



The Science of Incentives

Mark Gilham

VP of Rebate Strategy | Enable

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Presenter



Mark Gilham

VP, Rebate Strategy | Enable



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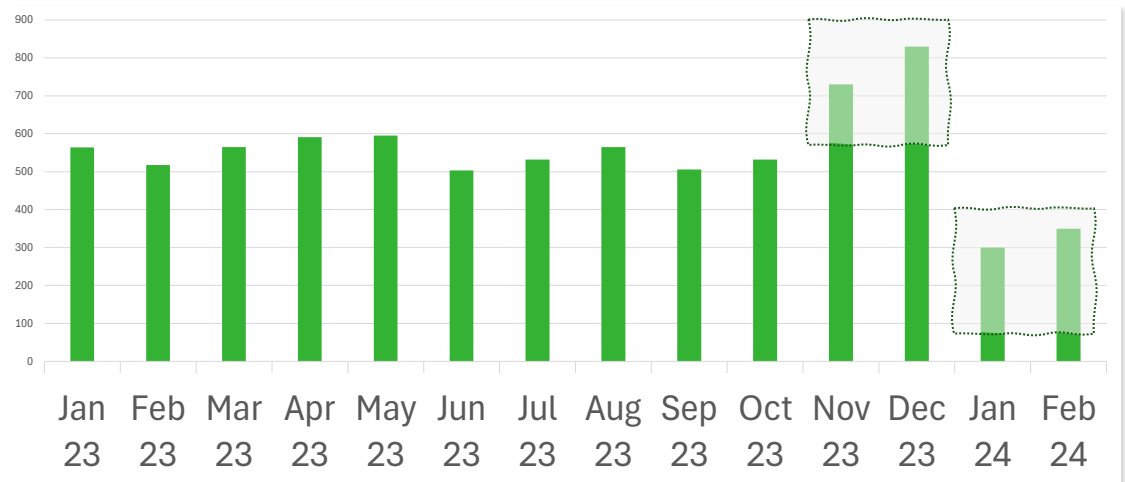
I ❤️ REBATES!

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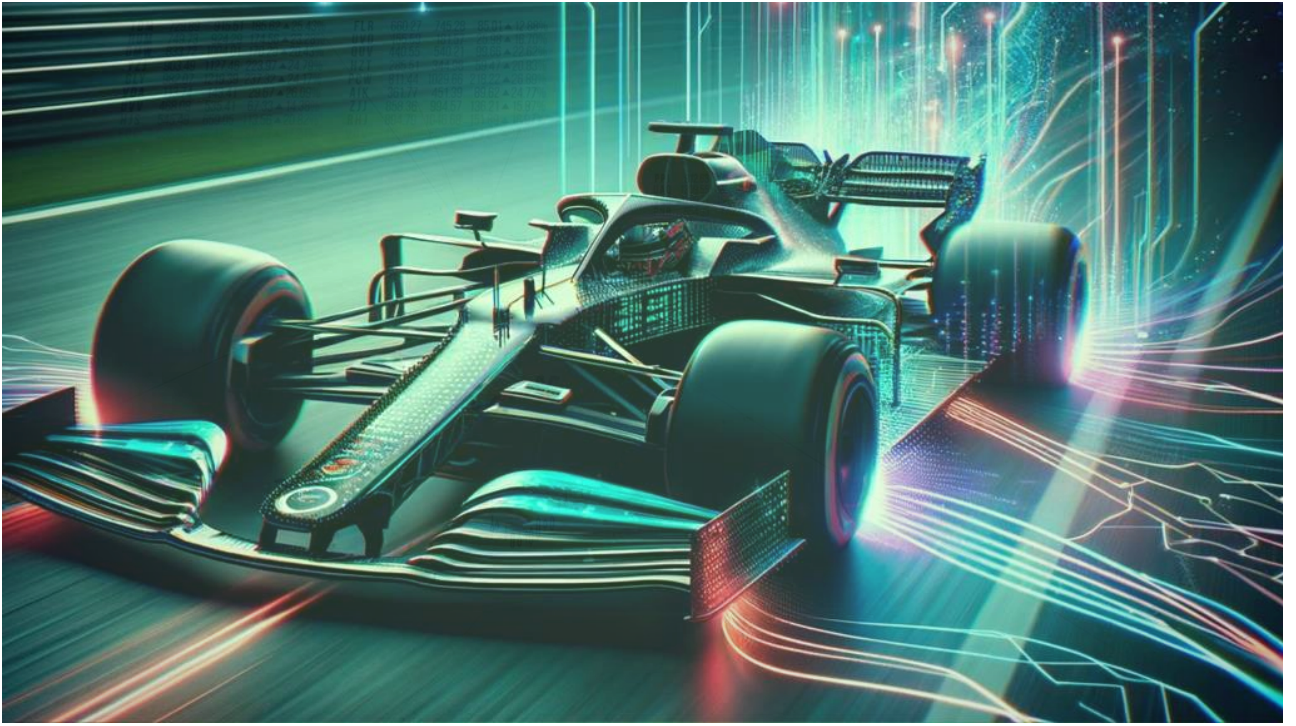
The Rebate Rush



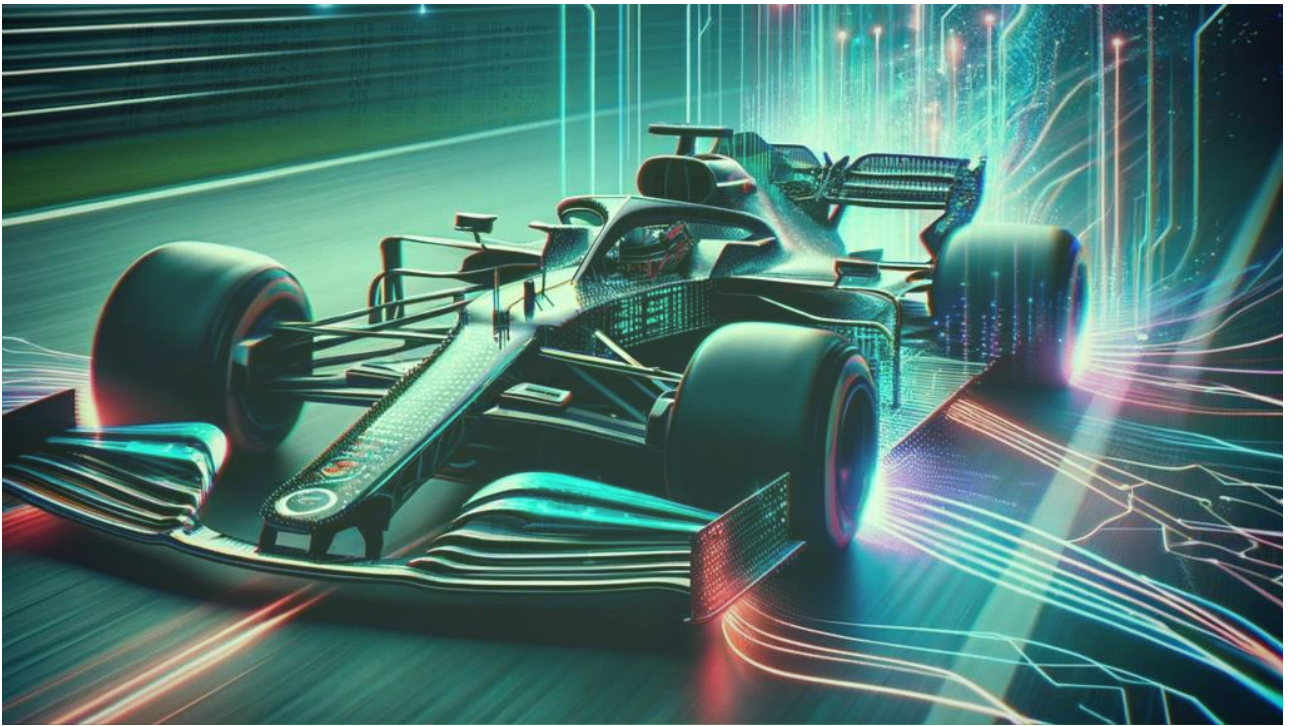
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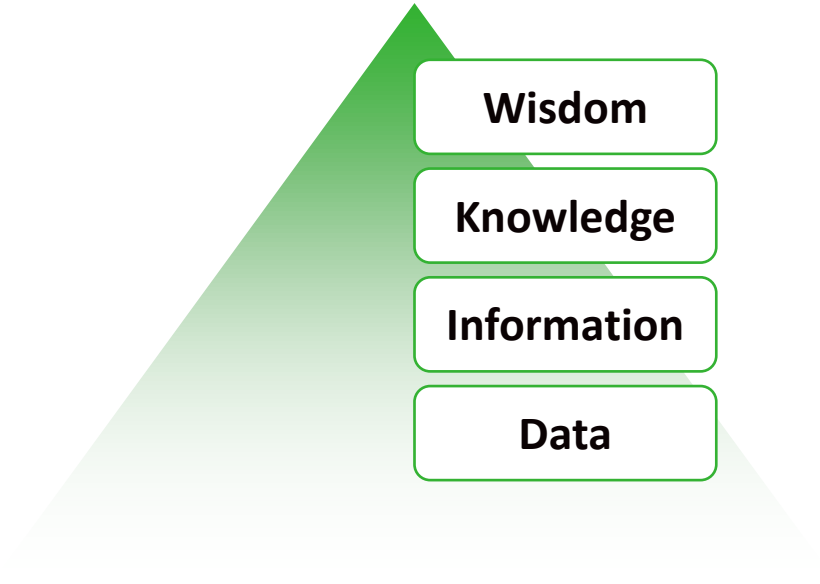
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Changing Generations



Baby Boomers

Growth & Security



Gen Y & Z

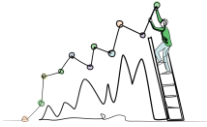
Sustainability & Innovation

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Common Behaviours to Incentivize



Demand

- Value
- Units
- Stocking



Retention & Loyalty

- Payment Terms
- Multi-Year
- Group Terms



Margin

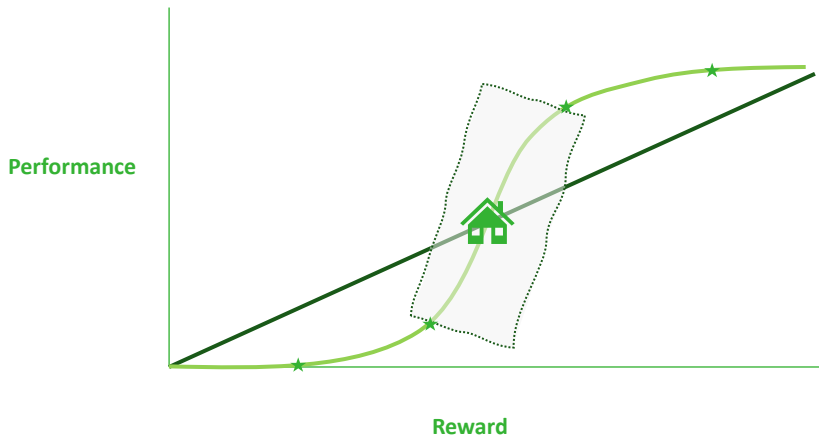
- Product Mix
- New Products
- Wallet Share



Efficiency

- Logistics
- Administration
- Enablement

Bang for Buck



Value for Money



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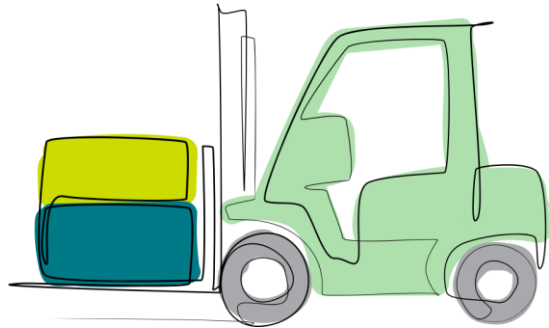
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Manufacturer



Distributor



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	<u>Manufacturer</u>
<i>Units</i>	<i>500,000</i>
Sales	92,900,000
Cost of Sales	(64,500,000)
Gross Profit	<hr/> 28,400,000 30.6%

	<u>Distributor</u>
<i>Units</i>	<i>500,000</i>
Sales	106,500,000
Cost of Sales	(92,900,000)
Gross Profit	<hr/> 13,600,000 12.8%



Distributor

	<u>Before</u>
<i>Units</i>	<i>500,000</i>
Sales	106,500,000
Cost of Sales	(92,900,000)
Gross Profit	<hr/> 13,600,000 12.8%

	<u>After</u>
<i>Units</i>	<i>550,000</i>
Sales	127,950,000
Cost of Sales	(111,550,000)
Rebate @ 6%	6,693,000
Gross Profit	<hr/> 23,093,000 18.0%



Manufacturer

	<u>Before</u>		<u>After</u>
<i>Units</i>	<i>500,000</i>		<i>550,000</i>
Sales	92,900,000		111,550,000
Cost of Sales	(64,500,000)		Rebate @ 6% (6,693,000) <hr/> 104,857,000
Gross Profit	<hr/> 28,400,000 30.6%		<hr/> Cost of Sales (72,750,000) <hr/> Gross Profit 32,107,000 30.6%



Manufacturer - Before

	Core	Bundle	Total
<i>Units</i>	<i>300,000</i>	<i>200,000</i>	<i>500,000</i>
Sales	49,500,000	43,400,000	92,900,000
Cost of Sales	(37,500,000)	(27,000,000)	(64,500,000)
Gross Profit	<hr/> 12,000,000 24.2%	<hr/> 16,400,000 37.8%	<hr/> 28,400,000 30.6%
<i>Ratio</i>	<i>60%</i>	<i>40%</i>	



Manufacturer - After

	Core	Bundle	Total
<i>Units</i>	<i>150,000</i>	<i>400,000</i>	<i>550,000</i>
Sales	24,750,000	86,800,000	111,550,000
Rebate @ 6%	(1,485,000)	(5,208,000)	(6,693,000)
	23,265,000	81,592,000	104,857,000
Cost of Sales	(18,750,000)	(54,000,000)	(72,750,000)
Gross Profit	4,515,000	27,592,000	32,107,000
	19.4%	33.8%	30.6%
<i>Ratio</i>	<i>27%</i>	<i>73%</i>	

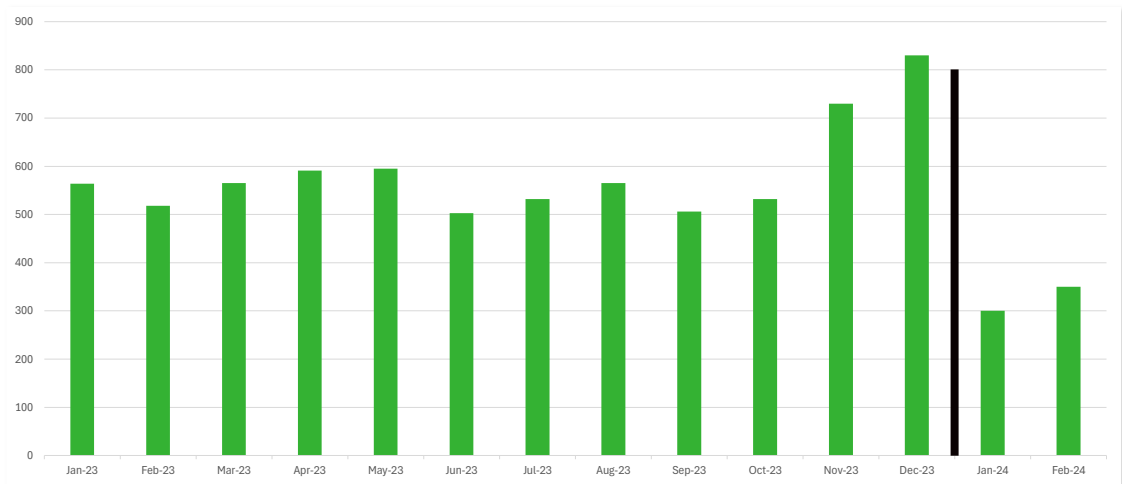
“A 6% rebate will be paid if 550,000 units are purchased of which 73% are Bundles.”



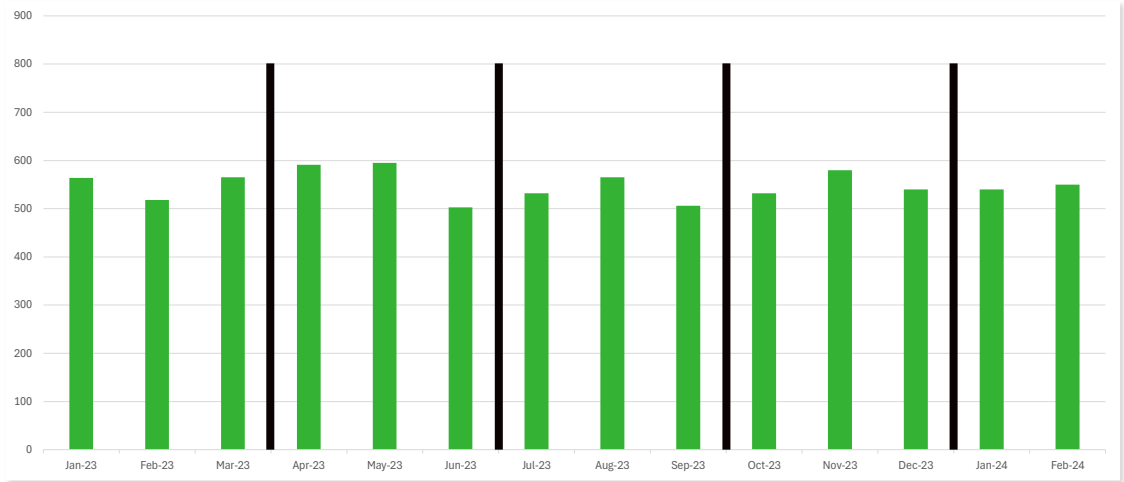
<u>Manufacturer</u>		<u>Distributor</u>	
Units	+50,000	Units	+50,000
Reported Revenue	+11,957,000 +12.9%	Sales	+21,450,000 +20.1%
Gross Profit	+3,707,000	Gross Profit	+9,493,000



Avoiding the “Rebate Rush”



Avoiding the "Rebate Rush"



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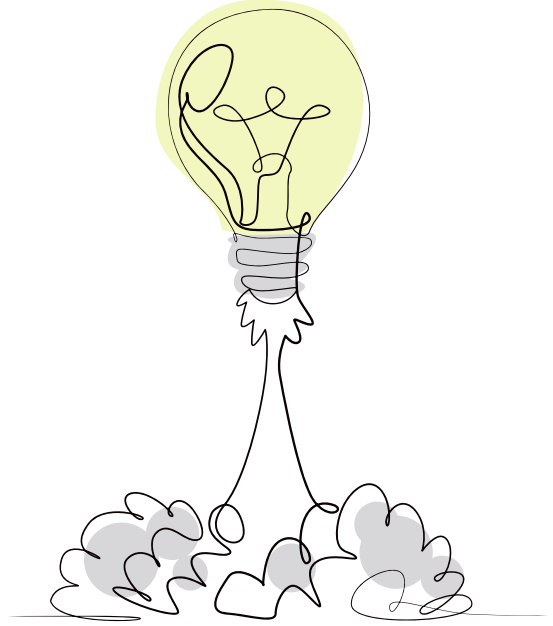
RESET

	Before	After
Units	500,000	550,000
Sales	106,500,000	127,950,000
Cost of Sales	(92,900,000)	(111,550,000)
Gross Profit	13,600,000	6,693,000
	12.8%	18.0%

Additional metrics for 'After':
 Rebate @6%: 23,093,000
 Gross Profit: 18.0%

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Reflect



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Evaluate



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Strategise

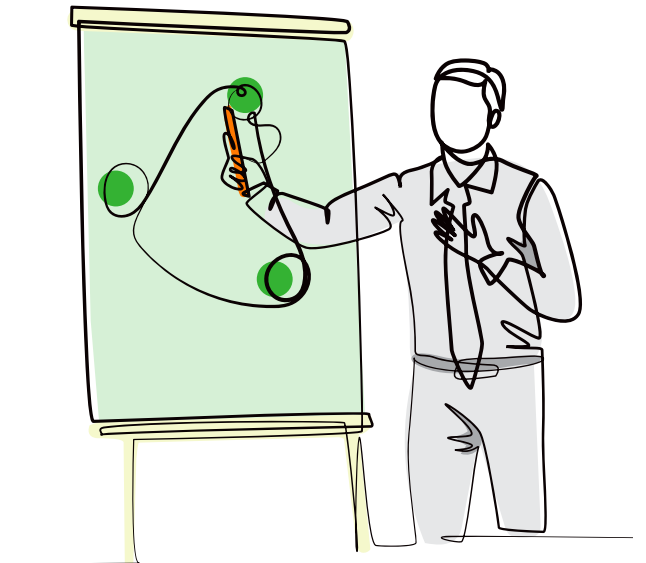


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Engineer



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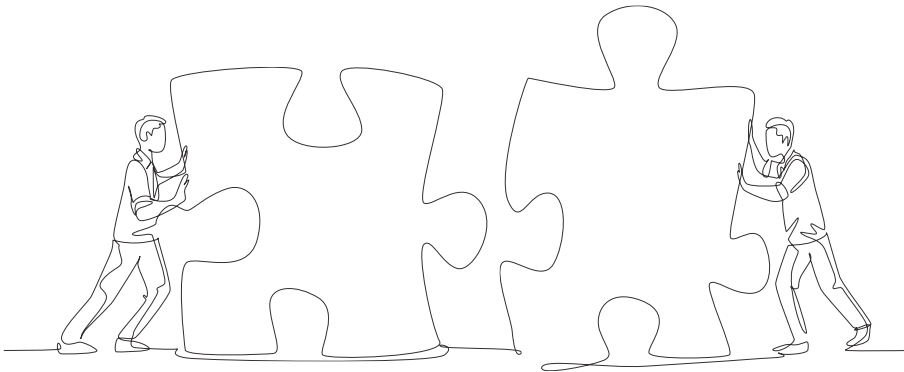
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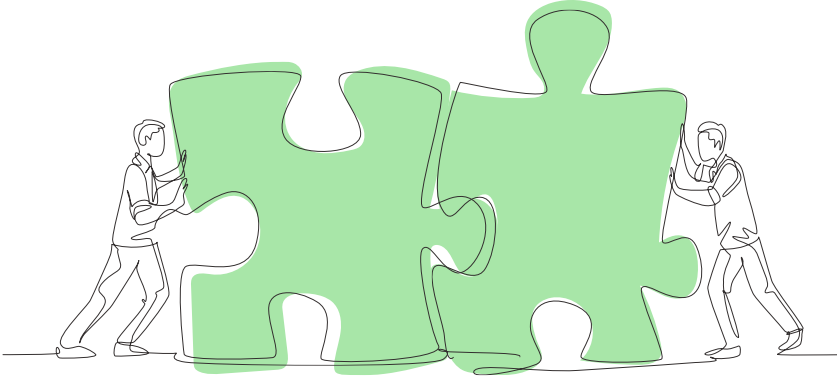
Transform



Rebate Strategy as the Foundation of a Partnership



A New Chapter



- ✓ **Reward**
- ✓ **Thank you**
- ✓ **Collaboration**
- ✓ **Sharing success**

RESET

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The logo for 'enable' is displayed in white on a dark green background. The word 'enable' is written in a sans-serif font, with a stylized green wave graphic integrated between the 'n' and 'a'.

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