# Optimize vendor and supplier programs to improve your organization's profitability



**SAP**

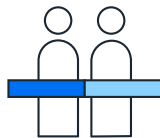# Drive supplier program earnings with advanced vendor management

Managing vendor and supplier programs efficiently is key to **reducing the cost of goods** and creating value for your enterprise.

The right enterprise solution can help you improve program performance, streamline processes, claim outstanding balances due, and attain increased earnings.

Gaining sophisticated planning and design tools to administer vital processes from start to finish can help you improve the management of your vendor and supplier buy-side programs, incentive payments, and reimbursements to achieve lower acquisition costs.

Extending the value of your suite of intelligent business solutions from SAP deployed on SAP Business Technology Platform will also provide vertical capabilities that deliver true business value.

Efficient management of vendor and supplier programs is key to reducing your cost of goods and **creating business value**.

# Recognize and maximize the value of trade and vendor programs

The SAP Vendor Program Management solution by Vistex, an industry cloud solution, enables an efficient, highly automated approach to managing your vendor and supplier programs.

**Boost** your profitability through better vendor program management.



The solution extends the value of SAP S/4HANA with compelling interactive visualizations, individualized dashboards, and advanced, real-time analytical tools, helping you gain maximum program value.

You can also improve profitability by reducing the cost of goods and optimizing vendor and program performance.

Sophisticated planning and design tools in SAP Vendor Program Management can help you administer the following vital processes:
- Chargebacks
- Cooperative marketing and market development fund activity
- Purchasing rebates

# Manage chargebacks

Retrieving eligible chargebacks from vendor-driven cost-recovery programs is a key way to receive revenue and can mean the difference between profit and loss. Protect your margins and improve visibility into the chargeback process – from procure to pay to order to cash – with an integrated chargeback management system.

> Protect your margins, accelerate cost recovery, and **gain a view** into true profitability.

SAP Vendor Program Management provides a single integrated approach to managing complex, time-consuming tasks, including contract updates, ongoing and retroactive transaction processing, amounts-due calculation and invoicing, documentation and reconciliation of vendor responses, resubmissions, and detailed financial postings.

The solution helps you examine and manipulate data from many perspectives – customer, SKU, program, channel – allowing distributors to implement and manage these programs more effectively. By offering real-time visibility into transactions, processes, and programs, the chargeback functionality of SAP Vendor Program Management accelerates cost recovery rates, reduces vendor accounts receivable balances and error rates, and provides a clear view into true profitability. The functionality allows you to:

- Manage chargeback programs, including contract price, percentage off, fixed amounts, and tiered approaches
- Gain visibility into transactions, processes, and programs
- Define, document, and track processes and workflows
- Retroactively process eligible transactions
- Determine accurate cost of goods sold for customer and product profitability
- Access comprehensive reconciliation capabilities to process disputes

# Enhance cooperative marketing and market development fund activity

SAP Vendor Program Management lets you automatically track fund use and validate claims to help ensure accurate settlements. Smooth collaboration between vendors, distributors, and retailers is critical for program success. Vendor funding programs contribute to higher margins for distributors and retailers, but tracking claims can become a source of frustration and errors when there are multiple documents and approval requirements to manage. As vendors contribute more promotional resources to fund services, comarketing, or purchasing programs, it becomes more complex to track fund use and validate claims or negotiate contracts midstream.

The solution enables you to accurately reconcile the correct amounts and tie arrangements to the relevant contracts. As you intuitively view critical analytics and performance data, you can strengthen partner relations with transparency into claims and can speed payments by minimizing back-and-forth submissions.

Help ensure settlement accuracy, gain critical insights, and **strengthen** partner relations.

Armed with more-accurate information, you can negotiate better programs and events and increase transparency while accessing robust auditability and financial controls. Improved visibility into program activity also gives you a clearer picture of unspent funds and the performance of different programs, helping you take appropriate action to boost results.

Benefits of this functionality include the ability to:
- Plan, budget, and track funds received from vendors
- Accrue funds based on a percentage or value of purchases
- Capture and collect fixed-amount funds for discretionary spend
- Provide proof of performance for funds based on contracted events or actions
- Optimize spend with notifications for unused funds

# Administer purchasing rebates

Income from rebates can make a major contribution to the margins of wholesale distributors and retailers. Without a powerful rebate solution in place, you may miss out on this vital source of income.

> Determine the **true income** from your rebate programs, and optimize their performance while staying compliant.

SAP Vendor Program Management provides comprehensive, sophisticated tools to model, administer, report, and analyze your vendor rebate programs. It helps you understand the true income from your rebate programs, identify problems and opportunities, and take timely action to help programs deliver maximum value. Reduce miscalculations and unrealized earnings, make more-informed buying decisions, and collect any outstanding rebate income.

Detailed drill-down functionality enables you to perform postexecution evaluations of your rebate programs and strategies, which you can then use to optimize the performance of subsequent programs. With advanced reporting and analytical tools providing real-time data for evaluating program performance, you get a clear audit trail of settlements to help you satisfy rigorous compliance requirements.

Benefits of this functionality include the ability to:
- Track quantity, percentage, and flat-tiered volume and growth rebates
- Improve accuracy by including or excluding customer sales in rebate calculations
- Adjust program criteria midstream and retroactively recalculate amounts due
- Record predetermined objectives and achievements to align with vendor payments
- Maximize payments with optimal purchasing volumes
- Determine true profitability with granular allocation of rebates

## Summary

The SAP Vendor Program Management solution by Vistex – an industry cloud solution deployed on SAP Business Technology Platform – enables an efficient, highly automated approach to managing vendor and supplier programs. Sophisticated planning and design tools help administer vital processes, including chargebacks, purchasing rebates, and cooperative marketing and market development funds.

## Objectives

- Improve profitability by reducing the cost of goods and optimizing vendor program performance
- Streamline processes, claim outstanding balances due, and attain unrealized earnings
- Gain maximum program value by using compelling and interactive visualizations, individualized dashboards, and advanced, real-time analytical tools

## Solution

- Real-time, comprehensive claim generation, submission, and reconciliation
- Ability to determine true rebate program income, identify problems and opportunities, and take action to help ensure maximum value
- Accurate accrual and allocation of funds for agreements and the ability to monitor their use
- Program tracking to strengthen partner relations and faster payments by minimizing back-and-forth negotiations

## Benefits

- Model, administer, report, and analyze vendor rebate programs
- Accelerate cost-recovery rates and reduce vendor balances and error rates
- Track fund use and validate claims
- Identify true selling prices and make informed financial decisions
- Manage fund balances
- Minimize losses due to inaccuracy

**Learn more**
Find out more about SAP Vendor Program Management by visiting us online.