforts to protect margins.”*



John O' Sullivan,  
CEO of e-bate

In addition to wasted time and resources, there are several other key indicators of a stressed management system. Use the following checklist to determine the specific risks relevant to your business.

## Typical signs of stress in rebate management

- Missing trade agreements – contracts are not all accessible in one place.
- Version control of documents and spreadsheets – changes and updates are hard to manage and track.
- Added pressure on finance teams – continuously administering rebates and tracking trade agreements takes up a lot of time and resources.
- Additional month-end, quarter-end and year-end pressures for Finance teams.
- Finance teams experience challenges and discrepancies in annual audits.
- Fragmented communication between finance, commercial, and operational teams.
- Operational issues artificially restricting the scope and value of the programme e.g. placing a limit on the type of rebate sales teams can offer or a restriction on the minimum value of the customers eligible to take part.
- A lack of confidence in rebate data resulting in accounting headaches, delayed or missed claims, and payments.
- Difficulty accessing performance data to make informed business decisions.
- Not having a true picture of pricing.
- A lack of innovation and collaboration across teams.

*“An irrefutable indicator of a stressed management system is when Finance hasn’t accrued the correct amount for the rebate when it’s due. This negatively affects the results at the end of the accounting period and can cost businesses a lot of money.”*



*Barry Edney, Pricing Specialist and Advisor and Founder of Burning Issues Consulting*

Manual rebate management is a major stumbling block in getting the fundamentals right and maximising the potential of rebates. Businesses are using Excel spreadsheets to manage rebate deals worth millions of pounds but as programmes become increasingly complex and data-intensive, the drawbacks of Excel are inescapable.

Here are some of the critical ways Excel and manual rebate management is costing your business money:

### Complexity and error-prone processes

Rebate agreements have complex contractual terms and varying incentive structures, across customers and products. Using Excel spreadsheets to manually track and calculate rebates leads to errors, inconsistencies, and reconciliation challenges, especially when dealing with large volumes of transactions and multiple suppliers.



### Lack of visibility and control

Manual processes lack transparency making it tough to track rebate performance, monitor compliance with contractual terms, audit changes made to the data, identify discrepancies, and importantly, pinpoint revenue leakage.

## Time-consuming administrative tasks

Manual data entry, reconciling transactions, and validating rebate claims are time-consuming and onerous. This adds unnecessary admin burden on all stakeholders involved, particularly finance teams who devote time and effort to manual intervention and oversight to ensure accuracy and compliance. This inherent inefficiency significantly drains resources and hampers productivity.



## Missed opportunities and revenue leakage

Inaccurate or delayed rebate calculations, coupled with limited visibility into performance metrics, result in missed opportunities to maximise rebates and improve customer relationships. Incorrect payments, expired agreements, or disputes not only eat away at profitability but also undermine trust with customers.

*“The industry-wide challenge has been to find a solution that has all of the benefits of Excel but that enables automation, scalability, and real-time visibility to efficiently handle large volumes of rebate data, complex calculations, and compliance requirements.”*



John O' Sullivan,  
CEO of e-bate



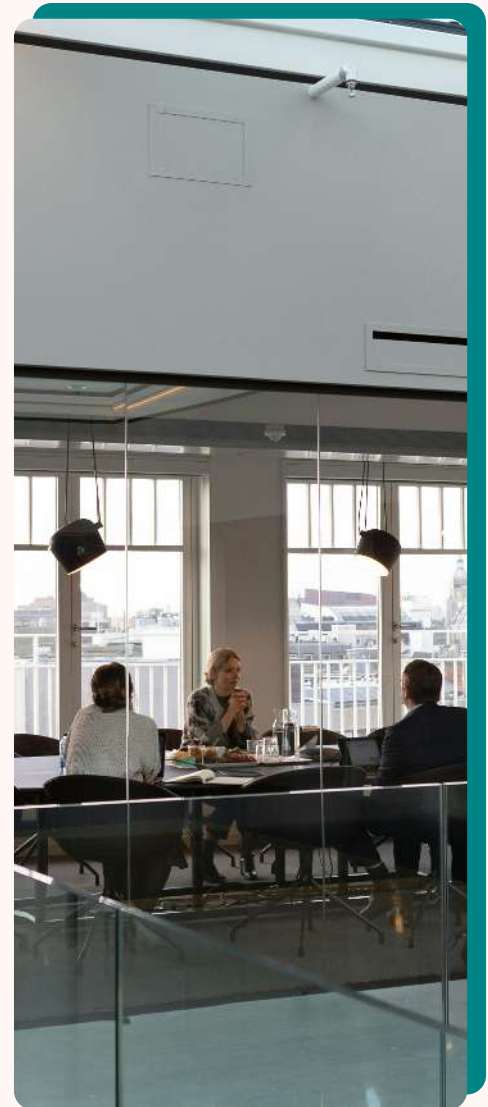
## Unlock Hidden Revenue

# The cost of doing nothing

*Discover the true financial impact of rebate errors, from overpayments to miscalculations.*

According to e-bate's industry insights, mismanaged rebate contracts can have a significant impact on operational costs and ultimately, the business's bottom line. Consider how these factors add up:

- 1% – 2% human error in data capturing can equate to tens of thousands of pounds in lost revenue every year if not more. Automated rebate management solutions reduce the risk of errors, disputes, and manual intervention, resulting in significant operational cost savings.
- An estimated 40% - 70% reduction in administration and management can result in significant savings annually. By reducing the admin burden and streamlining workflows, businesses can optimise resource allocation and achieve measurable cost reductions or allow for the reallocation of resources to more productive work.
- Overpayments, underpayments and penalties can account for 2% - 3% of your rebate programme value. Accurate data, in a single place can maximise rebate potential and enable businesses to capitalise on revenue opportunities.
- In purchasing, missed claims and sub-optimal purchasing decisions where rebate triggers are missed can amount to at least 2% of the total value of your rebate programme. Enhanced visibility and improved accuracy of rebate calculations empower teams to negotiate favourable terms and optimise pricing structures to drive revenue growth and profitability.
- The power of automation and visibility of data enables long term strategic deployment of your rebate programme. Expanding participation and strategic rebate fund allocation goes beyond cost savings and error removal to contribute to long-term competitiveness and business sustainability of an estimated 2-5% uplift.



As you can see, leaving well enough alone is an unnecessarily costly decision. That's why it's important to note that businesses that evaluate the tangible and intangible benefits of automation across key areas can make a compelling case for investing in automated solutions for improved ROI.

Unlock Hidden Revenue

# Gain a secret weapon: A case for automation

Across all industries, automation is being used to transform processes and productivity in ways that manual working simply cannot. The same is true for rebate management. Businesses that are proactively exploiting the value of rebate programs are moving to automated rebate management solutions. Here's how automated rebate management can boost rebate performance:



## Streamlined processes and reduced errors

Automated rebate management solutions automate repetitive tasks, such as data entry, calculation, and reconciliation. This minimises the risk of human error and eliminates the need for duplicate data entry. The result is enhanced quality and accuracy of your rebate data to help you streamline accruals, claims, payments and accelerate cycle times.



## Enhanced visibility and control

A centralised rebate management platform gives cross-functional teams the same, real-time view of rebate performance, contract compliance and supplier relationships. This kind of visibility means businesses can be proactive in monitoring rebates, tracking claim status, and identifying potential issues or discrepancies.



### Time and cost savings

Automating manual rebate management tasks can result in significant time and cost savings. By reducing the admin burden on teams and eliminating barriers to efficiency, businesses can achieve faster processing times, and free up teams to focus on strategic initiatives that drive growth and innovation.



### Improved decision-making and strategic insights

Not having real-time data and performance metrics readily available is a major obstacle to informed, timely decision-making. Automated rebate management solutions leverage data analytics and reporting tools to deliver actionable insights into rebate performance, supplier behaviour, and market trends.

***“Automation is key to keeping costs down and staying innovative. If you're not thinking about automation now, why not? Your competitors are looking for ways to do things better and faster and automating processes is how they're doing it.”***



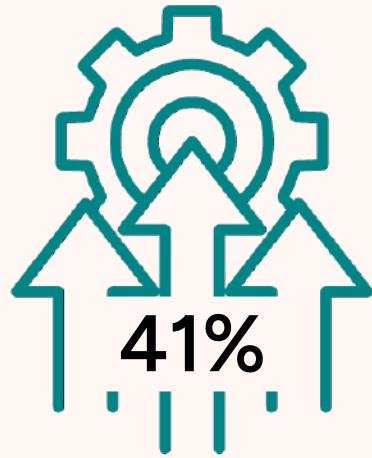
*Fiona Brown, Founder of  
The Pricing Excellence Hub*

## How automation is shaping the global marketplace:

Globally, industries are applying automation at every level of their business at a rapid pace. Here are some of the drivers and results of implementing automation:



10% increase in revenue in businesses that use AI and automation



41% increase in operations efficiency



\$20 million - \$40 million cost savings annually



80% of business leaders believe automation will lead to better quality decisions

## Unlock Hidden Revenue

# Maximising ROI through automation: Best Practices for implementing automated rebate management

Successfully implementing the right automated rebate management solution can be a game-changer for businesses focused on growth and innovation. By following best practices and leveraging lessons learned from industry leaders, businesses are poised to maximise the value and ROI of their investment in automated solutions. Here are some businesses that have reaped the benefits of rebate automation software:

- **Bridgestone** UK reduced processed trade agreements from weeks to minutes, drastically improving customer experience and alleviating pressure on teams.
- **Sugro** UK is a nationwide co-op of independent wholesalers with over 100 members and 100 suppliers. After automating their rebate management, they now use real-time performance tracking to enhance decision-making and increase earning potential.
- **Superdrug** is a major high-street retail chain with over 800 stores in the UK. Smart automation has reduced hundreds of data entry errors and queries every month, to just 1 or 2 issues. Also, over/under invoicing has been eliminated, dropping the risk of direct financial loss.
- **James Hall** is a regional distribution centre for **SPAR** UK. Automating their rebate management process has meant they can run real-time data reports that proactively identify spending strategies for the optimal rebate return.

The right automated system can help businesses overcome the common challenges associated with rebate management. But not all solutions are created equal. That's why it's important to ensure that your chosen technology has key features and capabilities designed to help you reach your goals.

*"When multiple spreadsheets are being manually updated (or not) by various team members across functions, it's impossible to realise "a single source of truth." Everybody's data is different and can influence strategic decisions differently. Businesses must address this problem so that decision-makers can collaborate to make the best decisions using the same, reliable source of data."*



John O' Sullivan,  
CEO of e-bate

## Key features of automated rebate management solutions

Understanding common pain points and the gaps in your rebate management processes is essential to allow you to identify what you need from an automated rebate management solution. At a high level, this means a solution that offers a comprehensive suite of features and capabilities designed to streamline processes, enhance visibility, and maximise ROI. In real-world terms, this means that a solution must provide:

- A centralised platform for data, including trade agreements, providing a single source of truth
- The ability to be customised to a business's unique and specific needs
- The capability to automate rebate calculations, remittance, and claims instructions
- Easy-to-use reports that provide actionable insights
- Integration with existing ERP systems and digital solutions for end-to-end rebate management

Let's delve into how intelligent rebate management software alleviates rebate management across the supply chain:

### Contract management and compliance

An automated rebate management solution enables the creation, management, and tracking of rebate agreements from a central hub. Not only does this make it easier to ensure that rebate deals align with contractual terms and conditions, but the system also automates alerts for key markers so that businesses can proactively manage compliance and mitigate risks.



### Customisation capabilities

When it comes to rebate management, there is no one-size-fits-all solution. Every business will have its own terminology, workflows, processes, and strategies. That's why it's important to use an automated solution that is designed to accommodate these needs and has the flexibility to meet them, not only improving adoption and usability but also adapting as the business grows and changes.

## Accurate calculation and tracking

Specialised rebate management software gives you the benefit of advanced calculation technology that automate rebate calculations based on predefined rules, rebate models, and transaction data. Not only does this eliminate manual errors and discrepancies, but businesses can ensure accurate accruals, timely payments, and transparent reconciliation of rebate claims.



## Real-time reporting and analytics

Strategic decision-making relies on the availability of accurate data in real-time. Only an automated solution can boost rebate performance with robust reporting and analytics tools. This means management and decision-makers can monitor key metrics, spot trends, and make data-driven decisions to optimise rebate strategies.

## Integration capabilities

A possible reason why Excel and manual rebate management is so prevalent is that a dedicated solution is often regarded as a nice-to-have addition to existing ERP systems. However, in a competitive, cost-conscious global economy, rebates are a strategic mechanism to get ahead of the competition. But the reality is that it's inefficient to use multiple systems that can't 'speak' to each other. An automated rebate management software must be able to exchange data with existing ERP systems, financial software, and procurement platforms. Not only does this bring with it a host of benefits, such as data consistency and workflow efficiency, but it also enables the safe, seamless exchange of data between systems to streamline end-to-end rebate processes.



# Effective change management

While an intelligent automated solution can go a long way in solving the challenges of rebate management, it is only part of a broader strategy. We've already discussed how effective rebate management requires the cooperation of cross-functional teams, and often there's a lack of clarity as to who or which team has ownership of systems and innovation. Here is a step-by-step guide to help you effectively achieve positive results and changes in your rebate management processes.

**a. Collaborate.** Working together is crucial to your success. Get a small team together from finance, commercial teams, operations, and IT. This will help you align team objectives and determine shared goals.

**b. Get a sponsor.** It's critical to have someone in a senior role championing the change management process. Getting buy-in from a CFO or Trading Director, for example, goes a long way in ensuring that the change process takes place and rebate programmes deliver positive results.

**c. Quantify the problem and opportunity.** Before embarking on a digital transformation journey, it's crucial for businesses to have an idea of pain points and areas for improvement. Develop an initial business case to set your course – it doesn't need to be exhaustive; a one-page summary is a good starting point.

**d. Identify ownership.** Rebates touch many different parts of an organisation. We recently worked with a customer who made the decision to automate their rebate management because they clarified that Finance were owners of the rebate process and that the sales/trading team were operators. Be clear on who owns rebates and the partnership required to successfully transform becomes clear.



**d. Make it visible.** Get your sponsor to get rebate management on the company's agenda to boost priority and action.

**e. Use expertise in the market.** Work with experts such as e-bate to automate the process and provide the platform for the future, and consult with specialists such as Bary Edney from Burning Issues Consulting, and Fiona Brown from The Pricing Excellence Hub to optimise the programme as part of the overall pricing strategy.



*“Once businesses have an idea of the gaps in their rebate management processes, they can prioritise initiatives and define clear objectives for automation. Businesses that don’t have a true picture of pricing, nor a roadmap to maximise rebate deals, are at a marked disadvantage to competitors who are leveraging intelligent innovation to grow.”*



*John O’ Sullivan,  
CEO of e-bate*

**By applying a solid strategy, the right people, and technology, to transform rebate management, businesses are poised to gain a strategic advantage in a fast-paced, ever-changing global marketplace.**

Manual rebate management is fraught with challenges that can be costly to ignore. It’s no longer a question of leaving well enough alone – the cost of doing nothing is simply too high and riddled with inherent risks. e-bate has been helping businesses to successfully transition from manual to automated rebate management to unlock the hidden return on investment (ROI) of rebates that would otherwise be lost.

e-bate’s solutions extend across the entire supply chain and demonstrate a true understanding of industry pain points and stumbling blocks. The configurable software offers a truly transformative approach to optimising rebate processes, enhancing supplier relationships, and gaining a competitive edge in the market. Contact e-bate today and start maximising ROI while driving growth and innovation.



e-bate.io



enquiries@e-bate.net



033 022 32500

## Book a demo to reveal your rebate revenue

[e-bate.io](https://e-bate.io)



Maximise Profits



Rebate Insights



No More Errors