

Special pricing agreements (SPAs) have gained a reputation as complex and time-consuming – but these powerful and misunderstood deals play a much more important role in trading relationships than you might realize.

Let's explore how important SPAs really are for manufacturers, distributors and retailers across the supply chain.



program in which suppliers reward their customers for selling their product at an agreed price.

Here's what a typical SPA looks like:

2



Manufacturer
agrees a
discounted
price to
distributor

100%

80%

60%



sells product to customer at discounted price

Distributor



submits claim and proof of sale to manufacturer



Manufacturer

pays out claim to offset the distributor's loss



realizes full intended margin



In our survey on The State of Special Pricing Agreements:

relationships across the supply chain.

44.3% of businesses deemed



NO

52.4%

them to be **essential** to their trading strategy.

your trading strategy?

66.7%

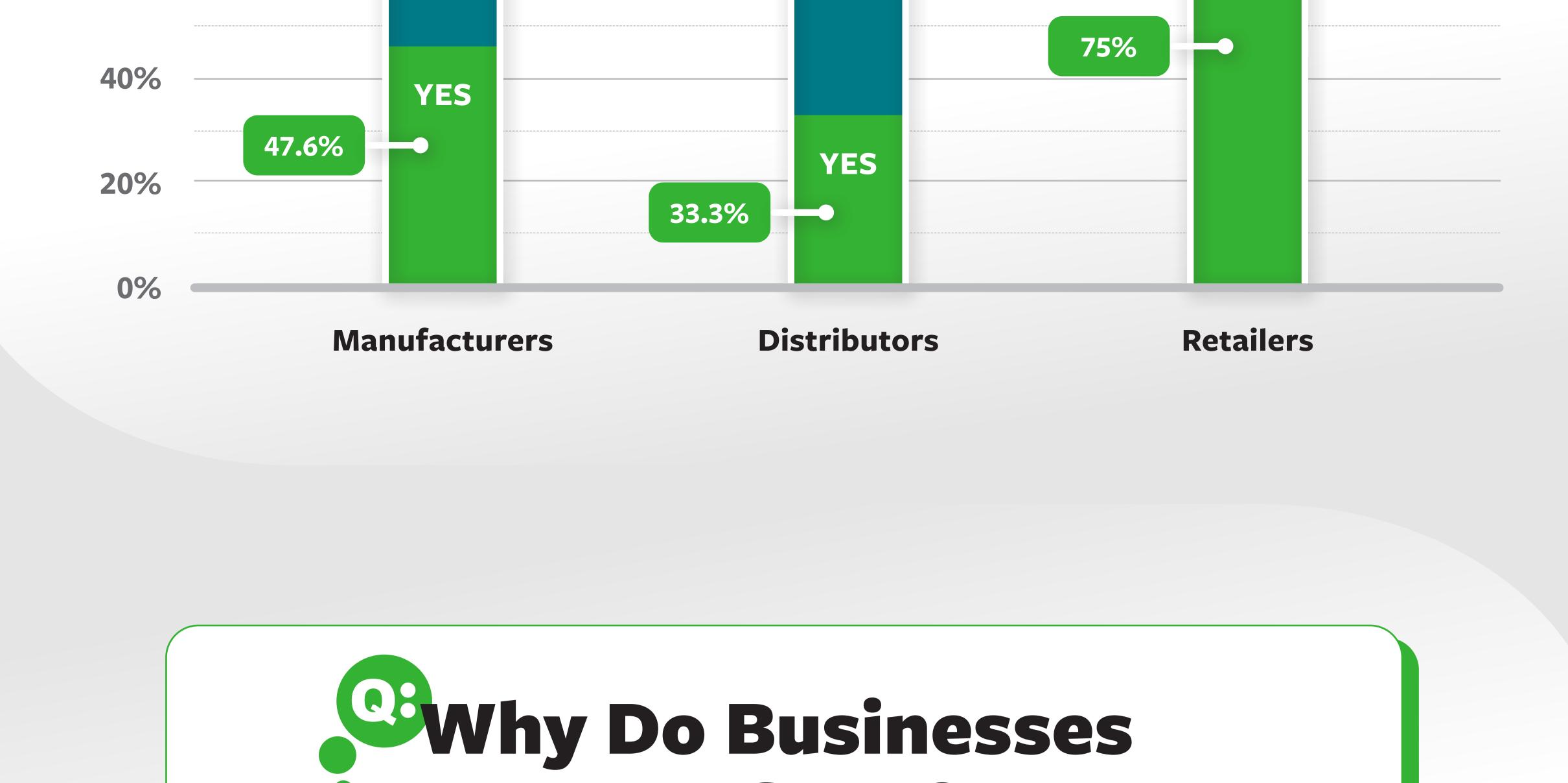
NO

NO

YES

25%

Are SPAs essential to

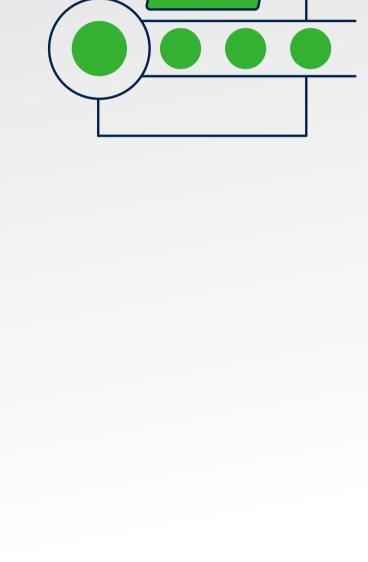


Use SPAs?

To collect To gain To retain To protect and/or control margin information on market share market share the consumer 42.4% 19.7% 12.1% 25.8% gain market share Distributors 20.8% mainly use SPAs to... retain market share 29.2%

33.3%

23.8%



mainly use SPAs to...

Manufacturers

The Importance of

gain market share

retain market share

Spreadsheets ERPs • Prone to errors • Onboard reporting

Proper SPA Management

Most businesses use spreadsheets (39.7%) or ERPs (36.8%) to

manage their SPAs. However, each of these methods pose unique

challenges that make them unsuited to handle SPAs:

- Diminish visibility and transparency between teams and
- trading partners
 Lack essential tools for analysis and reporting

Difficult to navigate,

high volume of data

updates are time-

especially with a

Data entry and

consuming

data to thirdparty programs for supplemental

SPAs

features
 Lack flexibility and sophisticated tools to manage complex

and analytics aren't

enough for SPAs

Need to transfer

 May require costly customization or workarounds to meet SPA needs

The best way to support and manage SPAs is with a dedicated software solution, such as the **Enable platform**, designed to streamline and automate the process

Interested in learning more about these fascinating strategic incentives? Catch up on the state of SPAs in our report or download our white papers to learn how SPAs benefit manufacturers and distributors.

of managing these complex deals.