



ProfitOptics



DISTRIBUTORS

The ProfitOptics *Rebate Maturity* Model

**A Reality Check for
Rebate Maturity Programs**

SECTION 1: INTRODUCTION

Rebates Often Look Under Control – Until You Look *Closer*

When we talk with distributors about rebate performance, most fall into one of two camps:

Some feel like they're managing well enough, often with a small team, spreadsheets, and partner-provided data holding things together. Others know they lack the visibility and systems needed to understand what they're earning or missing.

Either way, the conversation usually starts at a familiar place: At a summary level, everything appears to reconcile, at least where it needs to.

But as soon as we move beyond totals and look at how rebates are managed – how contracts are tracked, how earnings are calculated, how


claims are submitted, and how accruals are estimated – a different picture emerges.

Some parts of the business operate with structure and consistency. Others rely on manual workarounds, fragmented data, or assumptions. High-volume programs may be closely managed, while smaller or more complex agreements receive little attention.

In our work, the difference between these is not small. We routinely uncover meaningful missed revenue, unclaimed rebates, or inaccurate accruals, even in distribution companies that believe they have things under control.

This report is designed to help you answer one question:
Where do you sit today?





The maturity model in this report is not meant to neatly categorize your programs.

It's a practical lens for recognizing patterns across your business:

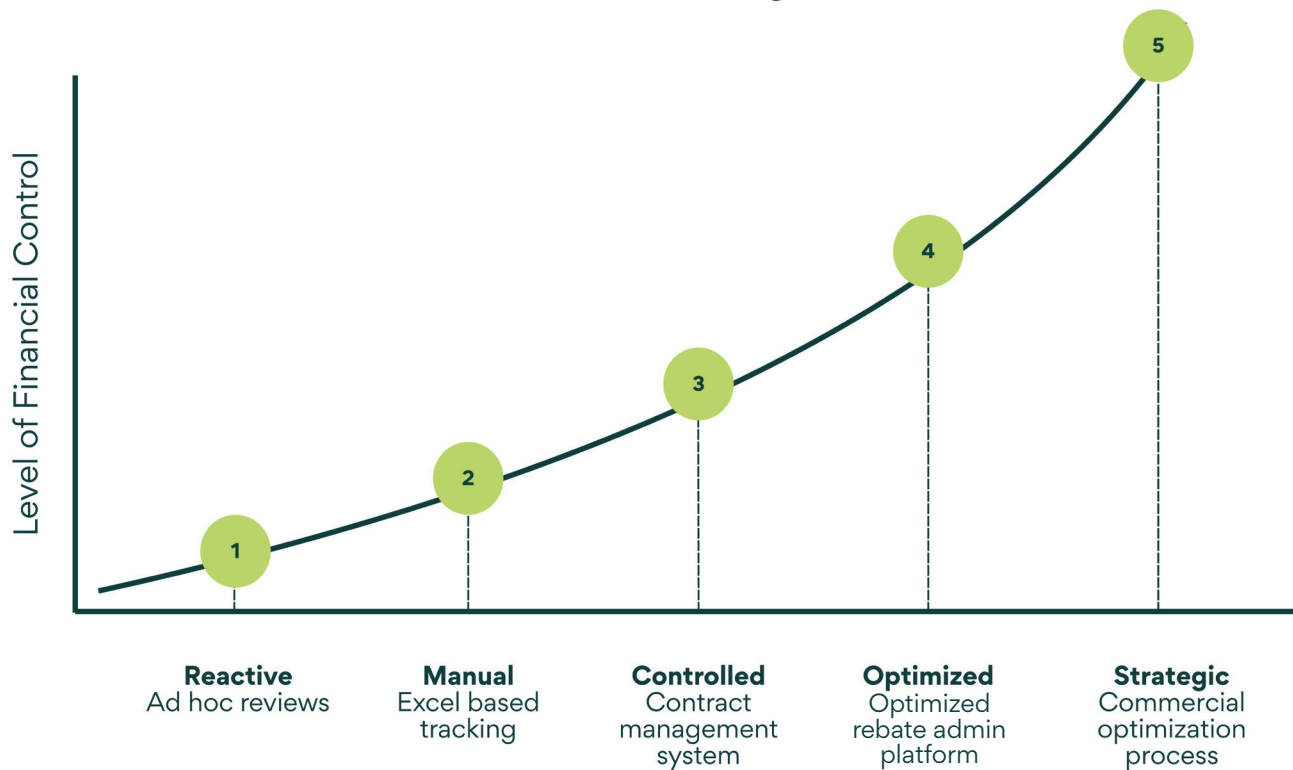
- Where control is strong
- Where it starts to weaken
- What defines each stage

Distributors often leave 3% to 5% of rebate value on the table due to gaps in visibility, consistency, and execution.

SECTION 2

Big Picture *View*

The Rebate Maturity Model



Level 1 – Reactive

Rebates tracked inconsistently, often driven by trading partners or discovered after the fact

Level 2 – Manual

Spreadsheet-driven tracking, calculations, and selective validation

Level 3 – Controlled

Centralized data and system-supported tracking of contracts, accruals, and claims

Level 4 – Optimized

Proactive insight into rebate performance, trends, and opportunities

Level 5 – Strategic

Rebates used to inform pricing, purchasing, and go-to-market decisions



How to Use the Rebate Maturity Model

This model helps you assess where you are today and improve how effectively you manage rebates.



Diagnostic

Map different rebate types (SPAs, volume rebates, co-op, customer incentives) to stages to identify where processes are manual vs. controlled.



Alignment

Create a shared understanding across finance, purchasing, and sales of how rebates are managed.



Prioritization

Focus on areas where low maturity intersects with high financial impact or high volume.



SECTION 3

You Might Be Here *If...*

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Level 1: *Reactive*

You might be here if:

- You rely on manufacturers or other partners to calculate what you're owed
- Rebates are identified or pursued only when something surfaces
- Contracts and data are scattered across emails, folders, and spreadsheets
- There is little structured process for tracking or collecting rebates

What it feels like:

- "We'll catch issues if something looks off?"
- "We don't have time to dig into every claim."

What matters at this level:

- Catching obvious errors before they have a bigger impact
- Ensuring claims are submitted and collected
- Gaining basic visibility into rebate opportunities
- Reducing dependency on external parties for accuracy



Level 2: *Manual*

You might be here if:

- ✓ Excel is your primary tool for tracking and calculating rebates
- ✓ Efforts focus on large vendors or high-value programs
- ✓ Processes depend heavily on individual knowledge
- ✓ Calculations and accruals are done periodically, not continuously

What it feels like:

- ✓ “We’re tracking it, but it takes a lot of effort.”
- ✓ “We can’t cover everything, so we prioritize.”

What matters at this level:

- ✓ Applying consistent process across rebate types
- ✓ Improving accuracy of calculations and accruals
- ✓ Reducing reliance on spreadsheets and key individuals



Level 3: *Controlled*

You might be here if:

- ✔ Contracts, terms, and rebate logic are centralized
- ✔ Claims, accruals, and reporting follow consistent processes
- ✔ Teams can explain how rebate amounts are calculated
- ✔ Reporting provides visibility across programs and vendors

What it feels like:

- ✔ “We have control over our rebate and incentive process.”
- ✔ “We can defend our numbers with confidence.”

What matters at this level:

- ✔ Centralizing contract, transaction, and rebate data into a single, reliable source
- ✔ Ensuring calculations, accruals, and reporting are consistent and repeatable
- ✔ Creating traceability from transactions → contract terms → rebate earnings
- ✔ Reducing manual intervention while maintaining confidence in the numbers
- ✔ Establishing a foundation that supports scale without losing control



Level 4: *Optimized*

You might be here if:

- ✓ Rebate and incentive data is used to identify patterns and trends
- ✓ Teams proactively address issues in rebate capture
- ✓ Forecasting and accruals become more predictable
- ✓ Insights are shared across functions

What it feels like:

- ✓ “We’re not just tracking rebates; we’re improving performance.”
- ✓ “We can see where we’re leaving money on the table.”

What matters at this level:

- ✓ Using rebate and incentive data to proactively identify gaps, trends, and opportunities
- ✓ Translating insights into actions that improve rebate capture and operational efficiency
- ✓ Improving forecasting accuracy and confidence
- ✓ Connecting data across vendors, programs, and time periods to uncover patterns
- ✓ Driving continuous improvement across rebate processes



Level 5: *Strategic*

You might be here if:

- ✓ Rebate data informs purchasing, pricing, and sales strategies
- ✓ Programs align with growth and margin goals
- ✓ Leadership can model the financial impact of rebate and incentive decisions
- ✓ Rebates are treated as a lever of profitability

What it feels like:

- ✓ “We understand the role rebates play in our business.”
- ✓ “We can make decisions with confidence.”

What matters at this level:

- ✓ Modeling the financial impact of rebate strategies across growth, margin, and cash flow
- ✓ Maintaining data quality, governance, and cross-functional alignment as complexity grows
- ✓ Aligning teams around a shared view of how rebates drive profitability



SECTION 4

Why Distributors Get *Stuck*

Level 1 → 2

Volume forces structure.

- Relying on partners is no longer sufficient
- Missed rebates become more visible

What it takes to move up:

Establishing consistent processes for tracking contracts, calculating earnings, and submitting claims

Level 2 → 3

Manual processes begin to break down.

- Spreadsheets don't scale
- Accuracy depends on individuals

What it takes to move up:

Centralizing contract and transaction data and introducing system-driven calculations and reporting





Level 3 → 4

Control exists, but insight is limited.

- Data is available but underused
- Issues are addressed individually

What it takes to move up:

Analyzing rebate and incentive data across vendors and programs to identify patterns, gaps, and opportunities

Level 4 → 5

This is the hardest leap.

- Insights exist but aren't embedded in decisions
- Rebate strategy is disconnected from commercial strategy

What it takes to move up:

Integrating rebate insights into purchasing, pricing, and sales decisions



SECTION 5

A Practical Place to *Start*



Before applying the maturity model, align with your team on how rebates are operating today. The questions below are intended to prompt that discussion. They focus on how decisions are made, how data is used, and where processes hold up or don't under real conditions.

Transaction Visibility

1. Can you trace rebate earnings back to contracts, transactions, and vendors without manual effort?
2. How quickly can you identify gaps between expected and actual rebate payments?
3. How often do you rely on summaries instead of transaction-level detail?

Eligibility Logic & Consistency

4. Where do contract terms and rebate logic live today?
5. How consistent are calculations across teams?
6. How often do you manually interpret contract terms?



Accrual Accuracy & Confidence

7. How confident are you in your rebate accruals?
8. How often are accruals adjusted at close?
9. What drives your calculations today?

Disputes & Collections

10. What happens when expected rebates aren't received?
11. Do gaps or disputes repeat across vendors?
12. How easily can you identify patterns?

Scale & Operational Efficiency

13. How well do processes scale with growth?
14. What happens to accuracy as rebate and incentive volume increases?
15. How dependent are you on specific individuals?

Data Quality & Governance

16. How would you rate the completeness and accuracy of your rebate-related data (POS, contracts, pricing, claims)?
17. Is there clear ownership of rebate data across systems and teams?

Strategic Use of Rebates

18. How is rebate and incentive data used beyond tracking?
19. Can leaders model rebate impact on margin?
20. How are rebate decisions tied to strategy?

Reality Check

21. If you were asked to explain a \$2M variance in rebate collection tomorrow, how confident would you be in your answer?



Start Where It *Counts*

The ProfitOptics Rebate Maturity Model is grounded in years inside pricing, rebates, and commercial operations. For distributors, once maturity becomes visible, we've found that the conversation tends to move to:

“Where are we leaving money on the table, and where does it matter most?”

This model helps you:

- Identify where rebate and incentive capture is strong
- See where it breaks down
- Focus on areas with the greatest financial impact

You don't need to fix everything at once. For many distributors, the starting point is gaining

a clear, fact-based view of rebate performance. A targeted assessment can uncover missed revenue, process gaps, and data limitations. Once that picture is clear, you can improve visibility, strengthen processes, and use rebates more strategically.

We've helped distributors build a more effective approach to rebate management.

If you want to get started, reach out today for a rebate audit.





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Greg Colizzi is Vice President of Client Solutions at ProfitOptics, working closely with healthcare distributors and manufacturers on rebate, chargeback, and workflow automation initiatives. With more than 20 years in distribution, Greg has sat in the same operational and commercial roles as the leaders he now advises. He brings a builder's mindset to solving complex problems, helping organizations trace data through contracts, pricing, and transactions to uncover margin leakage, reduce friction, and design systems that hold up under real-world scale and complexity.



ProfitOptics

ABOUT PROFITOPTICS

ProfitOptics is a profit performance partner for distributors and manufacturers. Standard solutions are built for the broadest customer, not the complexity of real pricing, rebate, and commercial operations. We close that gap by combining domain expertise and technology to identify where margin is leaking, quantify the impact, and deliver solutions that capture it fast.

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