

Taking a more granular view of rebate calculations – a large UK building materials supplier

Background

A bespoke system had been used for some time to manage rebate earnings in this business, but rebates were calculated at a very high level and were based on data provided by suppliers rather than their own data.

They reviewed the situation and estimated that by making calculations at a more granular level of detail, they could significantly increase the level of rebate claims within the existing deal structures.

They moved to Microsoft Dynamics AX for their core financial system, but it was clear from their early analysis that this was unable to handle their requirements for managing rebates at the level of detail they required.

As in many other cases, because the core system couldn't cope with the detail they had already resorted to management by spreadsheet. Data was exported from Dynamics AX and imported into spreadsheets.

They turned to Enable for a solution that would integrate with the new Dynamics AX solution.

Why they chose DealTrack

Granularity and automation were high on the list of required features.

We can demonstrate that very well using DealTrack. Data can be analysed by product line, by branch, by supplier and multiple other dimensions. Rebates claims are automatically calculated in line with the deal structure, and alerts are provided where rebates are about to be missed.

They could see how this level of detail and the automatic processing of rebates would significantly alter their business in two ways:

- 1: reducing the effort involved to be 100% accurate with rebate claims
- 2: having all information in one place on which to negotiate better deals in the future

The results

No more missed claims and a platform for smarter negotiations are the key points here. As is often the way, this team were looking for a solution that made the process easy, prevented mistakes and helped them ensure they claimed everything they were owed.

What they got was that and more.... They soon realised the power of having all purchasing transaction information centrally and being able to slice and dice it to see the impact a new deal structure would have on margins. Armed with this information the procurement team can collaborate with suppliers to their mutual benefit.

At a glance

- Granularity and automation were the key success factors in this project
- As well as accurately calculating rebates, they can now forecast the impact of new deal strategies on their margins
- They took advantage of the option to manually upload data instead of building integration to their core ERP systems in order to shorten the time to go live and obtain benefit from the solution



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.

