

# Quotes & Rebates

The rebate is earned; the question is whether you priced for it

See the full margin on a deal before you quote it — including the rebate you'll owe when the volume lands. The rebate is earned; the question is whether you priced for it.

## INDUSTRY

Distribution /  
manufacturing · quotes &  
customer rebates

## COMPANY

B2B seller quoting deals  
+ running customer  
rebate agreements

## TOOLS

TidyMonk + PriceMonk —  
CPQ & rebate agreements  
(or your own engine)

## WHAT THIS ONE-PAGER COVERS

- 1 **CPQ with a Margin Guardrail** — every line shows the revenue the deal retains after all deductions, and the margin left on it
- 2 **Retroactive Rebate Tiers and Pocket Price** — crossing a threshold backdates the higher rate over the whole year

Two things quietly decide whether a deal is profitable: the discounts given at quote time, and the rebate owed over the period. We price every quote to pocket price within your guardrails, and model the rebate agreement on both of its axes — what it measures, and how the rate behaves across a threshold — so the real pocket price is visible from the first invoice.

## THE SITUATION

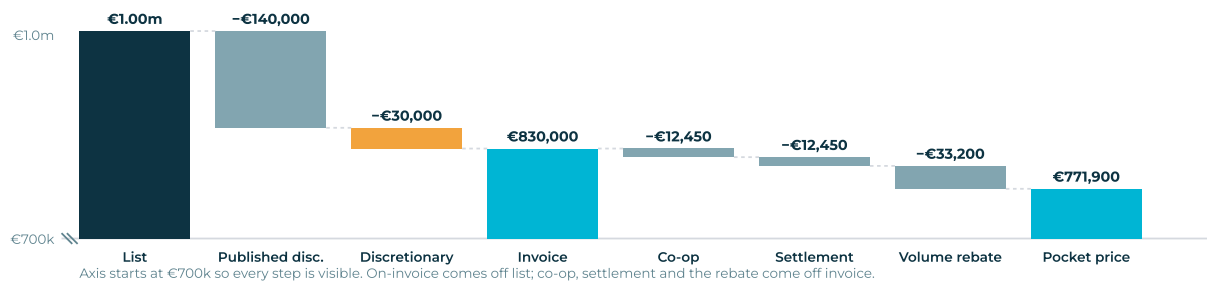
Two decisions land on the same margin and neither can see the other: the discount agreed at quote time, and the rebate that settles months later. A deal quoted at 4% margin clears the discount authority it was checked against — until the volume pushes the account into a higher rebate tier and the payout exceeds what the deal earned. The rebate is owed; the agreement is working. The problem is we quoted without seeing it, and finance wasn't ready for it.

### 01 CPQ with a Margin Guardrail

Configure a quote, price it, and see the net invoice price and margin per line, and the pocket price for the whole quote — with a margin guardrail that flags below-floor quotes and routes them for approval before they go out. Change a discount and the impact updates live.

### One order, list to pocket

€1.00m at list · illustrative



**The invoice says €830,000. Pocket price is €771,900** — €58,100 that never appears on the quote, once co-op, settlement and the volume rebate have settled.

## 02 Retroactive Rebate Tiers and Pocket Price

A second order on the same account, seen through the rebate agreement it feeds. The question: did we price this deal knowing the rebate it would trigger?

### A promotion that delivers its volume, and still costs money

tiered-retroactive rebate · illustrative



**The order adds €16,000 margin. The rebate owed is €35,000.** The customer earned that rebate — it's the agreement working. But we quoted at 4% margin without seeing we needed 8.75% to cover it. **The fix:** see the rebate before you quote, price accordingly, and accrue from day one so finance is ready.

What the rep sees before the quote goes out

the same order, caught at quote time

Rebate impact — margin check before quoting

Customer A · tiered-retroactive

|                                   |          |                             |    |
|-----------------------------------|----------|-----------------------------|----|
| Forecast close, before this order | €950,000 | Rate today                  | 2% |
| This order                        | €400,000 | Rate if it lands            | 4% |
| Projected period                  | €1.35m   | crosses the €1.0m threshold |    |

Net effect on the period if this quote is accepted -€19,000

Price to cover the rebate

Accept lower margin (with approval)

Review agreement at renewal

THE PAINS & HOW WE SOLVE THEM

THE PAIN – IN YOUR WORDS

Quotes go out fast, sometimes below a margin nobody would have approved, and it is caught after the fact.

HOW WE SOLVE IT

Every quote is priced to pocket price, and a margin guardrail flags below-floor quotes and routes them for approval before they go out. The floor is set on invoice margin, with the pocket price shown beside it.

The net on the quote is not the net kept once the rebate has been paid.

The rebate agreement is modelled alongside the quote, so the pocket price is visible up front — accrual included.

Year-end rebate accruals arrive as a surprise to finance.

Accrue at the rate you expect the period to close on, not the rate reached so far. Then finance is ready.

Rebate terms differ from one agreement to the next and live in spreadsheets.

Each agreement is set on the two axes above — what it measures, and how the rate behaves across a threshold — plus the reward it pays, period, thresholds and scope, so the terms live in the model rather than in a spreadsheet.

The same product goes out at a different net to every customer and nobody can see the spread.

Pocket price is held per customer and per line, with the period rebate allocated pro-rata on invoice value, so the pocket-price band — the dispersion across everyone buying the same brand — reads off the same model as the waterfall.

RESULTS

Pocket price

INVOICE AFTER CO-OP,  
SETTLEMENT AND REBATE – ON  
THE QUOTE, UP FRONT

On margin

BELOW-FLOOR QUOTES FLAGGED  
& APPROVED BEFORE THEY SHIP

No year-end step

ACCRUED FROM THE FIRST  
INVOICE AT THE RATE THE  
PERIOD IS FORECAST TO CLOSE  
ON

- Works from your own quotes and rebate agreements (imported). Every recommendation is conditional on price response: trimming a discount or repricing a promotion moves volume as well as margin, and that response is one you set explicitly rather than assumed to be zero.
- Rebate design — particularly retroactive whole-volume tiers, individualised thresholds and loyalty conditions — can raise competition-law issues for undertakings with a strong position in their market. We model and measure the agreements you have; we do not advise on their legality, and we work to terms your counsel has cleared.
- Figures shown are modelled and illustrative of this segment, scaled to each engagement.

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**Behind it:** PriceMonk CPQ & rebate agreements. Data import via TidyMonk.

Price the deal knowing the rebate you'll owe — and be ready to pay it.

