

# Using DealTrack as a platform for mutually beneficial supplier negotiations

## Background

This building materials supplier was struggling to reconcile rebate information in their unwieldy spreadsheet-based system. They also had an issue around supplier negotiations in that it was difficult to extract good solid data across all branches and categories prior to the negotiation.

They felt that they needed to gain control over rebate income and at the same time find a solution that would help them to improve their supplier negotiations.

With too little accurate, consolidated information at their fingertips, the procurement team could only negotiate on price. They knew that by understanding the projected volumes and product mixes required at a branch / product level they could include delivery, quality and other measures into their negotiations.

## Why DealTrack?

Whilst DealTrack is a rebate management solution, it forms part of a larger suite of software designed to enable smarter joint business forecasting, planning and execution for those companies (like building materials merchants and their suppliers) who use rebate mechanisms widely in their contract negotiations.

They liked the fact that they could achieve an ROI relatively quickly by implementing the core DealTrack product, and in doing so create a solid platform for mutually beneficial supplier negotiations.

## The solution

Whereas previously their supplier negotiations were around improving the margin for a forecasted product mix, they are now in a position to work with suppliers and drive even better margins that still gives the supplier a benefit.

For example, close examination of demand from a supplier can reveal that a drop-ship approach would be suitable – asking the supplier to deliver to their larger branches directly but using their own transport fleet to ship product onwards to the smaller branches. (Their own fleet moves between branches every day anyway, so this is not an extra cost to the builders merchant.)

By helping the supplier to find ways of reducing the supplier's own distribution costs, that supplier is able to give a better margin without eroding their own profits – a mutually beneficial negotiation facilitated by DealTrack.

## At a glance

- Identified missed rebate income
- All purchase transaction data in one place
- DealTrack data analysis tools are being used to identify opportunities for negotiating mutually beneficial deals with suppliers, leading to better margins, better supplier relationships and mutually profitable growth.



# Passionate about software enabling profitable growth

Enable was spun out of DCS Group, which is recognised as one of the fastest growing businesses in the UK.

DCS provides central distribution for P&G, Unilever, Colgate, PZ Cussons, SC Johnson, Reckitt Benckiser, Kimberly-Clark and many more into the majority of retailers smaller than the big 4 supermarkets. The company has achieved year on year growth through effective joint business plans and slick, efficient execution.

DCS started in 1994 and soon realised that effective use of technology would be key to achieve its growth ambitions. The company experienced difficulty finding the right solutions, and eventually set out to develop its own software.

Suppliers were so impressed that they asked whether DCS could implement software solutions for them. Enable was born in 2000 to service this demand, and has since grown every year in its own right.

Today, DCS has 320 staff and £200m turnover. Enable has 50 staff and £4m turnover. Both companies are 100% privately held. We have leading edge technical capability with the grounding and industry expertise of distribution.

In addition to our substantial knowledge in wholesale and retail, Enable also has significant experience in the builders merchants arena having worked with and implemented software solutions for Affiliated Distributors, Grafton Merchanting, Morrison Supply, Travis Perkins and Wolseley UK.

