

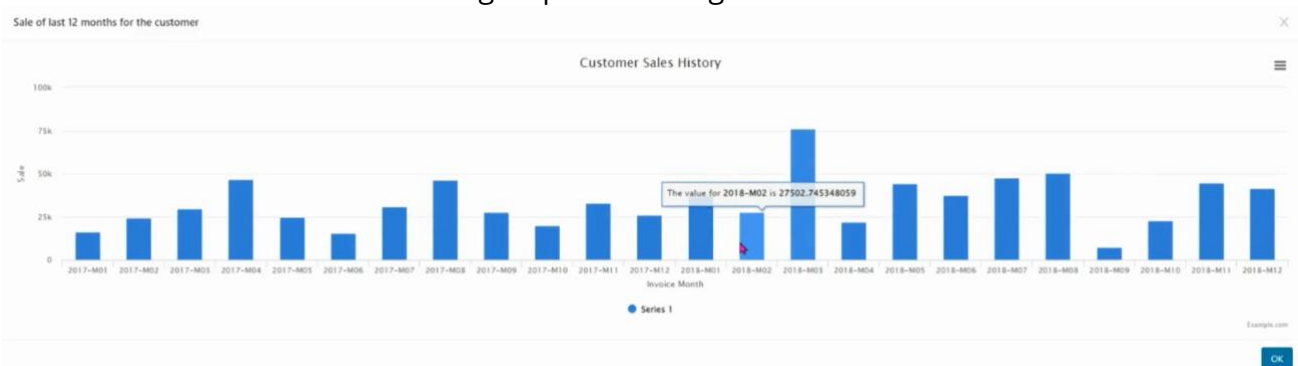
## Eliminate unearned discounting by utilizing automated rebates with accruals and payouts

As a [Pricing Manager/Sales Rep], I want to have visibility on the progress of sales versus the rebate objective throughout the rebate period agreements, so I can:

- Incentivize customers to achieve the set targets where needed
- Understand the likelihood of making the rebate payout at the end of the rebate period

## Functional Requirements

- I want to be able to create rebate agreements in Pricefx in line with the available rebate types that are part of Pricefx. Also Pricefx should support the accrual process and the payout process.
- When I'm working on my rebate agreement, I want to have inline analytics to view the historical sales of the customer or customer group I'm working on



- When I'm working on my rebate agreement, I want to have calculated metrics in the calculation result of the rebate agreement that show me the historical sales and when present, the forecasted sales.

R-388663 (New Rebate Agreement) Submit Recalculate Export Email Agreement Duplicate

Header Items Attachments Workflow Messages

Label	Condition Type	Date Added	Customer(s)
<input type="checkbox"/> [RM] Fixed Amount	Fixed Amount	2 days ago	
<input checked="" type="checkbox"/> [RM] Growth Absolute Percent	Growth Absolute Perc...	2 days ago	
<input type="checkbox"/> [RM] Growth Percent Amount	Growth Percent Amo...	2 days ago	
<input type="checkbox"/> [RM] Growth Stepped Amount Percent	Growth Stepped Amo...	2 days ago	
<input type="checkbox"/> [RM] Linear Amount	Linear Amount	2 days ago	
<input type="checkbox"/> [RM] Multi Increment Amount	Multi Increment Amou...	2 days ago	
<input type="checkbox"/> [RM] Multi Target Percent	Multi Target Percent	2 days ago	
<input type="checkbox"/> [RM] Single Increment Amount	Single Increment Amo...	2 days ago	
<input type="checkbox"/> [RM] Single Increment Growth Percent	Single Increment Gro...	2 days ago	
<input type="checkbox"/> [RM] Single Target Percent	Single Target Percent	2 days ago	
<input type="checkbox"/> [RM] Single Volume Per Unit	Single Volume Per Unit	2 days ago	
<input type="checkbox"/> [RM] Stepped Amount	Stepped Amount	2 days ago	

**[RM] Growth Absolute Percent**

Input Parameters Calculations

Customer(s): Enduser (Customer Type)

Product(s): Select Product(s)

Target\*:

680	Rebate %	3	+
1,200	Rebate %	4.5	-
4,500	Rebate %	12	-

Payment Period\*: Quarterly

Recalculate Changes

## Non-Functional Requirements

- N/A

## Reporting and Dashboards

- This use case has the dashboards and reports as described in the functional requirements section.

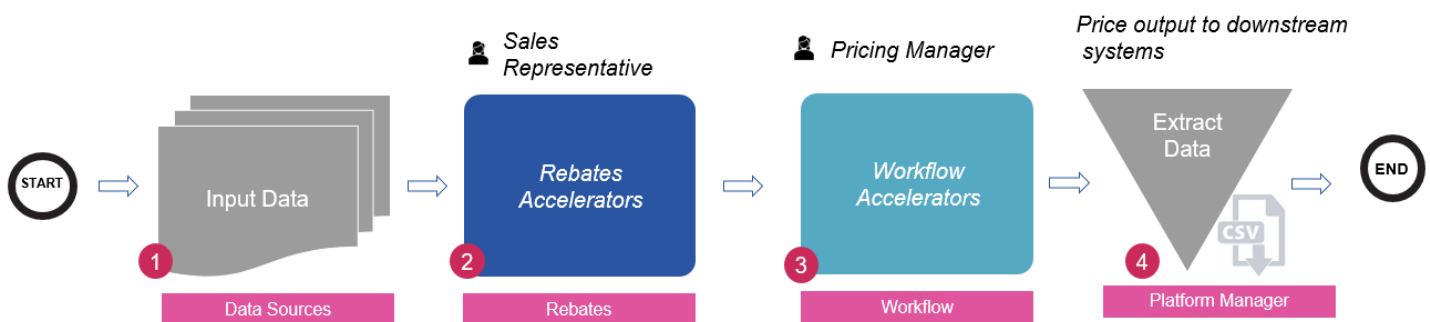
### Measures, Calculation and Decision-Making Key Performance Indicators

- Previous Sales: Revenue for the previous rebate period, based on the waterfall transactions
- Forecasted Sales: Forecasted Sales for the rebate period, based on external forecast (input to Pricefx)
- Forecasted Baseline value: Forecasted Sales for the rebate period which is eligible for the rebate program, based on external forecast (input to Pricefx)
- Forecasted Rebate: the forecasted rebate to be paid out, based on the rebate program conditions and the forecasted baseline value
- Revenue: Revenue based on the Price Waterfall data
- Rebates: Rebates based on the Price Waterfall data
- Net Margin %: Margin % based on the Price Waterfall data

### Solution Design

The design and implementation is going to utilize the suite of PFX out-of-the-box features and capabilities of the Rebates module. The flow chart below illustrates the end-to-end process and the mapping of the process to the PFX modules

Figure 01 – The end-to-end Rebates process



1. Input data: Input data is prescribed in the “Input Data” section below
2. The Rebate Accelerators provides a solution for fast implementation of rebates. The solution includes defining and approving the rebate agreements, maintaining the rebate records and enriching the transactional data for the entire price waterfall. The package includes:
  - More than 20 most common Rebate types
  - Approval workflow for agreements and rebate records / payout values
  - Agreement output template
  - Enriching sales / transactional data in the Analytics module with the rebate values

Figure 02 – Agreement sub-objects



- **Header inputs:** is the user interface that will allow the user (Sales Rep, Pricing Manager) to define the rebate agreement definitions
  - **Start Date** – Start Date of the agreement
  - **End Date** – End Date of the agreement
  - **Payout Date** – Payout Date of the agreement
  - **Customer(s)** – One or group of customers for the agreement
  - **Product(s)** – One or group of products for the agreement
  - **Pay To** – One specific customer to pay
  - **Forecast Type** – Can be **Rebate Forecast** or **Accrual Forecast**
  - **Accrual Method** – For the Accrual Forecast type
  - **Sales Goal Increase %** - For the Accrual Forecast type

Start Date

01/01/2023



End Date

31/12/2023



Calculation Date

13/06/2023



Payout Date

13/06/2023



Customer(s)

Select Customer(s)



Product(s)

Select Product(s)



Pay To

Select Customer



Forecast Type

Rebate Forecast



- Overall Rebate agreement calculation results

▼ Rebate Detail

Label	Calculation Result
Previous Rebate	159
Current Rebate	4

▼ Rebate Forecast

Label	Calculation Result
Forecast	4

▼ Accrual Forecast

Label	Calculation Result	...
Accrual Forecast	167	
True-up	163	
Accrual Comparison Chart	<a href="#">Show</a>	
This Year's Sales Forecast Table	<a href="#">Show</a>	
This Year's Sales Forecast Chart	<a href="#">Show</a>	

- **Rebate types**

- **Conditional rebates:** Single Target Amount, Single Target Percent, Single Volume Total Amount, Single Volume Total Percent, Single Volume Per Unit, Multi Target Amount, Multi Target Percent
  - Single Target Amount
    - Inputs:

## [RM] Single Target Amount

Input Parameters   Calculations

Customer(s)

Select Customer(s) ▼

Product(s)

Select Product(s) ▼ Q

Target\*

500

Rebate\*

90

Payment Period\*

Monthly ▼

- Calculation results

### Rebate Detail

Label	Calculation Result
Baseline Value Field Label	Net Margin
Previous Baseline Value	4,817
Current Baseline Value	170
Previous Rebate	270
Current Rebate	0

### Rebate Forecast

Label	Calculation Result
Forecast Baseline Value	170
Forecast	0

### Accrual Forecast

Label	Calculation Result
Accrual Forecast Baseline Value	5,202
Accrual Forecast	270
True-up	270
Accrual Comparison Chart	<a href="#">Show</a>
This Year's Sales Forecast Table	<a href="#">Show</a>
This Year's Sales Forecast Chart	<a href="#">Show</a>

- **Growth rebates:** Growth Absolute Amount, Growth Absolute Percent, Growth Percent Amount, Growth Percent Percent
  - Growth Absolute Percent



- Inputs:

**Input Parameters**
Calculations

Customer(s)

Product(s)  
 Q

Target\*

Increment\*

Rebate\*

Payment Period\*

- Calculation Results

▼ Rebate Detail

Label	Calculation Result
Baseline Value Field Label	Invoice Price
Previous Baseline Value	14,702,187
Current Baseline Value	15,251
Previous Rebate	9,553,986
Current Rebate	9,516

▼ Rebate Forecast

Label	Calculation Result
Forecast Baseline Value	8,111,524
Forecast	5,269,524

▼ Accrual Forecast

Label	Calculation Result
Accrual Forecast Baseline Value	15,878,362
Accrual Forecast	10,318,308
True-up	10,308,792
Accrual Comparison Chart	<a href="#">Show</a>
This Year's Sales Forecast Table	<a href="#">Show</a>
This Year's Sales Forecast Chart	<a href="#">Show</a>

- **Incremental growth rebates:** Single Increment Growth Amount, Single Increment Growth Percent

- Single Increment Growth Percent

- Inputs

[Input Parameters](#) [Calculations](#)

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Customer(s)

Product(s)  
 Q

Target %\*

Increment\*

Rebate %\*

Payment Period\*

- Calculation Results

▼ Rebate Detail

Label	Calculation Result
Baseline Value Field Label	Invoice Price
Previous Baseline Value	14,702,187
Current Baseline Value	15,251
Previous Rebate	930,780
Current Rebate	0

▼ Rebate Forecast

Label	Calculation Result
Forecast Baseline Value	8,111,524
Forecast	555,795

▼ Accrual Forecast

Label	Calculation Result
Accrual Forecast Baseline Value	15,878,362
Accrual Forecast	165,285
True-up	165,285
Accrual Comparison Chart	<a href="#">Show</a>
This Year's Sales Forecast Table	<a href="#">Show</a>
This Year's Sales Forecast Chart	<a href="#">Show</a>

○ **Fixed rebate:** Fixed Amount, Fixed Percent

▪ Fixed Amount

• Inputs

**Input Parameters**   Calculations

---

**Customer(s)**

**Product(s)**

**Rebate\***

**Payment Period\***

• Calculation Results

▼ **Rebate Detail**

Label	Calculation Result
Baseline Value Field Label	Invoice Price
Previous Baseline Value	14,702,187
Current Baseline Value	15,251
Previous Rebate	6,000
Current Rebate	6,000

▼ **Rebate Forecast**

Label	Calculation Result
Forecast Baseline Value	8,111,524
Forecast	6,000

▼ **Accrual Forecast**

Label	Calculation Result
Accrual Forecast Baseline Value	15,878,362
Accrual Forecast	6,000
True-up	0
Accrual Comparison Chart	<a href="#">Show</a>
This Year's Sales Forecast Table	<a href="#">Show</a>
This Year's Sales Forecast Chart	<a href="#">Show</a>

- **Stepped rebates:** Stepped Amount, Stepped Percent
  - Stepped Amount
    - Inputs

**Input Parameters**
Calculations

**Customer(s)**

**Product(s)**

**Target\***

500	Rebate	20	+
800	Rebate	50	-

**Payment Period\***

- Calculation Results

▼ Rebate Detail

Label	Calculation Result
Baseline Value Field Label	Invoice Price
Previous Baseline Value	14,702,187
Current Baseline Value	15,251
Previous Rebate	490
Current Rebate	70

▼ Rebate Forecast

Label	Calculation Result
Forecast Baseline Value	8,111,524
Forecast	560

▼ Accrual Forecast

Label	Calculation Result
Accrual Forecast Baseline Value	15,878,362
Accrual Forecast	490
True-up	420
Accrual Comparison Chart	<a href="#">Show</a>
This Year's Sales Forecast Table	<a href="#">Show</a>
This Year's Sales Forecast Chart	<a href="#">Show</a>

- **Linear Rebates:** Linear Amount, Linear Percent
  - Linear Amount
    - Inputs:

**Input Parameters**   Calculations

Customer(s)

Enduser (Customer Type) ▼

Product(s)

Select Product(s) ▼ Q

Min Target\*

340

Min Rebate\*

3.7

Max Target\*

2,900

Max Rebate\*

10

Payment Period\*

Monthly ▼

- Calculation results

▼ Rebate Detail

Label	Calculation Result
Baseline Value Field Label	Invoice Price
Previous Baseline Value	14,702,187
Current Baseline Value	15,251
Previous Rebate	70
Current Rebate	10

▼ Rebate Forecast	
Label	Calculation Result
Forecast Baseline Value	8,111,524
Forecast	80
▼ Accrual Forecast	
Label	Calculation Result
Accrual Forecast Baseline Value	15,878,362
Accrual Forecast	70
True-up	60
Accrual Comparison Chart	Show
This Year's Sales Forecast Table	Show
This Year's Sales Forecast Chart	Show

- Workflows approval allows to define the approval process of the Rebate Agreements and Rebate Records
  - Define the steps of the approval process
  - Define the approvers for each step
  - Define the thresholds that trigger the step
  - Send the email notification to the approvers/stakeholders

### Rebate agreement example

← R-100 (New Rebate Agreement) ● Approved

Revoke Agreement Create new revision Export Email Agreement Duplicate

Header Items Attachments **Workflow** Workflow History Messages

Workflow Submitted by Hien Pham

Name	Approval Group	Possible Approvers	Approval Status	Executed by	Last Action Time	Comment	Reason
Check Current Rebate 01		Tram Nguyen	Approved	Hien Pham on behalf of Tram Nguyen	21/12/2020 9:33		Check Current Rebate of Customer/Product Group 01
Check Rebate value map		Tram Nguyen	Approved	Hien Pham on behalf of Tram Nguyen	21/12/2020 9:33		Check value map in Rebate

### Rebate record example

Workflow Submitted by Tram Nguyen

Name	Approval Group	Possible Approvers	Approval Status	Executed by	Last Action Time	Comment	Reason
Check Rebate Record		Tram Nguyen	Approved	Tram Nguyen	26/10/2021 17:08		Check Rebate Record

## Input Data

The following tables can be either manually loaded in Pfx via Pfx Excel Client or can be automatically integrated using CSV files in a Pfx dedicated SFTP folder:

- Price Waterfall data (typically based in invoice line items)
- If applicable, forecast data on customer/product level

**Out-of-scope business functions and features (Can be configured, but not included in the Chemical Industry Catalog)**

- Any Reporting and Dashboards, other than the ones explicitly mentioned above
- Applying changes to or creating any new Rebate Agreements (this is Chems Use Case 12)
- Notifications and alerts
- API method integration
- Customer-Facing templates with calculated prices

### Implementation Level of Effort

5 sprints/1FTE CE

1 sprint/ 1FTE IE

### Base Line Projected Annual Impact\*

### Prescribed User Stories

### Scope Validation and Project Readiness Workshop – Validation Questions:

Questions		Answers	
Q1	Are the formulas managed at the Product level or at the Raw Material level?	A1	
Q2	If both, how many formula contracts are at the product level vs. the raw material level?	A2	
Q3	What are the typical variables in the formula? E.g., Index + Adders + Overage	A3	
Q4	Will there be multiple customers on the same agreement? (i.e. impact on outbound integration)	A4	
Q5	Are there different rules for ship-to vs. sold-to that will impact the final calculated prices and should be managed within the Formula-Builder? E.g. Special freight, surcharge, Inco-terms	A5	
Q6	If the answer is yes, then, What % of the sold-to customers that this requirements impact?	A6	
Q7	Will there be rounding rules negotiated within the contract that impact the intermediate calculation steps before calculating the final price? calculation	A7	
Q8	If the answer is yes, then, What % of the sold-to customers that this requirements impact?	A8	
Q9	Do you negotiate a "Floor Price" within the formula contract?	A9	
Q10	If the answer is yes, then, What % of the sold-to customers that this requirements impact?	A10	
Q11	Product exclusions, which products can you sell to which customers. (APL: Authorized product list)	A11	
Q12	Scale Pricing (on order level) – into what extend does the quantity per order line influence the price?	A12	
Q13	Do you communicate 1) Agreement T&C with the customer, 2) Price updates? on Pdf or excel?	A13	
Q14	How do handle Fixed Price Agreements for Formula-based customers?	A14	