

# Advanced Rebate Management

Accurate, efficient management of discounts, rebates, and vendor contracts



**Avanade Advanced Rebate Management lets you maintain accurate item costs in the ERP system with full accounting and provision tracking for vendor rebates and discounts in order to monitor your margins accurately.**

When distributors, wholesalers, and retailers negotiate rebates and discounts that depend on achieving contractually defined conditions, they need a way to show the actual, adjusted item costs in their ERP system without delays at the end of the contract period. If they cannot do this before the end of the period, their records can't reflect the future rebates immediately, and margins may not be accurate. What's more, without complete tracking of sales, agreements, claims, rebates, and accruals, negotiations among companies can easily become adversarial.

## Versatile rebate and discount management in your ERP system

Agreements between companies can change the real cost of items long after their purchase and receipt. By using Avanade Advanced Rebate Management, you can account for complex rebates and discounts in the financial dimensions of items. The solution overcomes limitations of the Microsoft Dynamics 365 standard in scenarios such as these:

- A distributor gives a vendor a percentage rebate on the vendor's price if the vendor reached or passed a certain quantity threshold of products sold within a given timeframe, or if other contractual conditions have been met.
- A manufacturer or distributor offers a discount to a vendor to clear out aging inventory and make room for new products, decreasing the unit cost by a certain percentage and thus extending a low purchase price to consumers.
- A manufacturer, distributor, and vendor enter into a three-way contract, for example, to promote a product or product line. Each time the vendor sells the product in question, a rebate is extended by the manufacturer through the distributor.

## Full visibility of accurate item costs and rebates

When you deploy Advanced Rebate Management, you can define conditional and unconditional rebates, discounts, and thresholds, by product category and contract details. The solution provides full traceability of all transactions and the applicable item cost adjustments or provisions (often referred to as "triple net costs") based on the agreements with your trading partners. You can vet rebate claims against defined rules and conditions to avoid errors. Throughout the term of a contract or promotion, Advanced Rebate Management calculates by accrual what your actual and eventual margins and real item costs are. You can at any time review the impact of rebates and discounts on your profits and losses.

The solution can update purchase or sales orders and apply changes retroactively to the beginning of contract terms providing for rebates and discounts. Advanced Rebate Management can also simplify finance management if yours is a holding company which negotiates discounts and rebates with vendors, but does not post purchases and receipts. You can let the solution calculate accurate costs after discounts and rebates based on the transactions of your sister or subsidiary entities.

Rebates in Advanced Rebate Management are supported for moving average costing methods and first in, first out (FIFO) cost calculations. To learn more or see a demo, contact us by visiting [www.avanade.com/en/technologies/microsoft-dynamics-365](http://www.avanade.com/en/technologies/microsoft-dynamics-365).

## Key Benefits

- Implement and track discounts and rebates with accurate item costs anytime
- Apply discounts and rebates retroactively for reliable item cost adjustments
- Eliminate ambiguity and simplify negotiations with trading partners
- Correctly assess the impact of rebates and discounts on profit and loss

