



ProfitOptics



MANUFACTURERS

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 manufacturers 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 fuzzy matching holding things together.

Others know they lack the visibility and systems needed to really understand how their programs are performing.

Either way, the conversation usually starts at a familiar place: At a summary level, everything seems to reconcile.

But as soon as we move beyond the totals and look at how rebates are actually managed – how eligibility is determined, transactions are validated, and decisions are made day to day – a different picture emerges.

Some parts of the business operate with structure and consistency. Others rely on manual workarounds, fragmented data, or interpretation. High-volume parts of the programs may be in good shape, while smaller or more complex areas operate with far less visibility.

In our work, the difference between those is rarely small. We routinely uncover hundreds of thousands, or even millions, in invalid rebates – even in programs that appear well-controlled at the summary level. In one case, a small data sample we reviewed uncovered \$4.2M from claims that had already passed validation.

This report is designed to help
you answer one question:
Where do you actually 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:

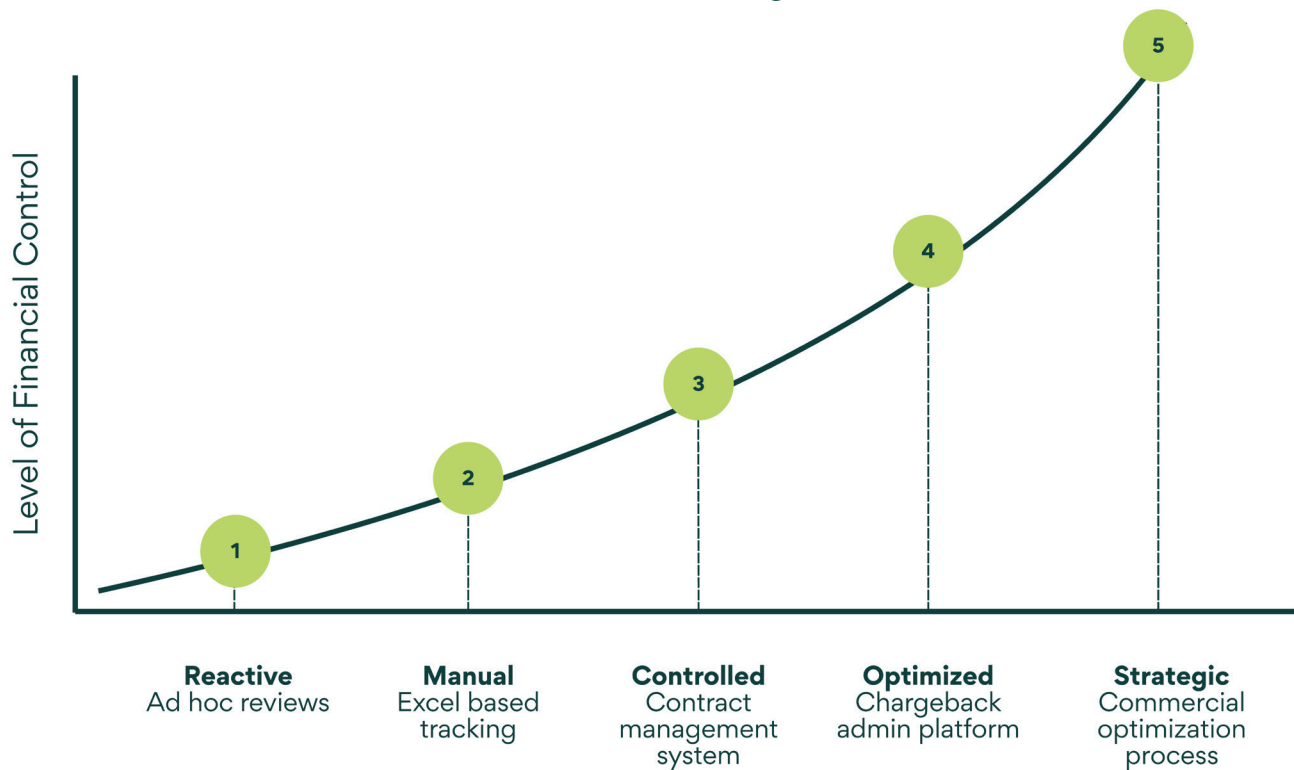
- Where control is strong
- Where it starts to weaken
- What defines each stage

In practice, we regularly find 3%–5% of rebate-driven value erodes due to gaps in visibility, consistency, and execution. Or, another way to think about it: That could be 4% in margin leakage due to overpayments to distributors.

SECTION 2

Big Picture *View*

The Rebate Maturity Model



Level 1 – Reactive

Claims requests analyzed only when the concern arises, with limited validation

Level 2 – Manual

Spreadsheet-driven review and selective validation

Level 3 – Controlled

System-based validation with consistent rule enforcement

Level 4 – Optimized

Proactive insight and pattern recognition

Level 5 – Strategic

Rebates used to drive commercial decisions



How to Use the Rebate Maturity Model

This model was created to help you not only assess where you are today, but also to advance the effectiveness and efficiency of your rebate program.

→ **Diagnostic**

Map different programs or channels to the stages to surface which rely on manual control, and which are based on consistent validation and insight.

→ **Alignment**

Create a shared reference point across functions for discussing how rebates are managed today and where breakdowns occur.

→ **Prioritization**

Identify where low maturity intersects with high volume, high-margin impact or high dispute frequency.



SECTION 3

You Might Be Here *If...*

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Level 1: *Reactive*

You might be here if:

- Claims are processed as they come in, with minimal validation
- Issues surface only after a discrepancy or escalation
- Contracts and data live across emails, folders, and spreadsheets
- The focus is on getting claims processed, not verifying them

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
- Establishing basic visibility into claims and payments
- Reducing reliance on individual knowledge to understand what’s happening



Level 2: *Manual*

You might be here if:

- ✓ Excel is your primary validation tool
- ✓ Reviews focus on large accounts or high-value claims
- ✓ Processes depend heavily on specific individuals
- ✓ Validation happens periodically, not continuously

What it feels like:

- ✓ “We’re being thorough, but it takes time.”
- ✓ “We can’t check everything, so we prioritize.”

What matters at this level:

- ✓ Applying consistent review processes across claims
- ✓ Prioritizing validation where financial exposure is highest
- ✓ Reducing dependency on spreadsheets and key individuals over time



Level 3: *Controlled*

You might be here if:

- ✓ Claims are validated against centralized contract data
- ✓ Eligibility and pricing rules are consistently applied
- ✓ Teams can explain why a claim is incorrect
- ✓ Reporting provides visibility beyond individual claims

What it feels like:

- ✓ “We have control over our rebate process.”
- ✓ “We can defend our decisions with confidence.”

What matters at this level:

- ✓ Enforcing eligibility and pricing rules consistently through systems
- ✓ Ensuring data is structured, centralized, and traceable
- ✓ Providing clear, defensible explanations for claim decisions



Level 4: *Optimized*

You might be here if:

- Rebate data is used to identify patterns and trends
 - Operations run more predictably and efficiently
 - Teams proactively address recurring issues
 - Insights inform internal discussions
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What it feels like:

- “We’re not just processing; we’re improving.”
 - “We can see what’s happening across programs.”
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What matters at this level:

- Insights that never translate into action
- Optimization that stays operational, not strategic
- Missed alignment with broader commercial strategy



Level 5: *Strategic*

You might be here if:

- Rebate data informs pricing, contracts, and partner strategy
- Programs align with growth and margin goals
- Leadership can model the impact of rebate decisions
- Rebates are treated as a lever—not a cost

What it feels like:

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

What matters at this level:

- How quickly poor data can erode trust
- The risk of insight outpacing execution
- The effort required to maintain alignment across teams



SECTION 4

Why Most Managers Get *Stuck*

Level 1 → 2

Reactive processes start to give way to structure.

- Claims can no longer be handled case by case.
- Volume forces basic control.

What it takes to move up:

Introducing structured workflows and consistent claim review supported by centralized data capture

Level 2 → 3

This is where scale begins to expose the limits of manual control.

- Processes exist, but don't scale beyond key accounts
- Interpretation remains necessary to validate claims

What it takes to move up:

Centralizing contract and transaction data and applying system-driven rules to consistently validate claims





Level 3 → 4

This shift from control to insight is where many manufacturers stall.

- Claims are validated, but patterns across claims aren't surfaced
- Issues are resolved individually, not addressed systematically

What it takes to move up:

Connecting and analyzing rebate data across programs to surface patterns, exceptions, and root causes

Level 4 → 5

This is the hardest leap.

- Insights exist, but aren't consistently acted on across teams
- Rebate decisions remain disconnected from broader commercial strategy

What it takes to move up:

Embedding rebate insights into pricing, sales, and partner decisions through shared data and decision frameworks



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 any rebate claim back to the exact contract, customer, item, and timeframe and align that with the distributor's sales tracing report without manual effort?
2. When discrepancies occur, how quickly can your team identify the disconnect that's causing the issue?
3. How often do your teams rely on assumptions or summaries instead of transaction-level validation?

Eligibility Logic & Consistency

4. Where does your rebate eligibility logic primarily live today?
5. How consistent are eligibility decisions across different team members or regions?
6. How often do you have to "interpret" contract terms when reviewing claims?



Accrual Accuracy & Confidence

7. How confident are you that your rebate accruals reflect actual expected payouts?
8. How often do accruals require significant adjustment at period close?
9. What drives your accrual calculations today?

Disputes & Root Cause

10. What typically happens when a rebate claim is disputed?
11. Do the same types of disputes repeat across programs or partners?
12. How easy is it to identify patterns across disputes?

Scale & Operational Efficiency

13. How well do your current processes handle increasing rebate volume or complexity?
14. What happens to validation rigor as volume increases?
15. How dependent are your processes 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 data used beyond processing and validation?
19. Can leadership model how rebate changes will impact margin and growth?
20. How are rebate decisions aligned with broader commercial strategy?

Reality Check

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



SECTION 6

Start Where It *Counts*

The ProfitOptics Rebate Maturity Model is grounded in years spent inside pricing, rebates, chargebacks, data, and commercial operations. We've found that once the stages of rebate maturity become visible, the conversation tends to move to:

“Where are we actually operating on the scale – and where does it matter most?”

This model is a practical tool to make differences in maturity across your business visible to your team. Use it to see where control is strong, where it begins to weaken, and where gaps are most likely to impact margin, efficiency, and confidence in the numbers. From there, you can identify where improvement will have the greatest impact.

You don't need to move every part of the business forward at once. But you do need to know where to focus and why.

For many manufacturers, the starting point is establishing a clear, fact-based view of what's

happening. A targeted rebate audit can do that. The value isn't just in identifying errors or recovering dollars although that often happens. It's in seeing the system itself: where teams are compensating for gaps that the infrastructure doesn't yet support.

Once that picture is clear, your next steps tend to be clear. You can make deliberate decisions about where to build rebate management capabilities and how to move forward.

We've helped manufacturers build a more sustainable path toward improving rebate management maturity.

**If you want a better path forward,
reach out today.**





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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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