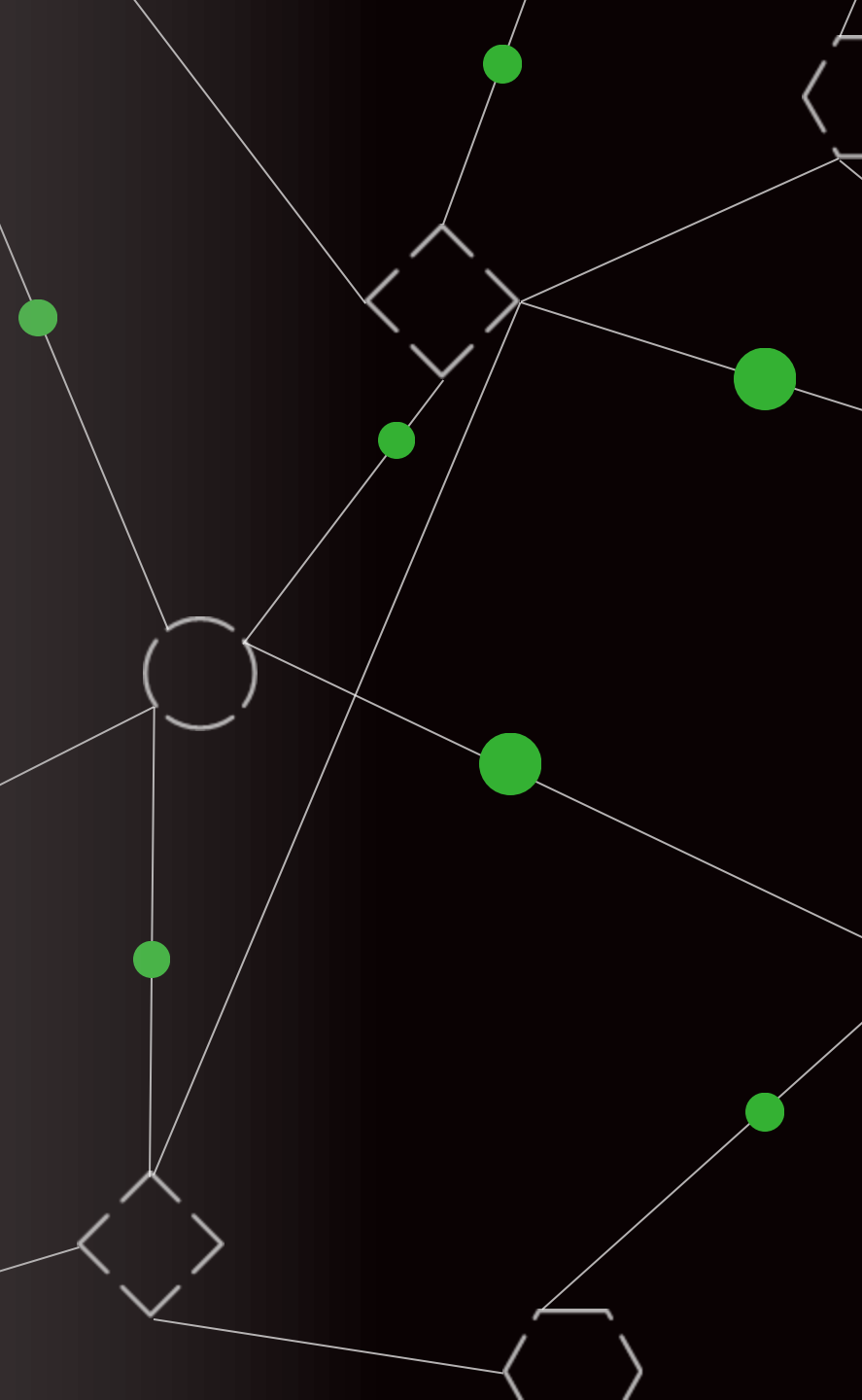


**Elevate**  
by Enable



# The Science of Incentives



# Presenter

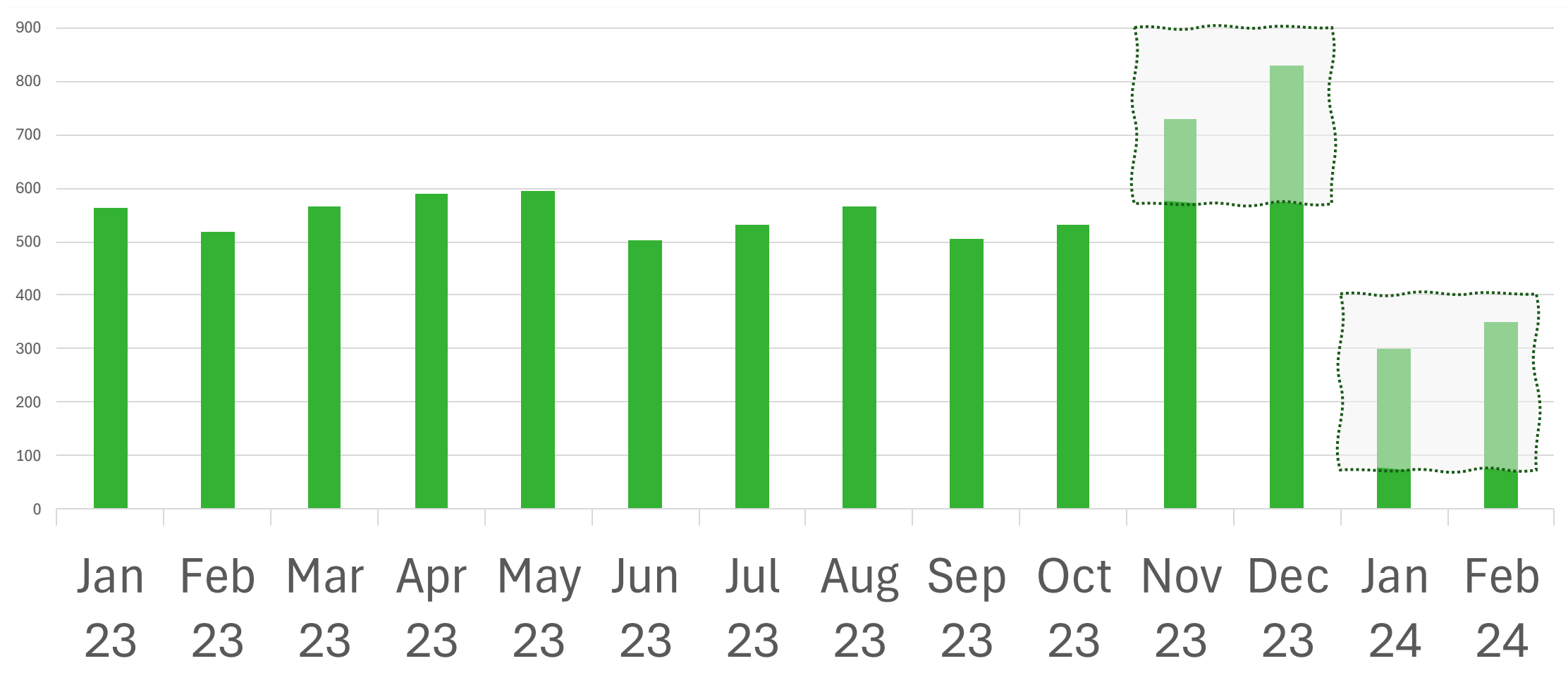
**Mark Gilham**

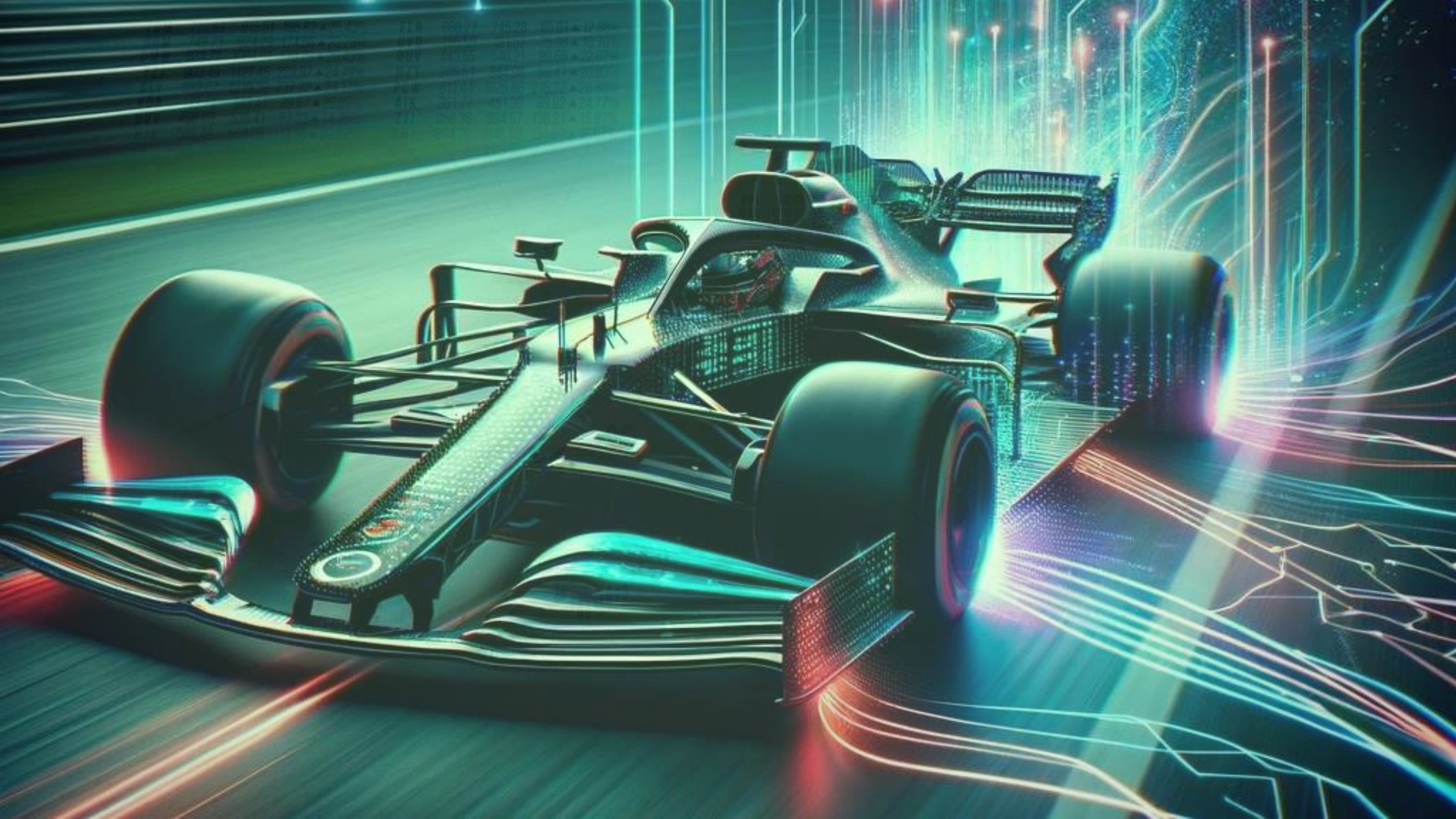
VP, Rebate Strategy | Enable

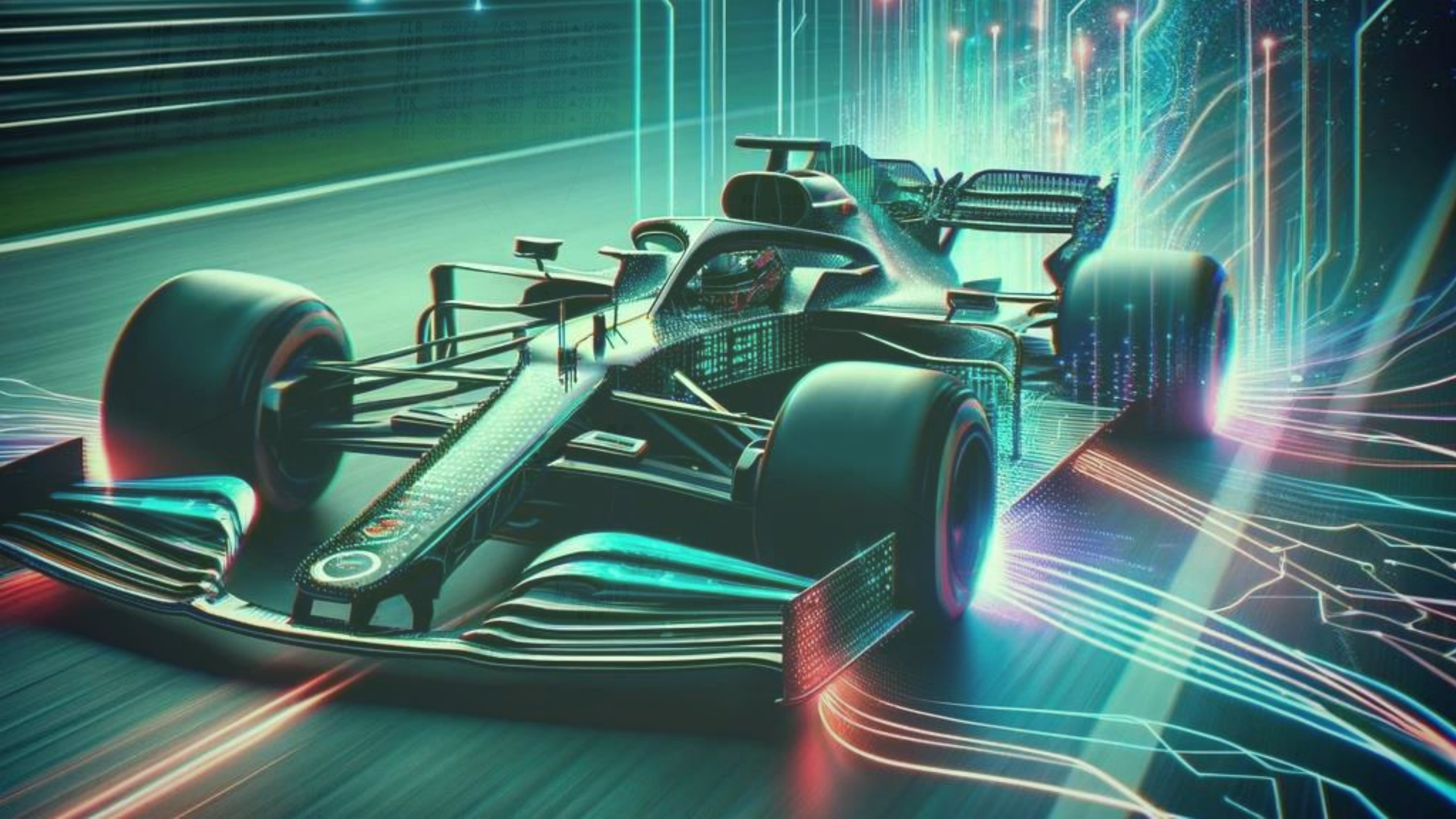


I  REBATES!

# The Rebate Rush









**Wisdom**

**Knowledge**

**Information**

**Data**

# Changing Generations



**Baby Boomers**

**Growth & Security**



**Gen Y & Z**

**Sustainability & Innovation**



## Common Behaviours to Incentivize



**Demand**

**Value**  
**Units**  
**Stocking**



**Retention & Loyalty**

**Payment Terms**  
**Multi-Year**  
**Group Terms**



**Margin**

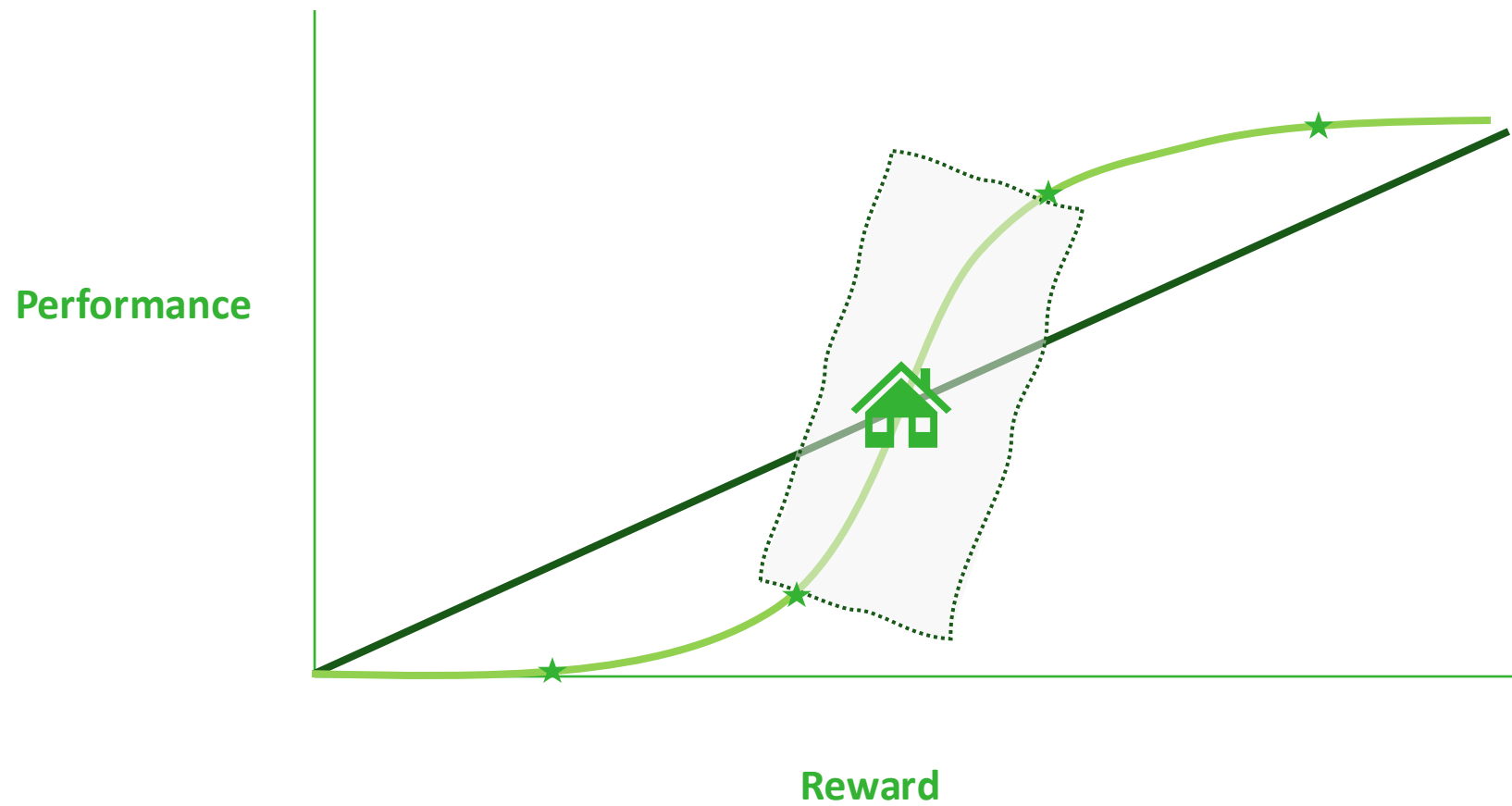
**Product Mix**  
**New Products**  
**Wallet Share**



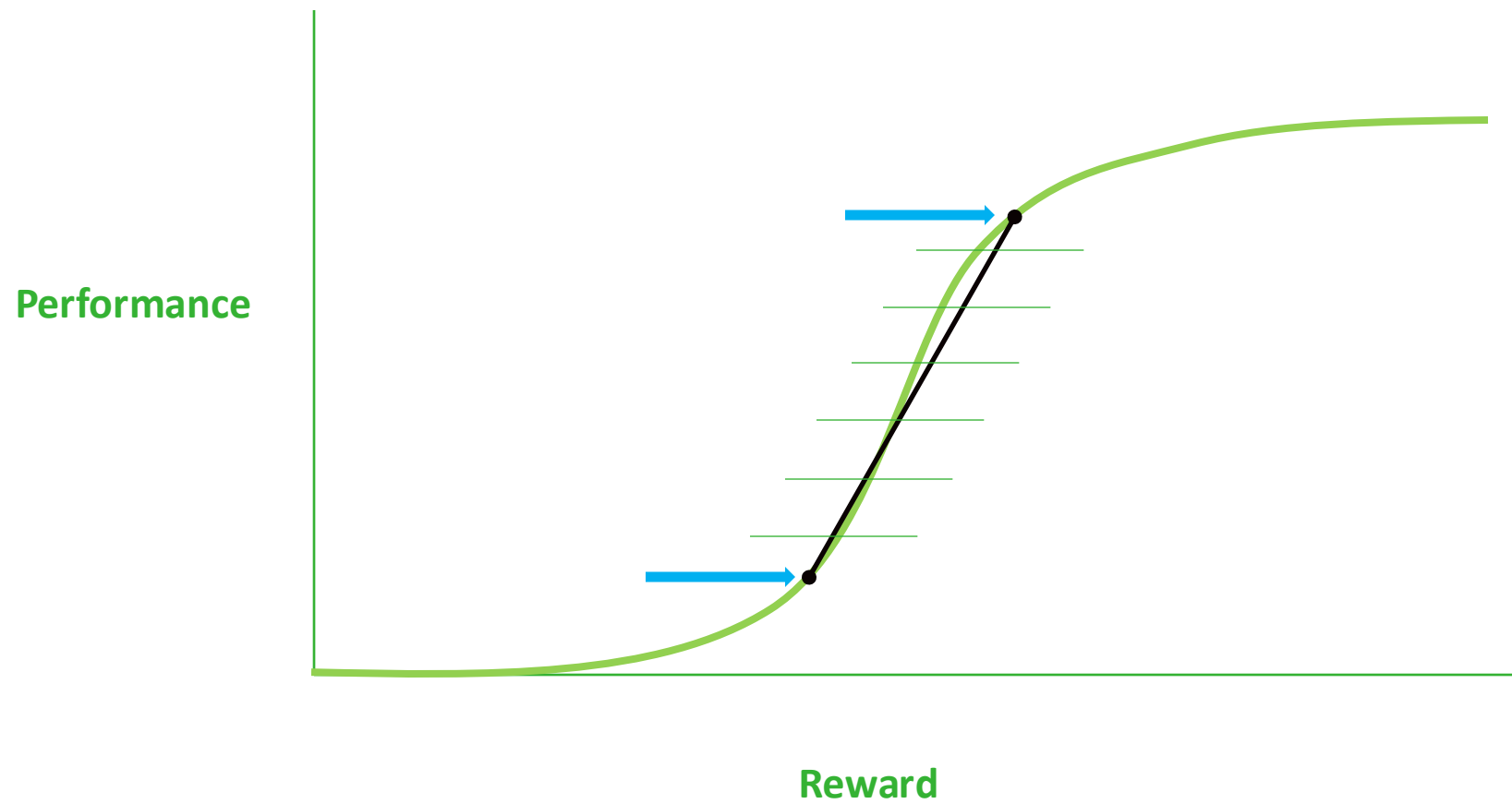
**Efficiency**

**Logistics**  
**Administration**  
**Enablement**

# Bang for Buck



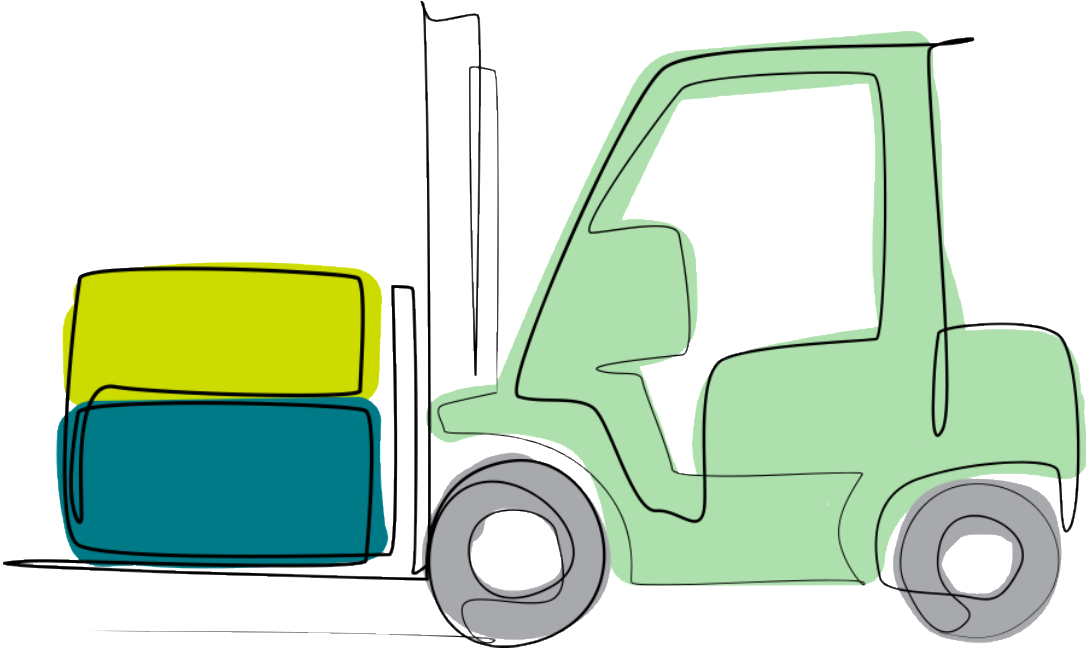
# Value for Money



# Manufacturer



# Distributor



	<u>Manufacturer</u>
<i>Units</i>	<i>500,000</i>
Sales	92,900,000
Cost of Sales	(64,500,000)
Gross Profit	<hr/> 28,400,000 <i>30.6%</i>

	<u>Distributor</u>
<i>Units</i>	<i>500,000</i>
Sales	106,500,000
Cost of Sales	(92,900,000)
Gross Profit	<hr/> 13,600,000 <i>12.8%</i>

# Distributor

## Before

<i>Units</i>	<i>500,000</i>
Sales	106,500,000
Cost of Sales	(92,900,000)
Gross Profit	<hr/> 13,600,000 <i>12.8%</i>

## After

<i>Units</i>	<i>550,000</i>
Sales	127,950,000
Cost of Sales	(111,550,000)
Rebate @ 6%	6,693,000
Gross Profit	<hr/> 23,093,000 <i>18.0%</i>

# Manufacturer

## Before

<i>Units</i>	<i>500,000</i>
Sales	92,900,000
Cost of Sales	(64,500,000)
Gross Profit	<hr/> 28,400,000 30.6%

## After

<i>Units</i>	<i>550,000</i>
Sales	111,550,000
Rebate @ 6%	<hr/> (6,693,000)
	104,857,000
Cost of Sales	(72,750,000)
Gross Profit	<hr/> 32,107,000 30.6%

# Manufacturer - Before

	Core	Bundle	Total
<i>Units</i>	<i>300,000</i>	<i>200,000</i>	<i>500,000</i>
Sales	49,500,000	43,400,000	92,900,000
Cost of Sales	(37,500,000)	(27,000,000)	(64,500,000)
Gross Profit	12,000,000	16,400,000	28,400,000
	24.2%	37.8%	30.6%
<i>Ratio</i>	<i>60%</i>	<i>40%</i>	



# Manufacturer - After

	Core	Bundle	Total
<i>Units</i>	<i>150,000</i>	<i>400,000</i>	<i>550,000</i>
Sales	24,750,000	86,800,000	111,550,000
Rebate @ 6%	(1,485,000)	(5,208,000)	(6,693,000)
	<hr/> 23,265,000	<hr/> 81,592,000	<hr/> 104,857,000
Cost of Sales	(18,750,000)	(54,000,000)	(72,750,000)
Gross Profit	<hr/> 4,515,000	<hr/> 27,592,000	<hr/> 32,107,000
	19.4%	33.8%	30.6%
<i>Ratio</i>	<i>27%</i>	<i>73%</i>	

*“A 6% rebate will be paid if 550,000 units are purchased of which 73% are Bundles.”*

**Manufacturer**

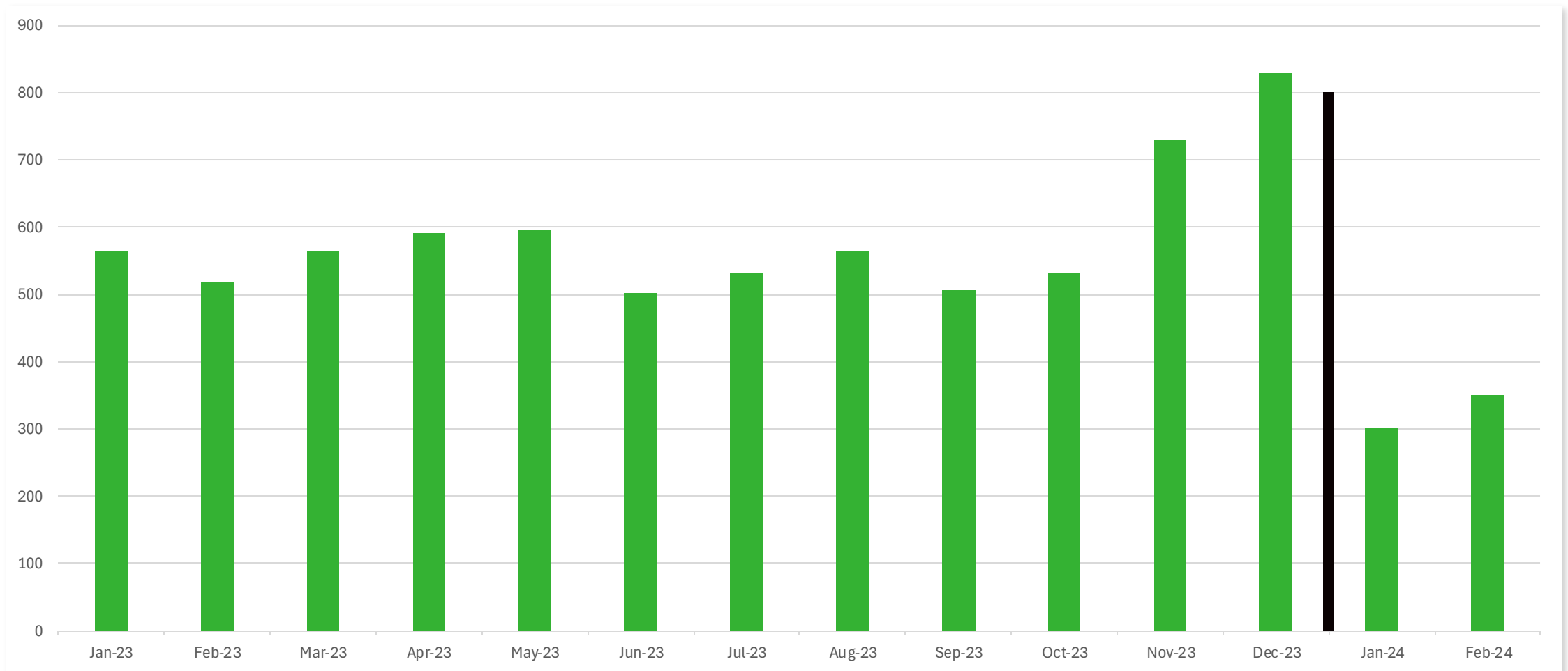
<i>Units</i>	<i>+50,000</i>
Reported Revenue	+11,957,000 <i>+12.9%</i>
Gross Profit	+3,707,000

**Distributor**

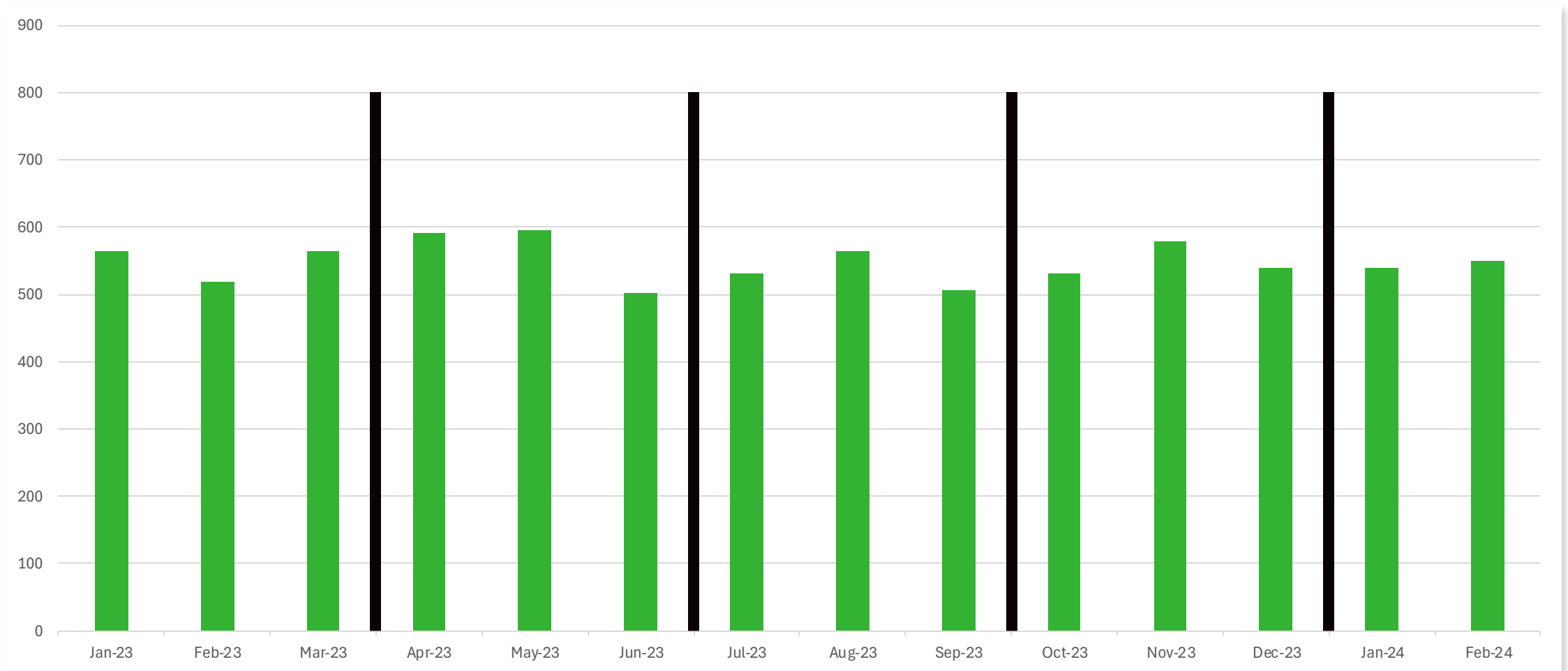
<i>Units</i>	<i>+50,000</i>
Sales	+21,450,000 <i>+20.1%</i>
Gross Profit	+9,493,000

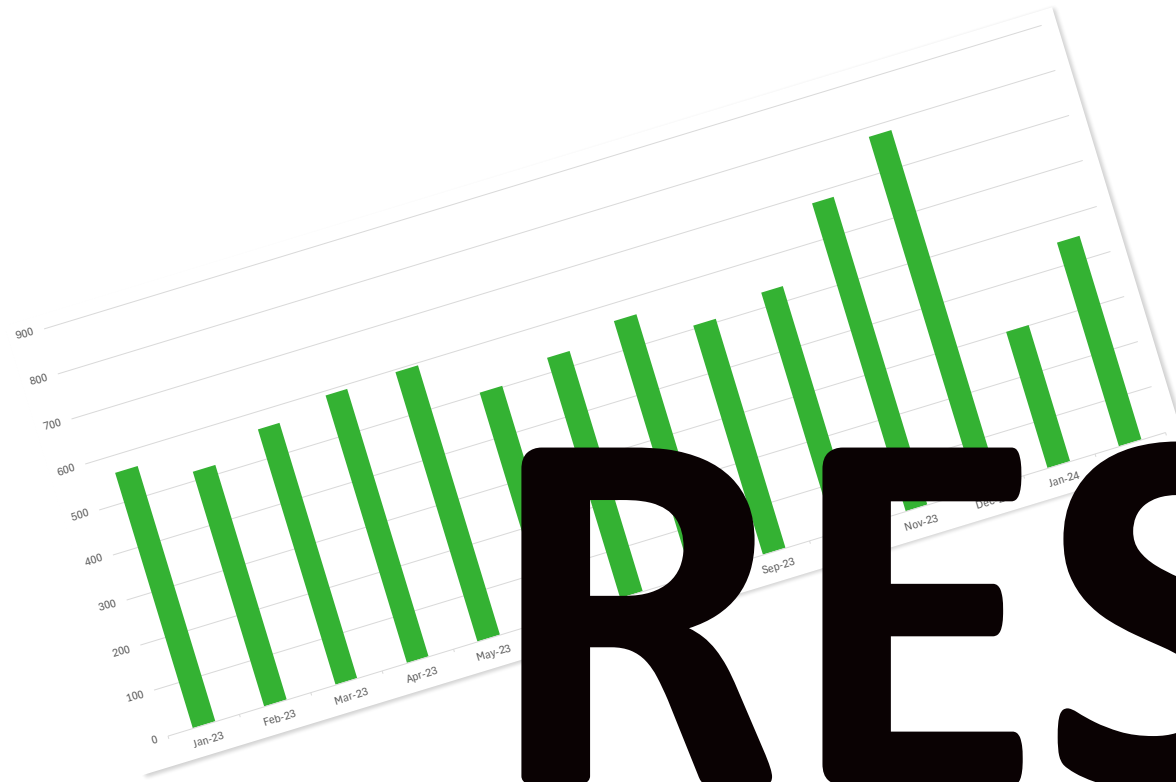
# It's in the detail!

# Avoiding the “Rebate Rush”



# Avoiding the “Rebate Rush”



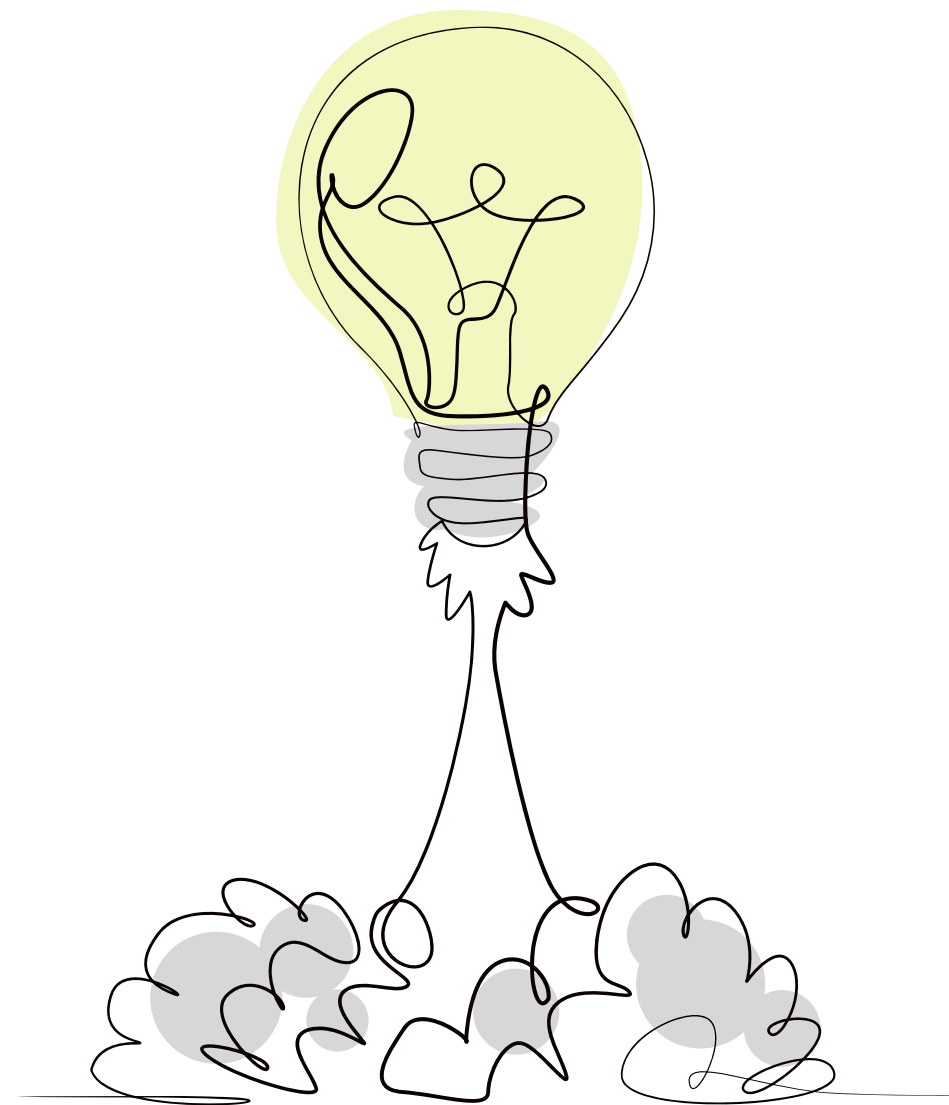


# RESET



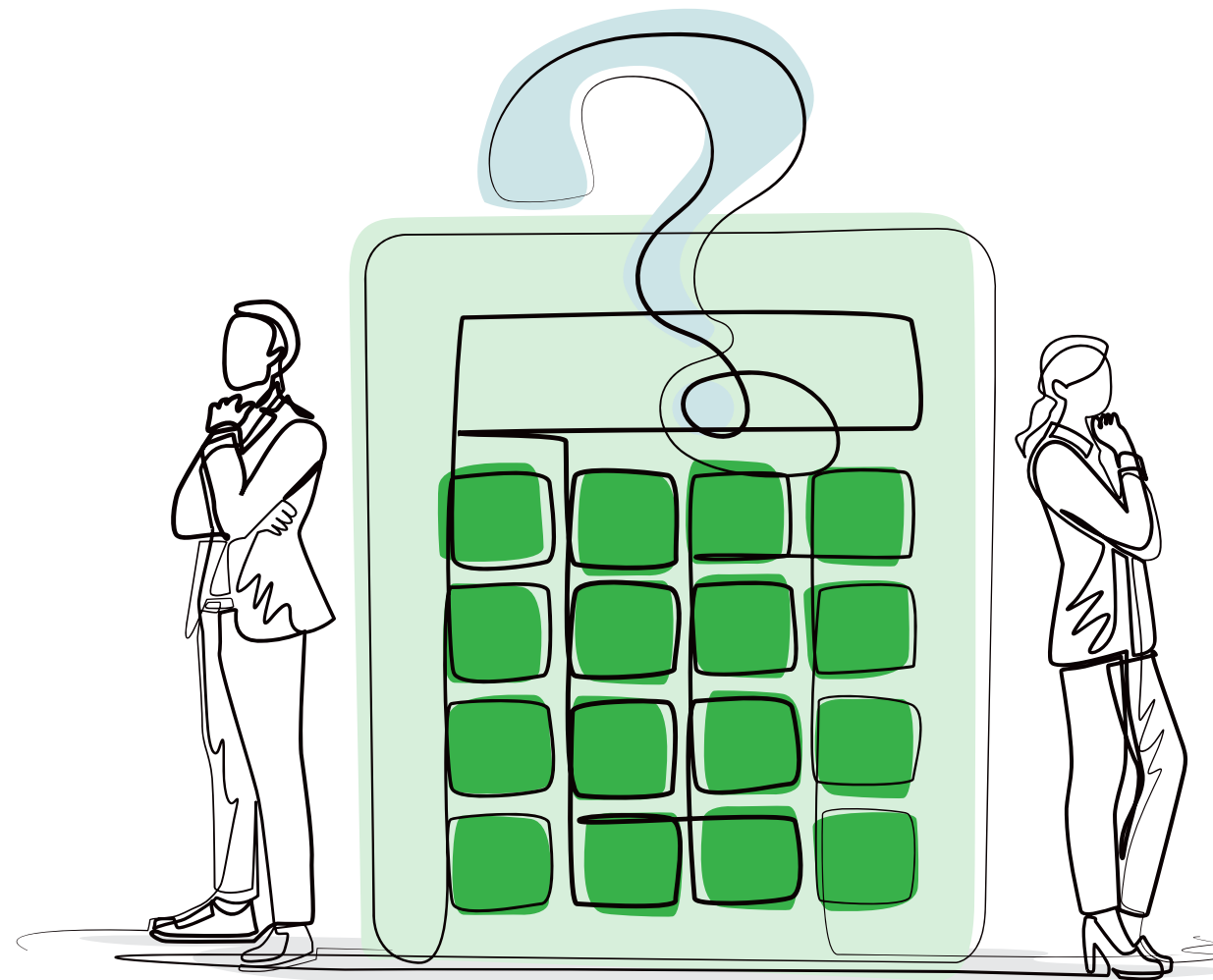
	<u>Before</u>	<u>After</u>
Units	500,000	550,000
Sales	106,500,000	127,950,000
Cost of Sales	(92,900,000)	(111,550,000)
Gross Profit	13,600,000 12.8%	6,693,000 18.0%

# Reflect

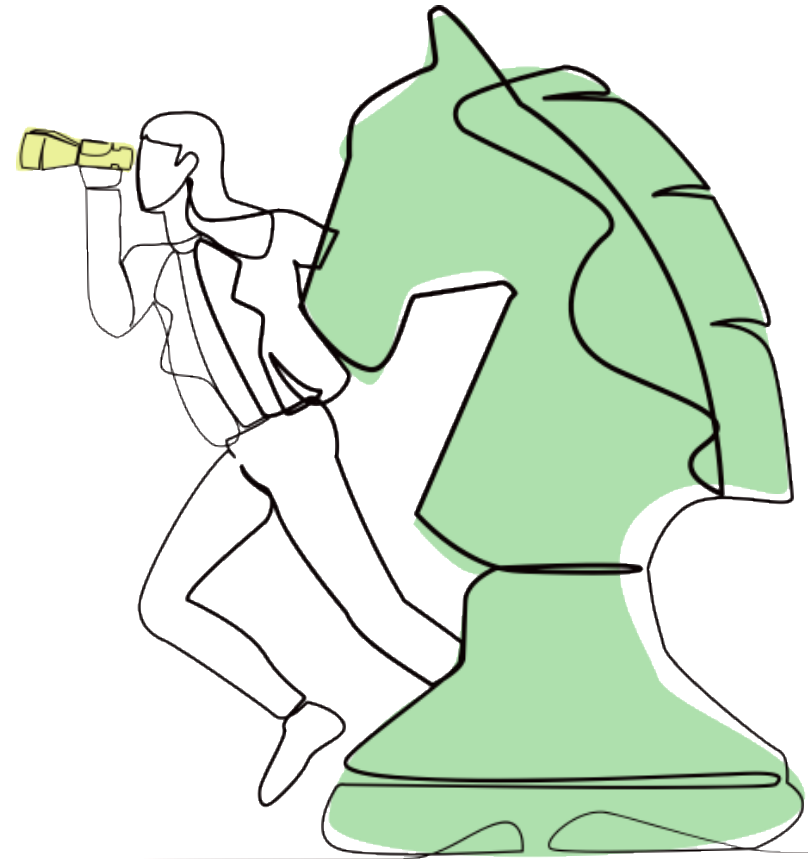




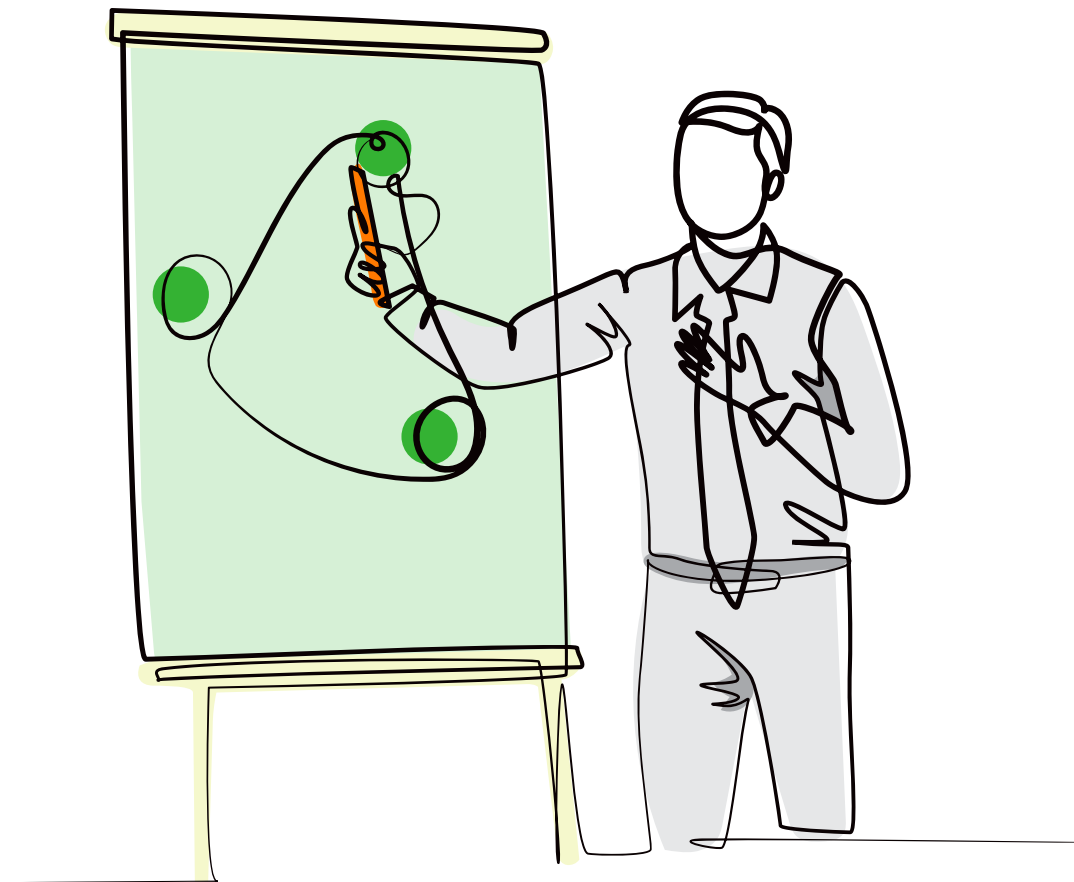
# Evaluate



# Strategise



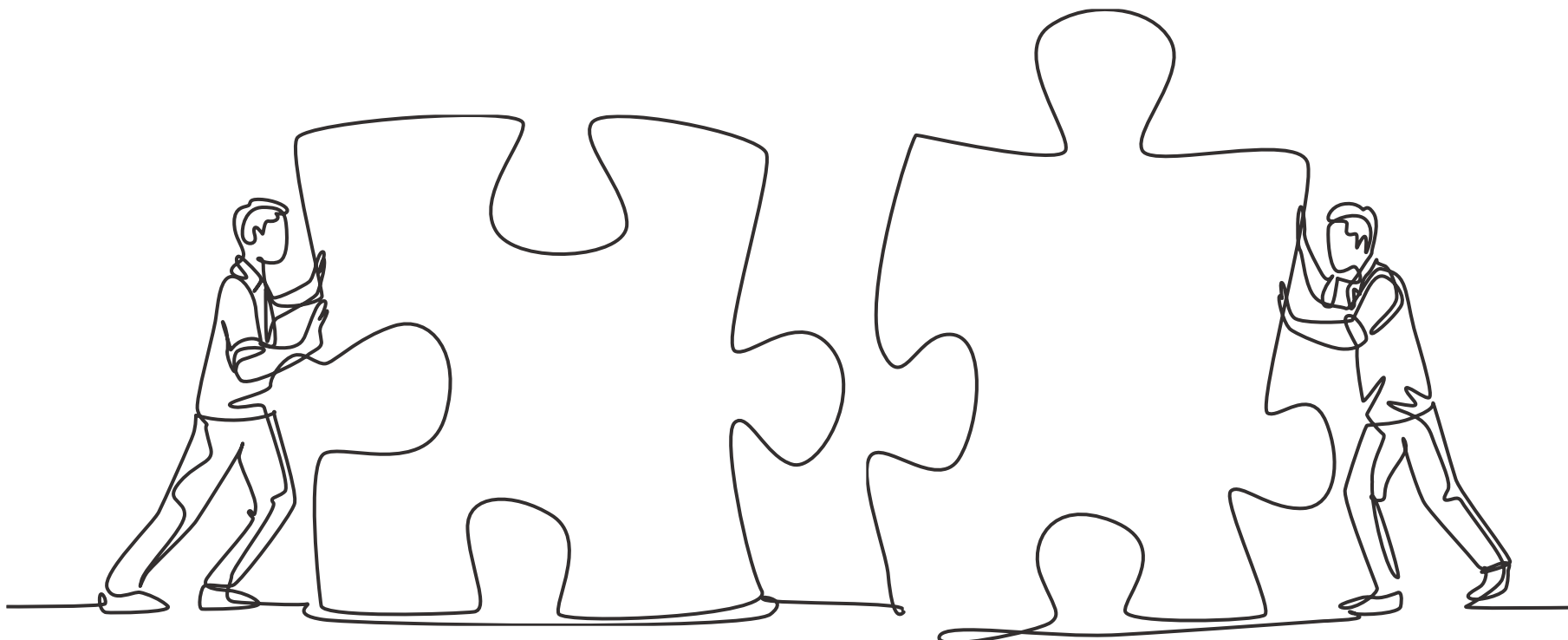
# Engineer



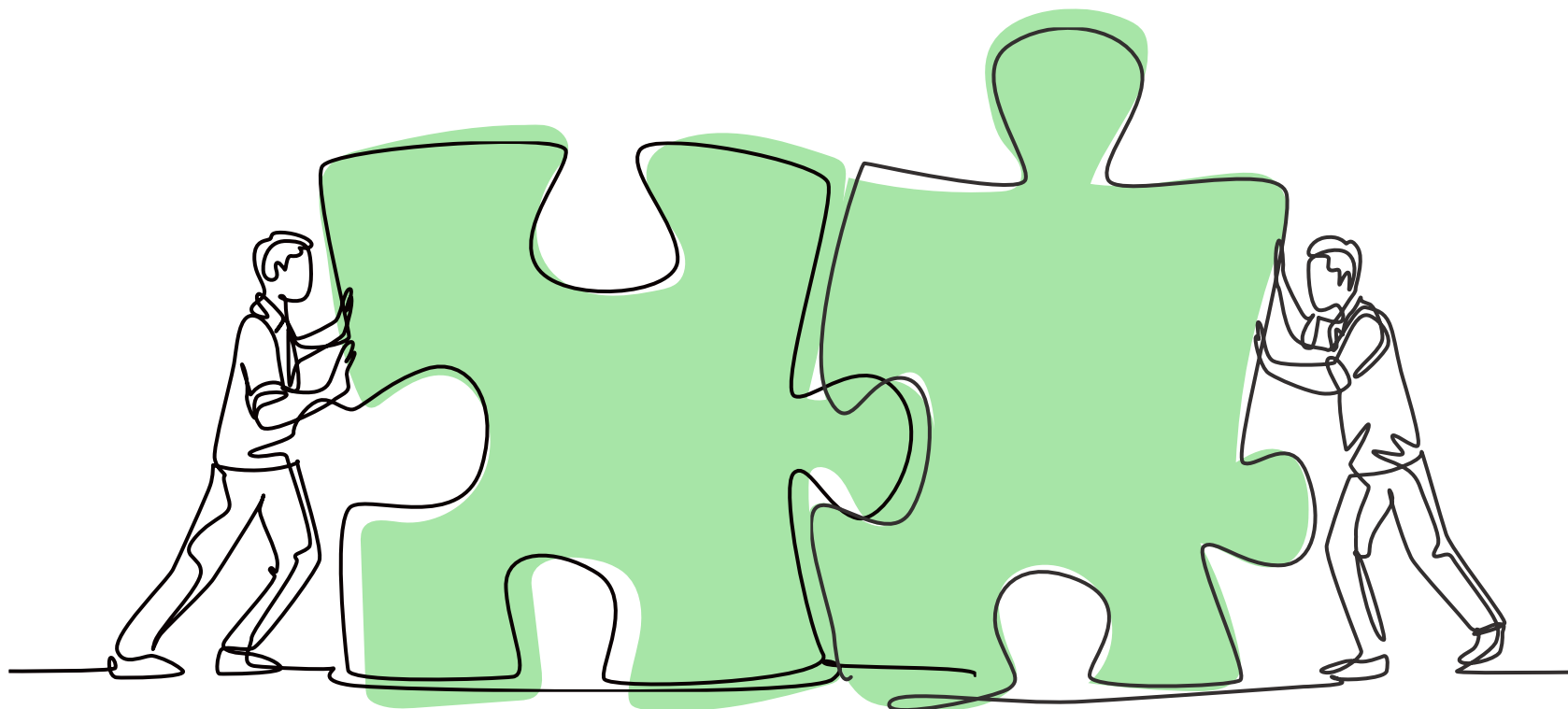
# Transform



## Rebate Strategy as the Foundation of a Partnership



# A New Chapter



- ☑ Reward
- ☑ Thank you
- ☑ Collaboration
- ☑ Sharing success

# RESET



**Elevate**  
by Enable

