



The Rebate
Reset Manifesto:
**A Strategic Roadmap
for Success**





The B2B supply chain is a network of many parts. Manufacturers make goods. Distributors transport them. Retailers and contractors sell and use those goods. Ensuring these goods move seamlessly through the supply chain is of paramount importance. And nothing smooths the way quite like the humble rebate.

Rebates have become a critical component of the **\$76 trillion** global economy, the grease that keeps the supply chain humming. Yet their strategic potential often goes untapped. Many businesses view rebates as a routine cost rather than powerful drivers of behavior. But, when used well, they can help businesses sell more, increase razor thin margins and build customer loyalty.

Savvy businesses have long known the truth: a well-built rebate program works better than any discount scheme. Gartner Analyst, Mark Lewis says, “Simplify negotiation, improve margins and incentivize additional purchases by offering rebates instead of contractual discounts.”

And now, more and more businesses are realizing that rebates are more important than ever before. Businesses around the world have begun using rebates more strategically and are seeing tremendous growth.

Gone are the days when rebates were viewed solely as cost components. They have evolved into strategic tools that hold the key to the future of the supply chain, providing a pathway to sustainable success in an ever-changing business landscape.

With the increasing challenges faced by supply chain businesses – such as rising costs, consolidation, disputes and heightened customer expectations – it’s time to reimagine the role of rebates.

It’s time for a rebate reset.

Rebates Drive Behaviors

Rebates are emerging as a critical currency within the supply chain, making trading partnerships more appealing and beneficial on both sides. They are changing the way we do business, encouraging us to share data like never before and opening us up to new and exciting opportunities by increasing transparency between trading partners. Rebates are at the heart of supply chain partnerships, allowing partners to work as seamless extensions of each other.

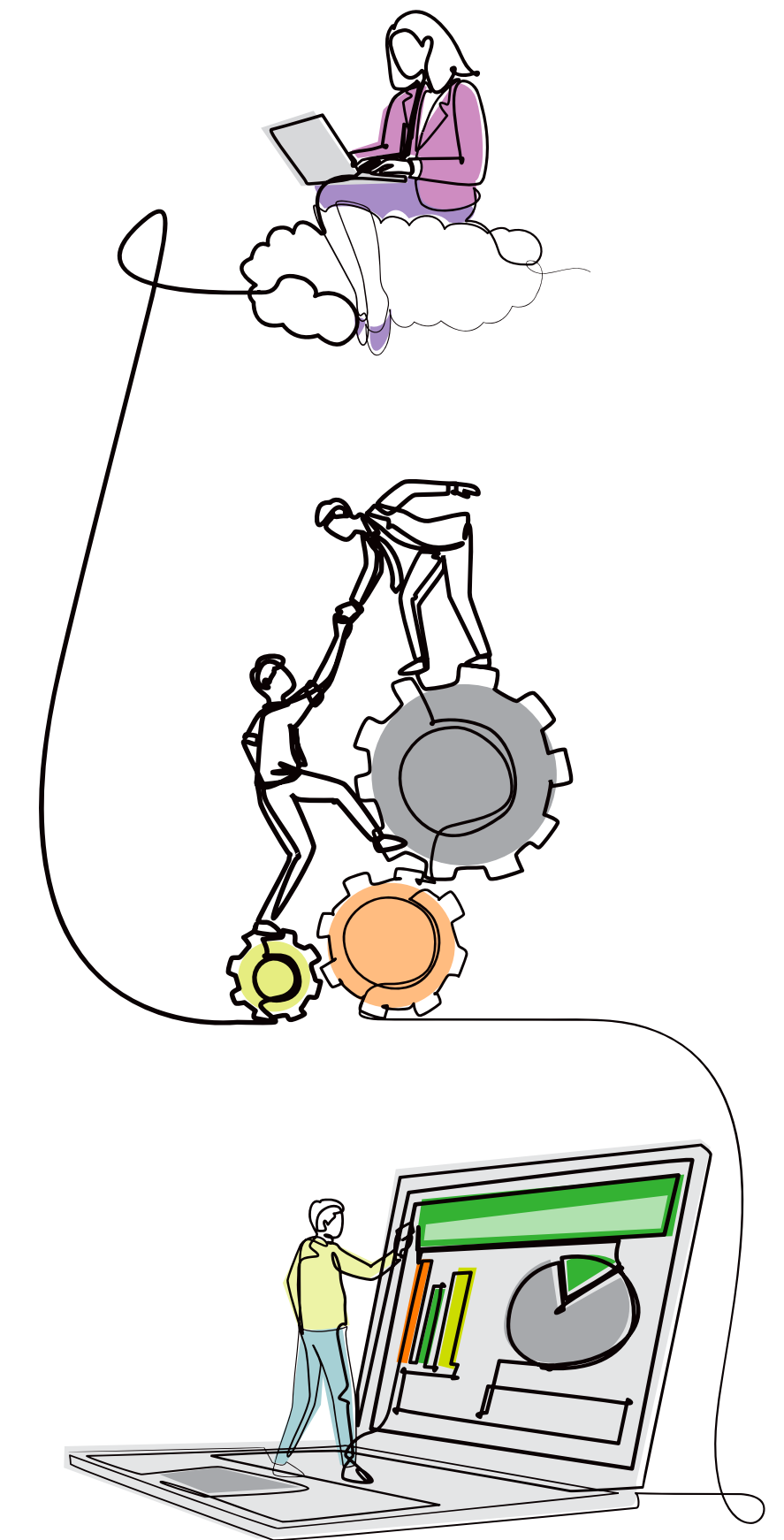
Proper incentivization through rebate programs is a cornerstone of driving desired behaviors from your customers. By carefully designing and implementing rebate initiatives, businesses can effectively steer consumer actions towards specific outcomes that align with their strategic objectives. Whether aiming to boost sales, encourage repeat purchases or promote the adoption of new products, the structure and mechanics of rebate incentives play a pivotal role in shaping buyer behaviors.

On the seller side, customers are more likely to engage with your rebate terms when they understand exactly what actions are required to qualify for the rebate, how much they stand to gain and when they can expect to receive the rebate rewards. Clear communication fosters trust and confidence in the rebate program, motivating consumers to actively participate and fulfil the desired behaviors.

Likewise, on the buyer side, clear and transparent rebate terms alleviate any confusion or scepticism about the agreement. When they have a clear understanding of the requirements, benefits and timelines associated with rebates, they are more inclined to make purchasing decisions with confidence. Rebates should be regarded as rewards for the efforts invested in negotiation; they cannot be easily traded away.

As businesses exchange data on program performance, rebates take on new roles – from encouraging customers to make additional purchases to meet higher volume rebate tiers, to incentivizing the stocking of specific products and beyond. Tailored rebate programs unlock collaborative opportunities for suppliers and customers to work toward common goals, ensuring alignment instead of conflicting interests. This collaborative approach not only ensures the success of both parties but also establishes enduring partnerships that can withstand the volatile conditions inherent in modern markets.

True strategic collaboration requires trading partners to comprehend each other’s objectives and promote behaviors that benefits both parties. With shared goals, suppliers and customers can collaborate to create customized rebate programs that cater to their unique needs. In the upcoming year, suppliers have the chance to tailor their rebate initiatives to individual customers, extending more personalized offerings to a broader customer base.





One Size Does Not Fit All

Rebates have long been an afterthought. Sellers often offer them because they think they must, creating one-size-fits-all programs that don't incentivize individual customers in meaningful ways. It's understandable that sellers do this: manual administrative processes, bloated spreadsheets and rigid ERPs have long prevented sellers from tailoring their programs to each customer.

As a result, however, sellers often deal with rebate programs that don't perform. In fact, Enable's [State of Volume Rebates 2024 Report](#) found that **32%** of manufacturers don't believe their strategy is effective, and **18%** report they don't know how effective their strategy is at all. This widespread uncertainty underscores the urgent need for a rebate reset.

Although, the one-size-fits-all approach satisfies the customer's need for a rebate program as a cost of doing business, it doesn't benefit the selling party – and ultimately may not benefit the customer, either. When rebates are leveraged without a thoughtful strategy, they can backfire, resulting in misalignment with pricing and ultimately leading to customer dissatisfaction or even eroding trust in the partnership. Yikes!





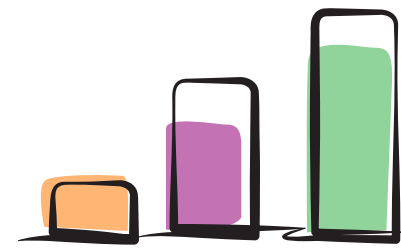
Uncovering the Inefficiencies of Rebate Management



As we've already mentioned, rebates are a valuable strategy to drive trading partner behaviors. But we've also touched on how many suppliers offer one-size-fits all programs. Why? Because companies face many roadblocks in their daily working lives. Managing rebates is often tedious and time-consuming, requiring complex spreadsheets that only one or two people in an organization understand. Dealing with manual processes, physical documents and prolonged email exchanges slows everything down and opens the door to errors and missed opportunities.

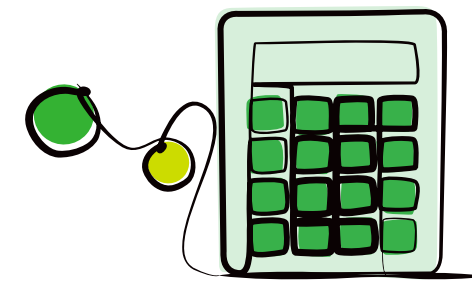
Compounding the issue, many organizations store data in disparate systems that lack seamless information sharing. Consequently, users find themselves navigating various systems to accomplish a single rebate management task.

Companies throughout the supply chain face similar challenges when it comes to rebate management. Pay careful attention to the list that follows. If you're dealing with any combination of these challenges, it's probably time for a rebate reset.



Siloed data

Often, deal information is spread across multiple departments and systems. Agreements may be held in employee email or a shared drive, purchase data in an ERP and calculations in Excel spreadsheets. Problems like duplicate data, version control issues and inaccurate calculations provide an inaccurate picture of overall deal performance and make it nearly impossible to obtain meaningful, actionable insights.



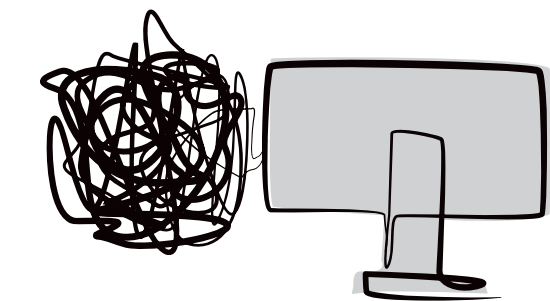
Manual calculations

The manual nature of rebate calculations introduces a host of potential errors and inefficiencies. Human error is inherent in manual processes, leading to inaccuracies that necessitate time-consuming reconciliations. Relying on manual calculations can result in discrepancies in financial reporting and payments, further exacerbating the challenges associated with accurate financial management.



Lack of real-time data

Traditional rebate management methods, particularly those reliant on Excel spreadsheets, often suffer from a lack of real-time data. As data remains static within spreadsheets, it quickly becomes outdated and unreliable. This outdated information undermines decision-making processes, causing missed opportunities and requiring extensive manual efforts to maintain the program's accuracy. Without access to up-to-date information, administrators struggle to keep pace with dynamic market conditions and evolving business needs.



No easy way to share data with partners

Effective partnerships are built on trust, which hinges on transparency and open communication. However, the absence of streamlined mechanisms for sharing accurate rebate calculations and deal statuses with partners can breed mistrust and jeopardize partner loyalty. Without transparent access to pertinent data, partners may question the integrity of the rebate program, leading to strained relationships and diminished collaboration opportunities.

These situations can give the impression that rebates are ineffective; however, this perception stems from the fact that they are not being strategically utilized to drive desired behaviors and achieve success.

How do we overcome this massive challenge? How do we create rebate programs that benefit both sellers and customers? Let's delve into this matter further.



Rebates Drive Strategic Value

As we've already established, the primary obstacle in effectively maximizing value from your rebate programs lies in the manual and spreadsheet-based tracking methods, leading to time inefficiencies, disputes over owed amounts and potential missed opportunities. A rebate reset offers the chance to initiate more proactive and consistent discussions with suppliers regarding mutually beneficial rebate strategies.

While it's true that a majority of manufacturers currently support **fewer than 25** distributors, contractors or retailers through their volume rebate programs, the upcoming year presents an opportunity to meet this demand with tailored approaches. It's imperative to recognize that the availability of rebate programs from suppliers holds significant weight for 79% of distributors, as these incentives play a critical role in their overall profitability. Therefore, by customizing rebate programs to meet the specific needs and objectives of both parties, sellers can foster stronger partnerships and drive mutual success in the marketplace.

As you consider the effectiveness of your current rebate programs, think about the levers you can pull. Perhaps your competitive landscape allows you to adjust your pricing to offer a more robust rebate program. Maybe you need to collaborate with your customers to understand their buying behaviors and needs. By strategically aligning rebate offers with customer needs and market trends, sellers can ensure that their rebate programs drive desired outcomes while maximizing return on investment.

If you're feeling overwhelmed, unsure where to begin and struggling with a pile of paperwork, laborious manual processes, fragmented systems and a lack of up-to-date information, don't lose hope—there's a way forward.

Start by taking a deep breath. Now, let's talk about how to get on top of these challenges by performing a rebate reset.





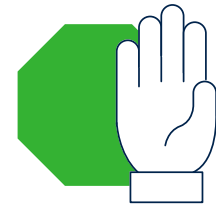
Performing a Rebate Reset

A rebate reset denotes an opportunity to reconsider your approach to rebates. It involves stepping away from the conventional norms of the industry and assessing whether your existing rebate systems genuinely align with our objectives of incentivizing particular behaviors. It's a chance to reevaluate and potentially revise the way rebates are structured. By doing so, you can ensure that they are effectively driving the desired outcomes.

To embark on a rebate reset, it is crucial to take a deliberate pause and carefully evaluate and redefine the existing rebate structures within your strategic framework. This entails moving away from a one-size-fits-all approach and instead adopting a strategic deployment strategy that aligns with the unique objectives of each partner, thereby driving the desired outcomes.

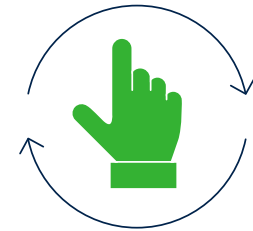
This process involves conducting a thorough analysis of the current rebate programs, assessing their effectiveness and making necessary adjustments to better align with your commercial strategy and incentivize the desired partner behaviors.

Here's a step-by-step guide to performing a successful rebate reset:



Step 1: Stop

To begin, hit pause on your current rebate programs and take the time to conduct a thorough evaluation. Don't completely stop all rebate activities (that would be bad for business!), but rather pause to critically assess your existing strategies. This pause allows for a reflective examination of what is working well and what areas need adjustment.



Step 2: Reset

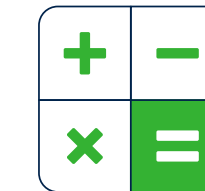
During this second phase, it is essential to reset your approach to rebates. Ask yourself critical questions about the effectiveness of your current programs, how well they align with your business goals and whether they adequately support your most valuable customers.

For instance, do these programs truly encourage the desired actions that you want to promote? Are they in line with your broader objectives and aspirations? These are the questions that need to be asked during this process. Identify areas for improvement and develop strategies on how to address them.



Step 3: Recognize

Acknowledge both your needs and those of your trading partners. A successful rebate reset balances the complexities of individualized programs with realistic management capabilities. Embrace technology solutions that will streamline processes and ensure alignment between pricing strategies and rebate programs.



Step 4: Recalculate

With the insights gained from the previous steps, develop and roll out new rebate programs that are measurable, effective and aligned with both your objectives and those of your partners. This recalibration is essential for deploying rebates strategically to achieve mutual success. Make sure to track progress regularly and measure the effectiveness of your new rebate programs. Adjustments may be needed along the way, so remain flexible and adaptable.

By following these guidelines for a successful rebate reset, you can optimize your rebate programs, align them with your business objectives and create value for both your business and your customers.

Although a rebate reset might sound like a lot of work, trust us: it's worth it. All you need to do is pause for a minute and consider whether or not your rebate programs are driving the results you want to see. If they're not, it's time for a change – and then you'll reap the rewards.

The Rewards

Embracing a rebate reset for your business means shifting your perspective. Instead of viewing rebates as a cost of doing business, you're shifting your outlook to see them as a strategic lever for growth that drives business outcomes. By reimagining rebates as more than just a necessary task, you can unlock their potential to become a strategic tool that drives profitability and safeguards margins.

Those who take on a rebate reset showcase their expertise in driving tangible improvements to the bottom line, while also aligning with the overarching goals of the organization. In an ever-evolving landscape where competition is fierce, these individuals position themselves for long-term success by leveraging rebates as a means to strengthen business relationships and solidify their own career trajectory.

The benefits of such an approach are numerous and far-reaching, yielding both immediate and sustainable results that have a lasting impact on the overall health and prosperity of the business.



Let's delve into more of the rewards of a rebate reset.

Drive Desired Behaviors

Different types of rebates encourage different behaviors from customers. Whether it's sales growth, purchase volume or promoting new product lines, understanding the desired behavior is essential to crafting effective rebate programs. Trading partners must align their goals with the type of rebate that best incentivizes the behavior they seek. Adapting to these changes through a rebate reset can ensure your strategy remains relevant and resonates with your target audience. If there are challenges in retaining customers, a reset of your rebate strategy can introduce incentives that specifically target customer loyalty and encourage repeat business.

Reduce Risk

A rebate reset involves identifying and addressing potential risks in your current rebate management processes. Businesses can conduct a comprehensive analysis of their current rebate programs. This includes identifying areas of potential risk, such as inaccuracies in calculations and operational inefficiencies. By proactively tackling these areas, businesses can significantly reduce the occurrence of disputes. By identifying and rectifying issues before they escalate, businesses can reduce the risk of strained relationships with trading partners.

It is also important to ensure that rebate programs comply with industry regulations. Maintaining standards becomes a priority during a rebate reset. This proactive approach reduces legal and regulatory risks associated with non-compliance.

Meet Strategic Goals and Objectives

The purpose of a rebate reset is to ensure that rebate programs are aligned with broader commercial strategies. This strategic alignment plays a crucial role in minimizing the risk of rebate programs undermining overall business objectives and profitability. If your business has recently undergone a shift in its long-term goals, such as placing a greater emphasis on customer retention, expanding market share, or driving product innovation, a reset can help align it with these strategic objectives.

In order to achieve this, it's best to conduct a comprehensive evaluation of existing rebate programs. This process fosters open and transparent communication between suppliers and customers regarding the goals, expectations and challenges associated with rebate structures. The end result? Trading partners can work together to tailor rebate programs that are in line with their shared objectives.

Improve Business Relationships

A rebate reset prompts businesses to provide detailed information about their rebate programs, helping partners better understand the terms, and potential benefits. This transparency builds trust and reduces the likelihood of misunderstandings. If there is evidence that customers are dissatisfied or that your current rebate strategy is not meeting their expectations, a reset may be necessary to address these concerns and improve the relationship.

If your business enters into new partnerships, or if there are changes in existing collaborations, a reset may be required to ensure mutual benefit among all parties involved. By treating rebates as a strategic tool, businesses participating in a rebate reset are more likely to form long-term, mutually beneficial partnerships. The shared commitment to growth and success creates a foundation for enduring loyalty between trading partners.



Kickstart Your Rebate Reset

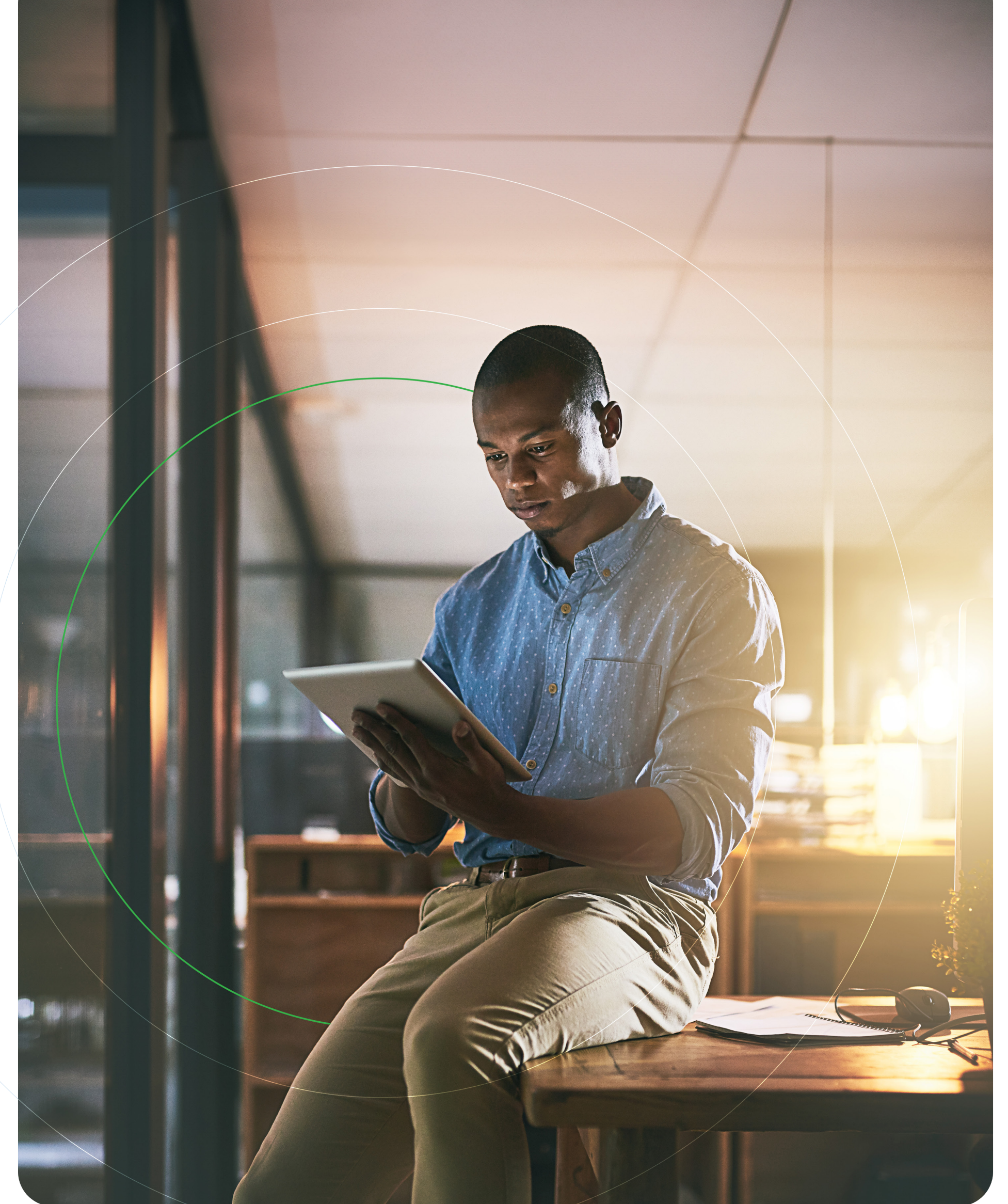
Amidst supply chain disruptions and narrowing margins, rebates emerge as a strategic game-changer, reshaping collaboration among manufacturers, distributors and retailers. Historically underutilized due to manual tracking and isolated data, rebates now wield significant influence in motivating desired partner behaviors.

If you're using rebates, you need to make sure they're doing their job and facilitating trade between you and your partners.

And that means it's time to hit the reset button on your rebates. By embracing a rebate reset, you can unlock new avenues for growth, collaboration and mutual-success in an ever-evolving rebate landscape. A rebate reset represents an exciting opportunity to step back, assess and make necessary adjustments to drive behaviors that propel your business forward.

The journey from recognizing the need for a rebate reset to fully transforming your strategy involves meticulous planning, collaboration, execution and the right tools internally and externally. While the journey ahead may pose challenges, the outcomes will undoubtedly justify the effort. Trust us.

Don't procrastinate on this. Armed with this manifesto, you now have a deeper understanding of how to leverage rebates strategically. It's time to embark on your rebate reset journey to unlock their full potential within your business.





About **Enable**

Enable helps manufacturers, distributors, and retailers take control of their rebate programs and turn them into an engine for growth. Starting with finance and commercial teams, Enable helps you better manage rebate complexity with automated real-time data and insights, accurate forecasting and stronger cross-functional alignment. This lets you — and everyone in your business — know exactly where you are with rebates. Then you can extend Enable externally to suppliers and customers, setting them up with one collaborative place to author, agree upon, execute on, and track the progress of deals. Find out more and try it for free at enable.com.

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