



Engage. Collaborate. Deliver.

## Channel Revenue Management

OAUG Atlanta Geo  
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# Agenda



- Business Overview
- Channel Revenue Management Overview
  - Channel Rebates and Point of Sales Management
  - Accounts Receivables Deductions and Settlements
  - Supplier Ship and Debit
- Rebate Process Flow

# Business Overview

# Rebates



- What are rebates?

Any time you offer a money off or money back to a customer for meeting performance criteria

Any time you negotiate with a vendor to receive a rebate

# Deductions



- What are deductions?

Any time a customer short pays your invoices, or pays less than due

# Rebates



- Why are they a problem?

Rebates are difficult to track

Rebates can be based on information not readily available

Customers may try to take more than they are due

You need to keep your vendors honest



# Channel Revenue Management Overview

# ChRM Overview



- Channel Rebates and Point of Sales Management
  - Rebate Programs
    - Vendor Rebate Programs
    - Customer Rebate Programs
  - Point of Sales Import and Processing
    - Customer Sales (from ERP)
    - Stock Receipts
    - Other Sales Volume
  - Rebate Calculation
    - Booking of Accruals
    - Accounting integrations

# ChRM Overview



- Accounts Receivables Deductions and Settlements
  - Deductions from Customers
    - Deductions due to rebate programs
    - Non promotional Deductions
      - Example:
        - » Pricing Errors
        - » Shipping Claims
        - » Freight Claims
  - Processing of Claims
    - Vendor Claims
    - Customer Claims
  - Accounting Integration

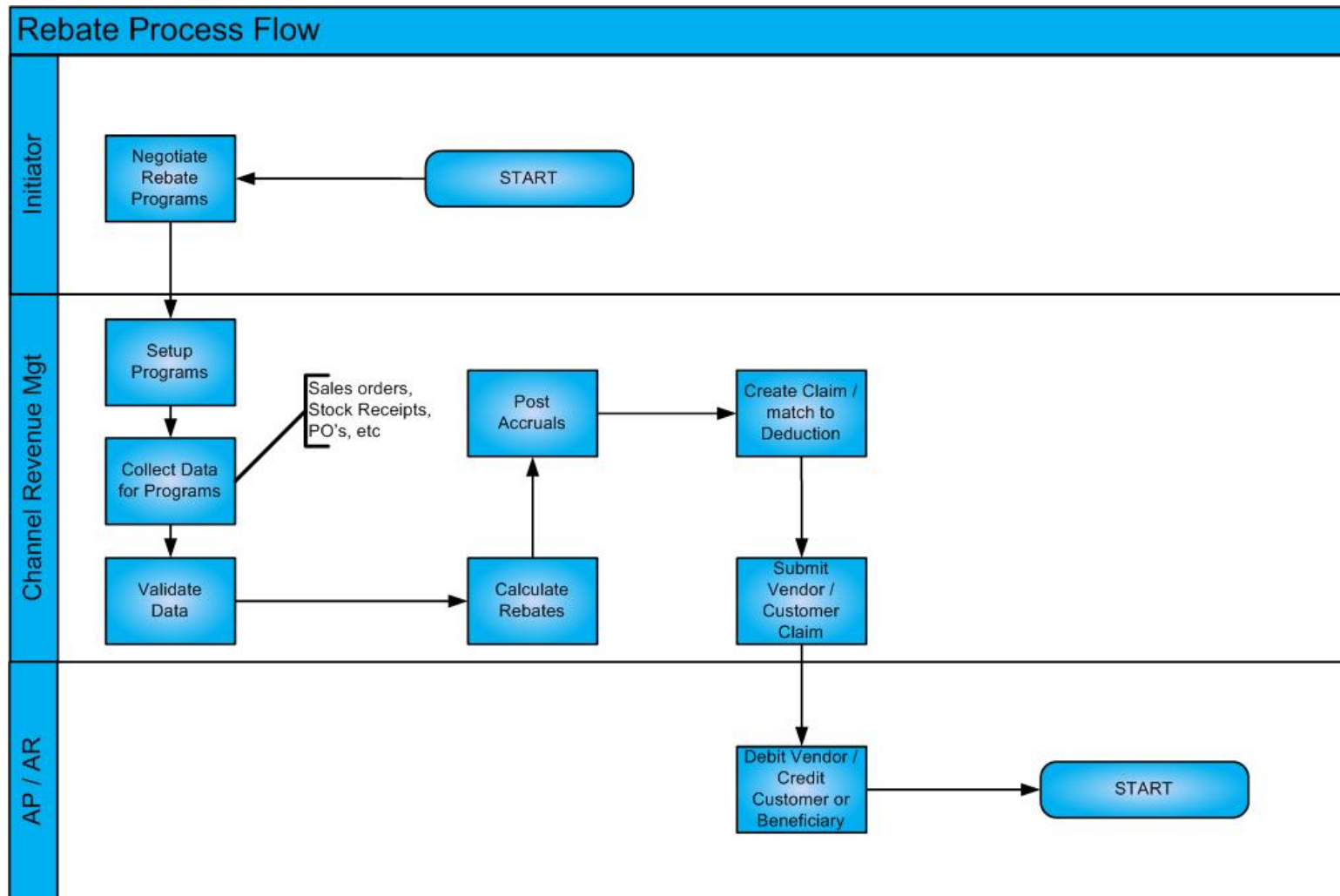
# ChRM Overview



- Supplier Ship and Debit
  - Rebates from Vendor based on Customer Sales/POS
  - Claims to Vendors with POS as Proof of Performance

# Rebate Process Overview

# Rebate Process Overview



## Types of Rebate Programs

- Accrual Based
  - Flat Rebate (\$)
  - Percent Rebates
- Volume Based
  - Volume Tiers
    - Incremental
    - Accumulative
- Complex calculations using Formulas
  - Example: Growth incentives

# Types of Rebate Programs



- Fixed Amounts
  - Lumpsum
    - Marketing Programs
    - Others

## Rebate Definition

- Qualifying Criteria's
  - Time Periods
  - Tiers
  - Volume (All Purchases, By Product Line, Item Numbers)
  - Channel
  - Location
- Item Eligibility
  - All Items
  - Item Class
  - Item Number

# Rebate Definition



- Formula's for Complex calculation
  - Growth Tiers
  - Share of Total Category

# Rebate Scenarios



- Purchase Based Rebates – Vendor Programs
- Pass-through Rebates
- Customer Rebates/Discounts
- Marketing Programs
- Price Protection
- Special Buy's

# Collection of Data



- Ability to collect sales data from internal and external sources
  - Sales to Customers
  - Stock Receipts
  - External Sales Volume
- Data Cleansing and de-duplication
- Integrated rebate calculation and payment processing
- Quality of Data is critical for accurate calculation of rebates

# Claim Submissions



- Claims to Vendors
  - Debit Vendor payables
  - Match to Vendor Credit Memo's in AP
  - Submit backup for Calculation
- Customer Claims
  - Issue Credit Memo's to Customers
  - Match to customer deductions
  - Issue Checks to Customers

## Rebate Tracking

- Ability to track rebate earnings by the following categorization
  - By Vendor
  - By Product Class
  - By Program
  - By Location
  - By Customer
  - By GL Account



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**Thank You!**

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