

Your Checklist for Implementing Rebate Strategies that Improve Margins



*Businesses tend to think about rebates as a cost of doing business rather than as a tool they can use to improve their margins. If you're in that bucket, this checklist is for you. We'll take you through some simple steps to start thinking about rebates as a tool for margin improvement. By the end of this checklist, you'll know how to look at a deal and find ways to grow your margins and improve your business relationships... **let's dive right in!***

Understand the Goal Behind Deal Terms

Sure, you want to know what you're paying in rebates to your customers. But you also want to know why you're paying that amount. You need to understand the end goal. Do you want customers to purchase a higher volume of your product? Do you need to move product out of inventory to make room for a new product line? Start by understanding why deal terms exist — and then you'll know how to leverage those terms to your advantage.

Consider Your Options

Now that you understand why certain deals are in place, it's time to think about levers you can pull to make those deals more effective.

Are you selling? If you want to sell more, you might offer greater rebates for a higher purchase volumes. Tiered incentives work great for this. If you're a manufacturer, you may offer bulk rebate incentives to partners who purchase entire pallets directly from your factory — or factories.

If you're buying, you want to get the best value. Tiered incentive structures can also work in your favor, allowing you to buy more and get a greater rebate value in return. If you're concerned about having enough room for stock, you may want to talk to your suppliers about stocking rebates.

For a deeper dive into different incentive options, check out our [white paper on different rebate strategies that drive margin]. You'll gain tactical advice on implementing rebate strategies.

Determine What Benefits Your Partnerships

You've gone through your options and determined which strategies will work best for you and your business. Crunch the numbers, double-check the results and consider how those results may impact your trading partners. If you're a retailer who wants to buy more from a distributor, that distributor may need to go back to their supplier and renegotiate terms. Showing you've thought about how changes to your trading deals impact your partners will help you build more trust with them — and ultimately improve your trading relationships.

Execute Your Plan

You know what will help your margins. You've talked to your partner about the best way to implement these changes to benefit both of you. Now, it's time to put your plan in action and watch your margins grow.

Improve Your Margins — Today

This is an oversimplification of a complex process. We know that. We can't tell you how to pick apart a terms sheet, but we can make it easier for you to do so. Enable provides a cloud-based solution to rebate management, allowing you and your trading partners to actively collaborate on deals with full visibility into terms and data. At a glance, you can see how close you are to meeting certain rebate thresholds, and you can use that data to negotiate better deals for you and your partners.

Interested in optimizing your margins with strategic rebate management? We're here to help.

Contact us today at hello@enable.com