

REBATE MANAGEMENT TRENDS

IN 2025



VOLUME 01



ENABLE.COM

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REBATE MANAGEMENT has become a critical driver of value and efficiency in the \$100 trillion global supply chain. With rebates influencing over 80% of global trade, they generate significant profits for distributors while also representing the largest expense for manufacturers. As supply chains become more complex, managing rebates effectively has evolved from a simple financial task into a key strategic priority.

New tech—like **AI-Powered Analytics**—is changing the game for rebate management. It's helping businesses get more value from rebates, align them with big-picture goals, and foster stronger partnerships. And this is just the beginning. In the coming year, the gap will widen between companies that use data and technology to drive smarter, more transparent operations, and those that don't.

The old-school way of thinking about rebates as just discounts or incentives is gone. Now, rebates are a powerful tool for strengthening relationships and optimizing supply chain strategies. To keep up and stay competitive, businesses need to modernize with platforms that simplify and streamline the entire rebate process—or risk falling behind.

THE ROLE OF REBATE MANAGEMENT

IN THE
SUPPLY CHAIN

READ ON TO LEARN

- How advancements in rebate management are reshaping the supply chain landscape
- What new technology is optimizing rebate processes
- Ways businesses are unlocking hidden value from their rebate programs



TREND 01

THE RISE OF AI AND DATA ANALYTICS IN REBATE MANAGEMENT

AI IS RESHAPING the way companies view rebates, transforming them from simple transactional tools into strategic levers that influence behaviors, drive growth, and improve profitability. It's not just about offering a rebate anymore: it's about using data to design personalized incentives that speak to individual customer needs.

With AI, businesses can tailor rebate programs to be more targeted and effective, ensuring that each offer is aligned with both customer preferences and the company's broader goals. This level of personalization enhances market reach, boosts margins, and helps businesses stay agile, making rebates not only a tool for increasing sales but a way to nurture loyalty, optimize growth, and fine-tune strategies in real time.

< Let's dive into the functionality and benefits of AI-Powered Analytics with these stats: >

73%

of supply chain organizations are already investing in AI as part of their broader digitalization efforts, according to EY.

\$59B

The AI in Supply Chain Market is expected to reach \$58.55 billion by 2031, at a CAGR of 40.4% from 2024 to 2031.

93%

According to Deloitte's survey on AI adoption in manufacturing, 93 percent of companies believe AI will be a pivotal technology to drive growth and innovation in the sector.



TREND 01



01 ENHANCED COLLABORATION


AI fosters a collaborative environment by providing tools and dashboards that can be easily shared across departments and external partners. This encourages regular discussions and joint strategy formulation, as stakeholders can view and analyze data trends together. For example, by analyzing the same data sets, procurement lead negotiators and finance teams can work more effectively to align their strategies with overall business objectives.

02 STANDARDIZING DATA FOR ENHANCED ANALYTICS

With AI, businesses can track transactions more accurately, detect anomalies instantly, and identify new opportunities for optimization. By streamlining the data, AI minimizes errors and inconsistencies, leading to greater efficiency. The real-time analysis it provides allows companies to spot potential risks early and seize opportunities before they pass by. This continuous flow of insights ensures that rebate strategies are not static but constantly evolving to meet the demands of the market.

03 INSTANT INSIGHTS AND REAL-TIME ADJUSTMENTS

AI also brings a new level of real-time visibility to rebate programs, a critical feature in today's fast-paced supply chains where waiting weeks or months for decision-driving reports is no longer viable. With real-time insights, businesses can continuously monitor rebate performance, detect anomalies, and adjust strategies on the fly. This agility allows them to stay competitive and responsive to market changes, ensuring rebate programs remain effective and aligned with business goals.



“Artificial Intelligence doesn't just process data—it unlocks the potential within it, transforming information into insights, challenges into opportunities, and possibilities into realities.”

ED HUTT, CIO, IMPELLAM GROUP



TREND 01

04 PREDICTIVE ANALYTICS: ANTICIPATING TRENDS AND OPTIMIZING STRATEGIES

By analyzing historical data, AI can uncover trends and patterns that may otherwise go unnoticed. These insights let businesses anticipate future changes in rebate performance, trading partner behaviors, or market shifts. Instead of reacting to problems after they arise, companies can proactively optimize their rebate strategies. This predictive power allows businesses to make smarter, data-driven decisions that drive stronger financial outcomes.

05 NATURAL LANGUAGE PROCESSING: MAKING INSIGHTS ACCESSIBLE

Thanks to natural language processing (NLP), complex data queries can be made using everyday language, making advanced analytics accessible to all team members, regardless of technical expertise. This allows users to quickly gain insights into rebate performance and make informed decisions based on real-time data. The ease of querying data through NLP helps ensure that everyone in the organization, from sales teams to senior management, stays updated on rebate performance. Such accessibility fosters a data-driven culture where accurate and timely insights lead to effective decision-making across all levels of the business.

“AI is not coming for our jobs; quite the opposite. It’s really here to help us do our jobs better, to automate and streamline our work and really help us model what the future might look like and make better decisions based on that modeling.”

ANDREW BUTT, CEO, ENABLE

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“AI” and “data analytics” are no longer just buzzwords—they are quickly becoming essential components of business operations, especially in rebate management. During 2025, we’ll likely see a major turning point where organizations don’t just adopt AI technologies but truly unlock their business value, transforming how they manage rebates.



In today's fast-moving supply chain, businesses need to stay on their toes—adapting to shifting customer demands and unpredictable supply chain issues—all while keeping an eye on profitability. One way companies are doing this is by bringing their customer rebates and pricing strategies together. By aligning these two areas, businesses gain better visibility into their true net pricing and can craft smarter, more profitable deals.

There's also a growing need for companies to see the full picture of profitability—from products and customers to suppliers, locations, and routes to market. When you have that kind of clarity, the payoff is huge.

TREND 02

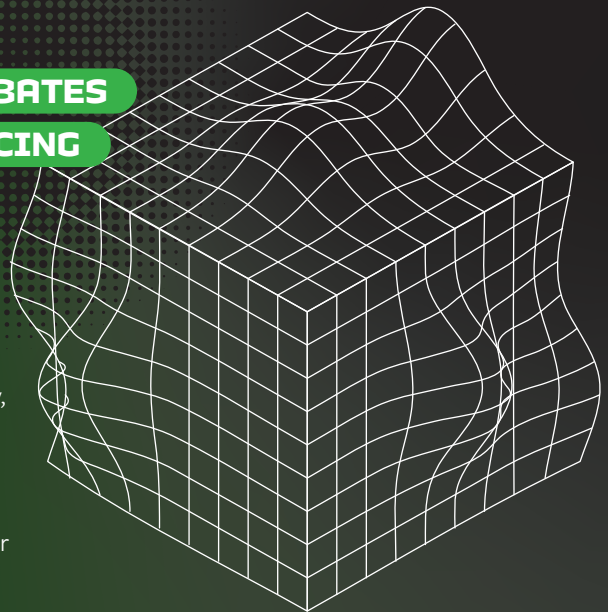
ALIGNING REBATES AND PRICING

For example, simply improving your pricing strategies can add approximately 2–3% to profits, and rebates can push that even higher. Because of this, more companies are taking a holistic approach to profitability, creating roles focused on profit management and data insights. This approach helps bridge the gap between procurement and sales teams, leading to stronger “commercial deal management”—essentially, finding the sweet spot where pricing and rebates work together to maximize deals.

That said, customer rebates can get tricky. It's not always easy to understand how they'll affect the final price customers pay. If you're not careful, poorly designed customer rebates can eat into your margins. You might end up offering more than you intended, especially if your pricing and rebate strategies aren't fully aligned. On the flip side, when customer rebates are structured well, they can actually boost profits by encouraging the right customer behaviors—without cutting into your list price.

This is why it's so important to treat rebates as a strategic tool rather than an afterthought. Misaligned pricing and rebate strategies can lead to confusion. For instance, if you offer a big upfront discount alongside a rebate, customers might expect both, which can leave you with much thinner margins than planned.

The key is to make sure your pricing and rebate strategies work hand in hand. When they're aligned, it's easier to predict net revenue, improve cash flow, and protect your margins. A cohesive approach helps you avoid costly mistakes and sets you up to maximize profits with confidence.



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Rebates and pricing go hand-in-hand. Moving forward, we'll see greater alignment between rebate and pricing strategies—alignment that is designed to ensure optimal price points without sacrificing margins.

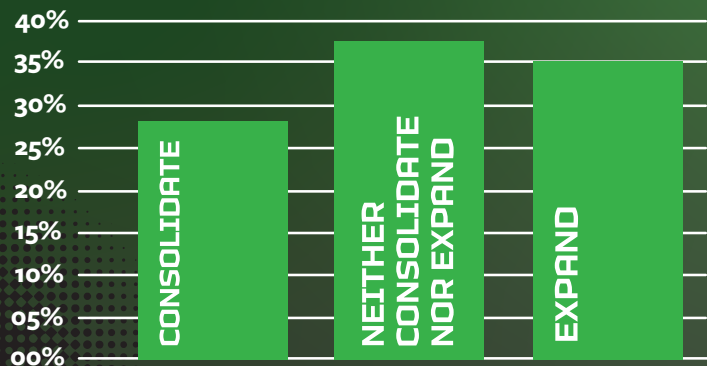


TREND 03

PARTNER TRANSPARENCY, TRUST, AND DIVERSIFICATION

< In 2025, it's time to build transparency and trust with trading partners. >

Whether it's about pricing, product lines or rebates, open communication is the foundation of success. Companies prioritizing transparency will build stronger relationships with suppliers while creating more resilient, adaptable business models.



According to Enable's **2025 State of Volume Rebates report**, a shift is happening. Businesses are either looking to strengthen their current partnerships or diversify their supply base. In both cases, offering strategic incentives is key to driving success.

Consolidation is about focusing on a smaller group of trusted suppliers to simplify processes and drive deeper collaboration, while expansion means exploring new partnerships that can bring fresh ideas and innovations.

< Both strategies, however, hinge on transparency and trust. >



TREND 03

01 EXPAND

For companies looking to expand their supplier base, the idea is to tap into new expertise. But it's not just about working with more suppliers—it's about finding the right ones. Building strong relationships with new partners is crucial, and that requires clear and open communication from the start. When expectations are aligned and everyone's on the same page, collaboration becomes more seamless, allowing businesses to innovate and grow their rebates without sacrificing reliability.

“While expanding might present challenges—such as existing distribution from competitors—Enable provides a framework that helps us analyze our programs, ensuring we're at least on an equal playing field. This way, we can avoid losing out on rebates, even if we're not the preferred vendor partner in those markets. Overall, this strategic approach allows us to navigate expansion thoughtfully and effectively.”

BRENNAN HALL, DIRECTOR OF DUCT FAB SUPPLIES AND AIR DISTRIBUTION PRODUCTS, CONKLIN METAL

02 CONSOLIDATE

On the flip side, companies opting to consolidate often focus on simplification. Fewer suppliers mean less complexity and often-better negotiating power. But consolidation doesn't mean less communication—it means deepening existing relationships. Working closely with a smaller group of suppliers allows businesses to create long-term, collaborative partnerships. When transparency is part of that process, both sides can manage expectations, avoid misunderstandings, and deliver consistent results.

“Since deploying Enable, we've been able to make smarter decisions both in the field and related to our past purchasing behaviors. When it comes to purchasing, we sourced out the lowest price point of any particular product, irrespective of some deals we had in play. This ultimately bound us to a cohort of core suppliers.”

JEFFREY MOYLE, CEO, REXEL CANADA

THE MESSAGE IS CLEAR: trust and transparency are non-negotiable. Businesses that build these values into their rebate strategies in 2025 will be better prepared for whatever the future holds. By focusing on open communication, collaboration, and diversification, companies can create stronger, more agile supply chains that drive success for years to come.

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Whether your company is looking to grow and expand or consolidate with suppliers, the course forward is obvious. Companies in the coming year will be practicing greater transparency with trading partners to establish deeper and more trusting relationships.



Over half of manufacturers admit they view their rebate programs as strategic only “sometimes”, according to Enable’s **2025 State of Volume Rebates report**. These findings highlight that, while programs have the potential to be strategic, they often fall short of aligning with long-term business goals. To dial up their effectiveness, 58% of manufacturers believe better analytics are crucial.

Instead of viewing rebates as a mere cost of doing business, consider shifting your perspective. Think of rebates as strategic levers for growth that can drive business outcomes. Reimagining rebates in this way lets you see their true potential—as tools that not only safeguard margins but also boost profitability.

TREND 04

REBATE RESET

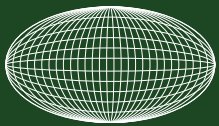
DeAnne Hammer, Global Channel, Sales District, and Pricing Operations Director at a multinational conglomerate puts it perfectly: “We need to reassess our rebate strategy to make sure it’s driving the right customer behaviors, not just meeting industry expectations. By analyzing data and customer reactions, we can fine-tune the program to make it more balanced and effective.”

< So, how do you reset your rebate strategy? It takes a 3-step approach: >



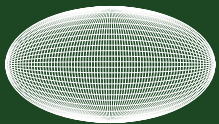
REFLECT.

Does your rebate approach really align with your company’s objectives? Look at the results and see if the rebates are having the impact you want. Identify any gaps or areas that aren’t working.



STRATEGIZE.

Reimagine what your rebate strategies should be aiming for. What behaviors do you want to drive? Align these goals with your long-term vision and the market opportunities ahead.



TRANSFORM.

Put new, measurable strategies in place to shift your rebates from a simple transaction to a real growth strategy.

In 2025, consistently review and fine-tune your rebate strategies to stay flexible and adaptable to shifting market conditions. This proactive approach keeps you ahead of the competition and builds stronger relationships with your trading partners, creating a win-win environment where everyone benefits. A rebate reset isn’t just about quick results—it’s about crafting a resilient, forward-looking strategy that prepares your business to handle whatever challenges come your way.

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ENABLE CUSTOMER STORY: ECMD

ECMD, a company focused on building materials, demonstrates how customized rebates can drive success through using Enable.

Steven Carlson, the Vice President of Professional Dealer Sales at ECMD, shared how

< **their tailored rebate programs helped land a \$10 MILLION deal, prioritizing high-margin product categories.** >

By assigning specific rebates based on profitability, ECMD strategically used their strengths to win over key clients and strengthen their market position.

Carlson explains that the customization of these rebates allowed ECMD to automate the process, ensuring accuracy and efficiency in pricing and incentives. This level of customization lets trading partners manage all aspects of their relationships—from negotiations to dispute resolution to performance tracking. It helps them focus on what matters: building a strategy that protects margins and drives sustainable growth.

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Everyone is carving out space to get more strategic with their rebates. Many companies are hitting the reset button. They're assessing how their rebate programs align with their goals, getting strategic about driving behaviors, and transforming their programs with new, measurable strategies.



HOW CAN MANUFACTURERS AND DISTRIBUTORS

PREPARE FOR 2025?

The rebate management landscape in 2025 is being shaped by a perfect storm of technological innovation, evolving rebate strategies, and collaboration. Companies that embrace these changes aren't just keeping up—they're leading the way.

< Here's how manufacturers and distributors can stay ahead: >

01 EMBRACE TECHNOLOGY TO DRIVE OUTCOMES

Manual processes might feel familiar, but they're slow, error-prone, and hold you back. By adopting AI and rebate management software, you can automate tasks, predict trends, and make data-driven decisions faster. It's time to break free from the old way and embrace technology that drives real results.

02 STRATEGIC REBATE MANAGEMENT

It's no longer just about offering one-size-fits-all incentives—it's about linking rebates to customer retention, profitability, and long-term growth. By aligning your rebate programs with your broader business goals, you can foster stronger, more sustainable relationships and fully capitalize on the strategic value rebates bring to your business.

03 BUILD COLLABORATIVE PARTNERSHIPS

In 2025, transparent communication and aligned goals will be crucial for maintaining strong partnerships. By prioritizing trust and collaboration, you can develop value-driven rebate programs that unlock new opportunities and lead to win-win outcomes.

< EMBRACING CHANGE_NOW >



Embracing change now—whether it's through tech, smarter rebate strategies, or stronger partnerships—will keep you ahead. The time to act on these trends is now, or you risk falling behind more agile competitors. The **2025 State of Volume Rebates report** is your essential guide to making the shift possible and positioning your business for success in 2025 and beyond.

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