

Checklist: How to Pick the Right Rebate Type for Your Deal



At Enable, we have come across an extensive list of rebate incentive programs from promotions to special pricing agreements. Each of these program types has their own unique set of objectives, terms and thresholds. There are many reasons that trading partners offer these incentive programs, but, for the most part, they are designed to influence certain types of behaviors.

To help you grasp a better understanding of what rebate type works best for your business we have put together this handy checklist. That way, when a trading partner comes to you offering a rebate incentive, you'll know whether you're on to a winner.

Determine Your End Goals

All the different types of rebate programs can feel overwhelming at times. When it comes to choosing the right rebate deal type, start by examining your goals: increasing sales volume, protecting margins or driving loyalty, among others. For example, if you want to increase your margins, volume incentives — also called tiered incentives or incentive bands — are a great method for doing this. Instead of offering a trading partner a flat rate rebate, tiered incentives allow you to offer more rebates for more products purchased.

Do Your Research

As we've already mentioned, there are many types of rebates across many industries, but before choosing one, you and your trading partner both need to have a solid understanding of what the deal entails and how it will deliver success for both parties. Otherwise, they could end up in disputes further down the line which can tarnish your trading relationship.

Negotiate in a Mutually Beneficial Way

A rebate agreement is a covenant between trading partners: a commitment to work together for mutual success. That makes rebate agreements a powerful engine for business growth; the foundation for a productive working relationship that delivers a valuable service to customers. However, if both parties remain siloed, the purpose of the deal will never be realized. That's why collaboration is key, allowing partners to strategically place spending where it maximises the benefits for both buyers and sellers.

Be Aware of Market Forces and Supply-Chain Conditions

Market forces are dramatically reshaping supply chains and trading behaviors between manufacturers, distributors and retailers/ Therefore, you can't afford to continue leaving money on the table due. In today's complex trading climate, a thoughtful rebate strategy allows for more granular, timely incentives to what's happening in the market and helps you to remain agile and flexible to changing demands.

Start With Real Time Data

What use is picking a new rebate type without the right data to begin with? We already know that deals are often extremely complex, with many layers of terms and restrictions which can lead to misunderstandings, rejected claims and lengthy disagreements – the very opposite of what rebate agreements are supposed to achieve. Instead, a rebate management platform like Enable can give you real time visibility into your data so both of you can reference the same data set, ensuring the decisions surrounding your deals you make together remain aligned.

Manage All Your Rebate Types with Ease

The opportunity to create a robust rebate strategy that leverages different deal types based on need is out there for the taking, as long as you have a carefully crafted strategy and the right tools in place. At Enable, we have a deep understanding of rebates and how they can drive the right behaviors and the best possible outcomes for your business and your trading partners. That's why so many distributors, manufacturers, retailers and buying groups are taking advantage of our easy-to-use, cloud-based deal repository.

Visit www.enable.com or get in touch with us at hello@enable.com to maximize your deals.