

6 Ways You Can Ensure Supplier Rebates Drive ROI



With this handy checklist, consider these six items before making your ROI calculations for supplier rebates.

Collecting all available rebates

If you're waiting for suppliers to tell you how much you owe them, you're not going to be able to calculate your ROI. Make sure you're proactively calculating and invoicing for rebates yourself so you're not leaving money on the table. Plus, we find that companies managing in spreadsheets typically fail to collect 1% of rebates owed — an average of \$218,829 annually. That will make a huge difference in your bottom line!

Accelerating cash collection

It's hard to calculate ROI if you're waiting on your suppliers to pay your rebates. Make sure you're collecting payments on time so that all your numbers are as up-to-date as possible.

Maximizing available rebates

Make sure your buyers are aware of what incentives are available to them on which purchase volumes. By encouraging buyers to maximize their volume, you'll be able to get an even better ROI — which means your work will look even better to stakeholders.

Pursuing new rebate deals

Are there outstanding deals that you don't know about? Those could have a dramatic impact on your ROI calculations. Before you sit down to do the math, make sure you're up-to-date on all your deals with suppliers.

Optimize future deal performance

Make sure your deals are optimized so you can get the best ROI. This means you might want to change your deals year over year or tier them instead of offering a flat rate. As your rebate programs grow more complex, you may want to consider investing in a tool that helps you manage your programs instead of relying on error-prone spreadsheets. We think Enable is a great software solution, but we're also a little biased.

True net margin to drive sales

Understand the true margin on your products — that is, the margin adjusted for your rebates. With that number in hand, you'll be able to make more competitive pricing decisions, which will dramatically impact your ROI.

Once you've considered all these levers, it's time to sit down and calculate your rebate ROI. If you're still struggling to figure out the best way to tackle that problem, Enable can help. We work with clients in multiple industries and help them manage their rebates, and when we do ROI calculation for them, we generally see a 400% return. Want to see what your ROI would be? Reach out to hello@enable.com today.

About Enable

Turn rebates into an engine for growth with Enable. Built with input from hundreds of rebate strategists, our easy to use, scalable SaaS platform gives you control over complex rebates to drive growth and improve returns. A single source of real-time data gives you up-to-date insight into your trading relationships and rebate performance, while our collaboration features let you work constructively with colleagues and trading partners. Find out more and try it for free at enable.com.