



The Revenue Loss Playbook: Benchmark, Prevent, and Recover



Meet Your Hosts



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Senior Product Manager



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Innovative Software — Built to Help You Get Paid and Get Better

SPS Revenue Recovery takes the friction out of deduction management by helping suppliers identify revenue losses, recover invalid deductions, and prevent future fines.

Over \$1 Billion Recovered for 600+ Suppliers

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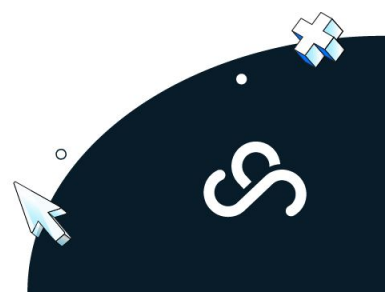
Deep Retailer Solutions in One Platform

- ✓ Shortage Deductions *       
- ✓ Allowance Deductions *       
- ✓ Price Discrepancies *       
- ✓ Compliance Deductions *    
- ✓ Promos/Co-Ops   
- ✓ Returns *  
- ✓ Unpaid Invoices  
- ✓ Post Audits *



DISCLAIMER

- SPS Commerce, SupplyPike, and SupplierWiki do NOT speak authoritatively on the behalf of any retailer.
- Rather, we are interpreting supplier-facing materials for the general education of CPGs working with Walmart and other retailers.



Agenda

Hot Topics: Industry Data and Current Events	5 minutes
A Case Study: Reframing the RevLoss Mindset	15 minutes
Discussion and Questions with Danielle and Clint	10 minutes

(Times may vary)



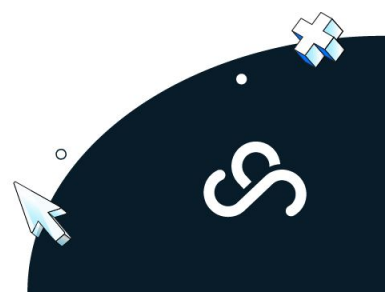
Hot Topics: Industry Data and Current Events



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Amazon Changes

- **New Dispute Rules in Vendor Central:** Amazon has introduced a strict **two-year limit** for disputing Purchase Quantity Variance (PQV) and Purchase Price Variance (PPV) claims, significantly shortening the recovery window and eliminating older invoice disputes.
 - **Reduced Settlement Options:** Lump-sum settlements are no longer standard and are only available with an assigned Amazon manager or under Amazon's Global Strategic Program, forcing vendors to rely on **real-time reconciliation and proactive, item-level dispute management.**
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Walmart Changes

- **Settlement Continues:** Enterprise suppliers are still being offered full or hybrid settlement 2 years after officially ending the program in 2023.
- **Allowances, Shortages, and Overages:** Across Walmart suppliers, shortages, overages, and allowances in recent years have been a recurring pain point. Root cause has typically been EDI connections, missing invoicing details, and timing misalignment. Additionally, these types of deductions can often be paired with other deductions when disputing, even if it's not made clear in the claim.

The Cost of Retailer Deductions

The Problem

- Lack of human capital to respond
- Fragmented data and inefficient processes
- Siloed internal teams with no cross-learning
- Disputing processes vary from retailer to retailer
- Strained retailer relationships

The Impact

- Lost dollars, especially claims >\$500
- Time and resources spent on chasing claims
- Staying stuck rather than growing with retailers
- Cost to serve is unknown or becomes exorbitant
- Failure to identify root causes leads to ongoing supply chain delays and higher costs.



All Suppliers Face Revenue Loss

Each category of revenue loss requires a nuanced approach that necessitates expertise to not only **recover lost dollars** but also to **understand the root causes** to prevent them from happening again.

Most teams today aren't equipped to recover lost revenue from fines.

- On average only **20-30%** of deductions are ever disputed.
- Overall, an average of **8%** of all invoices are lost to deductions.
- On average, it takes **20-30 min** to dispute one claim with prior knowledge of codes, root cause, collecting proof, etc.

Even though there are **proven pathways for disputing and winning** back lost dollars.

- On average **40%** of disputed deductions are won back.
- 



Reframing the RevLoss Mindset

A Case Study with Serta Simmons Bedding

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The Challenges

Initially:

- Allowances deductions
- Backlog of various deductions, both valid and invalid, with minimal visibility

After Disputing with SupplyPike:

- Walmart offered a **highly complex settlement** that was difficult to navigate
- **\$200K Post Audit Surprise** of missed network allowance deductions over a five-month span



Solution 1: Find the Root Cause

Serta Simmons Bedding's initial issue was a larger bucket of allowance deductions.

Solution: Correcting Misaligned EDI Data

- Pinpointed the mismatches and guide strategic changes, helping them stop unnecessary deductions at the source.
- SSB team defined processes to stop this process in the future.
- Clarity on which deductions to budget for vs dispute.

Problem 2: Walmart Settlement

Walmart offered a highly complex settlement that was difficult to navigate.

Solution:

- Ran a full deduction and overage report and reviewed every settlement line.
- Provided strategic recommendations that helped SSB negotiate the a better settlement than what Walmart initially offered.

Problem 3: Surprise Post Audit

Walmart claimed SSB missed network allowance deductions over a five-month span, resulting in a \$200K post audit.

Solution: Data-Backed Disputing invalidated the full audit claim.

- Communicated early with the post audit team to pause the auto-deduction.
- Investigated historical activity and discovered that the allowances had already been applied.

Triaging Revenue Loss with Serta Simmons

Each problem had a solution combining:

- **Disputing** across APDP, settlement, and audit emails with centralized data pulled from Walmart's portals.
- **Prevention** for future deductions with documented root cause.
- **Budgeting** with visibility into valid deductions.

	Planned	Unplanned
Valid	Budget	Prevent
Invalid	Dispute	Dispute

Get Paid. Get Better. Report Card

Goal

- ✓ Partnering well with retailers
- ✓ Leading industry in deduction management
- ✓ Growing your business

Getting Better

- ✓ Creating and applying strategy
- ✓ Collaborating and providing visibility to other teams
- ✓ Reapplying learnings

Getting Paid

- ✓ Focusing on understanding and responding to deductions
- ✓ Improving cash flow

Lesson 1: Apply Learnings Across Retailers

Stacking issues at one retailer compounds and competes for attention with other retailers.

Focus on solving your biggest revenue loss issues and fitting those solutions for other retailers.

KOHL'S

LOWE'S

Walmart



CVS



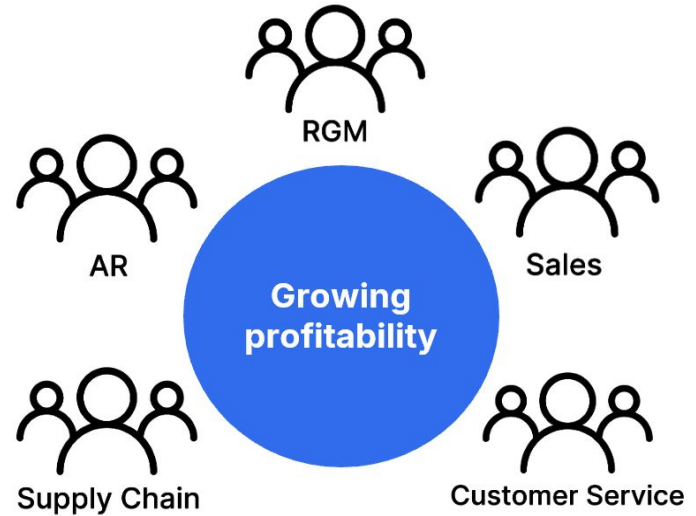
Walgreens



Lesson 2: Collaborating and providing visibility to other teams

Sharing wins and learnings cross-functionally makes revenue loss a collaborative effort.

Building stories around the "getting paid" part of your business, gets other teams excited about "getting better".





Questions?

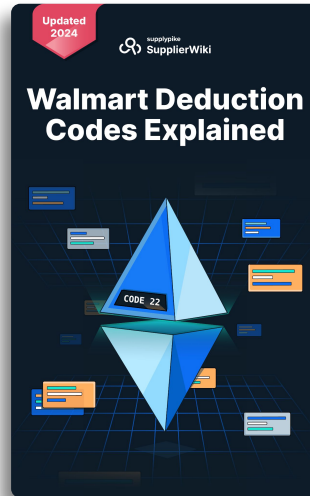
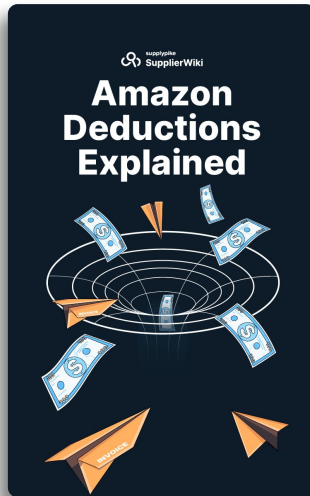
Let's talk about getting paid and getting better.



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SupplierWiki Resources

We build relevant, *always-free* resources for CPG suppliers.



Come see us at **booth #50** for a hard copy

Let's Connect!



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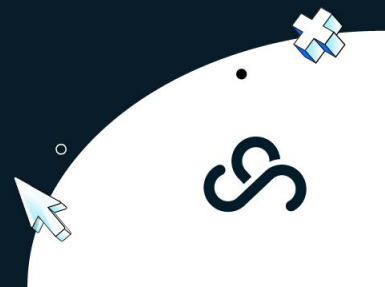
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Or find us at

[Booth #50](#)

Appendix



The Order Process Isn't Simple or Linear

Pre - Order

- Item Set up Issues
- Unapplied agreements or allowances
- Misalignment of internal teams
- Lapses in Forecasting

Order Flow

- EDI Issues
- Order quantity variances
- Packaging issues
- Early or late shipping
- Damaged goods
- Unorganized trucks
- Missing or fuzzy data

Post Order

- Returns
- Audits
- Retailer relationships
- Customer reviews
- Invoice set up issues

Revenue Loss

Revenue Loss is any dollar lost to issues in your supply chain that's paid to the retailer in the form of a fine, chargeback, or deduction.

Negotiated/ Expected

- Allowances
- Promotions
- Co-Ops
- Damages
- Coupons
- Cash Discounts

Invoice Deductions

- Shortages
- Unpaid Invoices
- Pricing Discrepancies
- Duplicate Billing

Compliance Fines

- On Time, In Full
- Packaging Standards
- Fulfillment and Supply Chain Standards
- Overages

Audits and Returns

- Returns
- Random Audits
- Recalls and Overstocks
- Annual/ Quarterly True-Ups

I've Reframed My Mindset... Now What?

1. **Identify** the major pain points in your company's revenue loss
2. **Ideate** with your team on how to build better processes for identifying root cause and deduction validity
3. **Plan** for required resources; whether that be internal or external resources.

External Sourcing

- Software and automation
- 3rd party education/guidance
- Additional hiring/contract work (if no automation)

Internal Process

- Create system for storing proof documentation
- Communication plan for internal teams
- Process for ongoing training

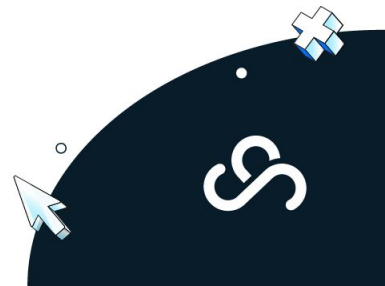
Identifying RevLoss Priorities

	Planned	Unplanned
Valid	Budget	Prevent
Invalid	Dispute	Dispute



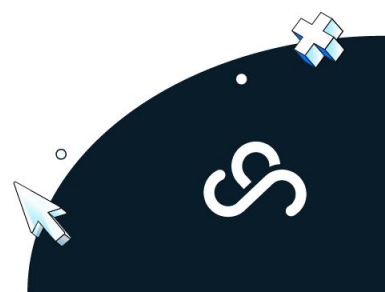
Getting Paid

- Review incoming deductions or compliance fines daily or weekly
- Focus on deductions in a particular category/area first
- Train your team on retailer processes
- Formulate validity checks to determine invalid deductions
- Ensure proof documentation is accessible





Getting Better

- Build processes for working with cross-functional teams.
 - Evaluate all leakages in cash flow (shortages, compliance, audits) as connected.
 - Research root cause(s) as a group.
 - Implement corrective actions as a group.
 - Iterate on implemented processes and apply framework across all retailer customers.
 - Measure success with strategic KPIs, shared across company.
 - Reinvest ROI into retailer and 3rd Party initiatives.
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Bring it Back

Goal

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- Growing your business

Getting Better

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- Collaborating and providing visibility to other teams
- Reapplying learnings

Getting Paid

- Focusing on understanding and responding to deductions
- Improving cash flow

Preparation Checklist

- ❑ Does your AR team know how to dispute claims in the retail portal? Do teams require additional training for this process update? Is there a portal?
- ❑ **Do you have the people in place to handle the additional work? How long is the ramp-up period and what is the cost for new positions or training?**
- ❑ Does your AR team have an understanding of the crossover between deductions, compliance fines, and audits?
- ❑ **Do cross-functional teams have visibility into deductions and compliance fines?**
- ❑ **Are you digitizing all potential proof documentation and is it searchable?**
- ❑ Is your AR team prepared for new ways to reconcile deductions and apply paybacks?
- ❑ What \$ amount is allocated to deductions? What happens year-end if this number is higher or lower than expected?
- ❑ **What is the process for *learning from* and *minimizing* deductions?**