

Manufacturers and distributors involved in consumer-oriented value chains constantly try to improve their return on trade spend. Failing to effectively plan, manage and track trade promotions, resulting in inconsistent pricing, hurts margins. Buying group memberships are often unpredictable in nature, and related complex contracts and price lists make it difficult to continuously manage promotional pricing.

Monitoring and analyzing promotional programs also presents a challenge, not just in terms of promotional ROI, but also in terms of setting promotional budgets and tracking revenue and costs. Promotional analysis includes a variety of complicating factors such as claim handling, rebates and deductions.

Despite the challenges, manufacturers need to excel at promotional visibility or face the consequences of a decrease in DIFOT and increases in stock-outs and customer service handling costs. Inefficient claim handling leads to an increase in invoice days outstanding and fraudulent claims. A lack of integrated tax tracking and reporting associated with promotions interferes with meeting financial regulatory requirements.

Benefits

QAD Trade Activity Management (QAD TAM) helps manufacturers and distributors effectively plan, manage and track trade promotion activities, providing full visibility into promotional spending. It ensures accurate pricing even when dealing with complex contracts and price lists.

Improves Delivery In Full On Time (DIFOT). Efficient order handling improves customer service and reduces order to delivery lead time. Better communication of promotional programs helps avoid stock outs by balancing demand and supply to ensure requisite inventory is available to ship.

Reduces trade spend as a percentage of cost of sales. Managing and validating pricing, rebates and claims reduces the number of invalid claims and repayments on unearned cash discounts. This decreases total trade spend and reduces the proportion of trade spend to cost of sales.

Decreases exposure to outstanding claims. Records the true exposure to outstanding claims through correct accounting and optional accruals and reduces invalid claims.

Decreases invoice days outstanding. Automated trade settlement and careful claim validation cuts trade settlement lead-time, improves efficiency and reduces disputes that can hold up payment.

Increases promotion ROI. Maintains and monitors promotional budgets providing management the visibility needed to develop and duplicate the most successful and profitable programs to drive revenue and margin.

Decreases risk by identifying and reducing fraudulent charges and by helping meet financial regulatory requirements and automatically handling tax management.

Solution Overview

Part of the QAD Customer Management solution set, QAD TAM makes it simple to drive, manage and reconcile ongoing product promotion events with key retailers to ensure that spending generates appropriate sales with effective management of rebates, charge backs and promotional activities.

- **Manages deals and promotions** by customer and product groupings (buying groups, channels), speeding up contract-based ordering
- **Tracks costs associated with any individual promotion effectively** by automating accounting for all trade-related claims and deductions
- **Compares planned and actual trade spending** against a preset budget to increase management control
- **Validates claims, deductions and invoices** against planned amounts
- **Documents deal activity** including retrospective deals such as lump sums, bill-backs, food shows, scan-based claims and/or merchandising
- **Automatically verifies customer eligibility** for a promotion, promotion effective dates, matches claims and verifies budget availability
- **Automatically generates workflow e-mails** and posts disputed amount to a holding account for efficient disposition; maintains a relevant audit trail
- **Pays rebates**, or retrospective discounts, and commissions, royalties and bonuses on a periodic (monthly/quarterly/annual) basis, even at the item level
- **Automates the trade settlement process** eliminating wasteful and error prone paper forms and documents
- **Tracks and monitors promotional spend** separately from operating expenses and helps comply with separation of duties by managing write-offs or invoice discrepancies in a two-step process
- **Manages scan-back promotions** for situations where rebates or discounts are applied after scanned sales are sent to the manufacturer

QAD Customer Management	Customer Relationship Management	
	Sales Analysis	Sales Orders
	Sales Quotations	Pricing
	QAD Configurator*	QAD Customer Self Service*
	QAD Trade Activity Management*	
*Related Solutions		

For more information on how QAD Trade Activity Management can help your company, please contact QAD at +1-805-566-6100 or email info@qad.com.