

Case Study



Now it all adds up for Animal Health International

AHI streamlines management of \$100 million in vendor receivables. SAP margin optimization solutions by Vistex accelerate processes, enable real-time analysis.



Highlights



\$78 million in annual rebate collections



50% of sales dollars eligible for promotion or discount

“Our Vistex solution is tightly integrated into our profitability analysis, providing key insights into available chargebacks and deals.”

Tim Hays

VP of Information Technology, AHI



Overview

Animal Health International (AHI) used manual processes and a complicated, unreliable custom program to manage vendor chargebacks and sales promotions. And problems were the result.

Important transaction information lagged. Calculations took too long. Visibility into available deal promotions was poor. Margins and profit were difficult to determine. Reporting was inadequate. Information provided to customers was not timely or relevant. Opportunities were being missed.

Clearly, with a need to process \$78 million in annual vendor receivables, a different approach to this critical revenue stream was necessary.



Solution

To provide these capabilities and leverage core SAP technologies, AHI chose SAP margin optimization solutions by Vistex to take advantage of its single repository for transactional and master data, providing “one version of the truth” while streamlining all aspects of claims management.

SAP margin optimization solutions by Vistex enabled effective management of vendor chargebacks, including real-time calculation of anticipated

vendor rebates to determine gross margin at the time of sale, and a more efficient process for managing the collection of vendor receivables.

In addition, AHI improved its ability to manage complex promotions and deals, including percentage discounts, mix-and-match and buy-one-get-one-free. And it also gained critical visibility into promotions and opportunities for upsell and cross-sell.



Results

With SAP margin optimization solutions by Vistex deployed, AHI was able to reduce manual errors, upgrade vendor and sales reporting, enhance the information provided to customers, and gain real-time profitability analysis of customers and vendors.

In addition, overall management of vendor chargebacks and sales promotion programs — and their profitability — was improved. With better visibility into promotions, the company was able to increase upsell and cross-sell opportunities, and use eligibility, qualification and benefit tools to improve deals application.

The result of all these improvements? Today, AHI is able to efficiently process more than \$100 million in vendor receivables annually.



Headquarters: Greeley, CO

Industry: Wholesale Distribution

Products: Animal health products and supplies

Revenue: \$1.3 billion

Locations: Distribution centers, offices and call centers across the U.S. and Canada

Solutions implemented:

SAP margin optimization solutions by Vistex

– SAP Paybacks & Chargebacks by Vistex

Let's Connect

About Animal Health International Inc.

With 70-plus locations and thousands of products from more than 1,000 manufacturers, Animal Health International Inc. (AHI) is one of the leading animal health products distribution companies in North America. Focusing on companion animals, equine, beef and dairy cattle, poultry and swine, AHI provides customers with top-of-the-line products ranging from vaccines and pharmaceuticals to state-of-the-art equipment and software.