

## Case Study





# Now it all adds up for W.W. Grainger

Grainger takes control of chargebacks and complex supplier rebate programs. SAP margin optimization solutions by Vistex automate high-volume processes, boost revenue recovery.



# Highlights

-  **50%** reduction in incentive-related discrepancies and disputes
-  **70%** reduction in deductions related to performance rebates

*“SAP margin optimization solutions by Vistex are key components of an integrated system supporting end-to-end business processes.”*

**Ken Jacquier**

VP Sales and Marketing Process  
Management, W.W. Grainger



# Overview

With \$10 billion in annual sales, 1.2 million products and 2 million customers, **W.W. Grainger** is one of the largest wholesale distributors in the United States. Today, the company can handle high transaction volumes efficiently. But that was not always the case, particularly when it came to distributor chargebacks and supplier rebates.

The diversity of Grainger's products, the complexity of its agreements and its large number of transactions — more than

500,000 per day — made these programs difficult to manage using spreadsheets. In addition, management had poor visibility into virtually every one of its processes. Change was necessary.



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adds up

## Solution

To automate and improve its chargeback and rebate programs, reduce total cost of ownership and improve the timeliness and accuracy of its data, Grainger implemented SAP margin optimization solutions by Vistex. To shorten the project timeframe, the Vistex solutions were implemented in parallel with the SAP ERP deployment. No system integration or interface development was required.

Vistex solutions leverage core SAP technologies and have access to real-time transactional data in SAP ERP and access to CRM. And, Vistex solutions are fully supported by SAP.

With the solution deployed, Grainger gained full lifecycle support for its complex incentive programs, including creation, participation, quotas, tracking, accruals and settlements. Going beyond these core functions, the solution enables transaction- and goal-oriented incentives, offers exceptional scalability and connects with a web portal to provide participants with up-to-the-minute program information they can use to see their progress, close gaps and achieve goals.



# Results

With SAP margin optimization solutions by Vistex, Grainger has automated its claims processes and increased income from claims-based cost recovery and supplier rebates. In addition, with direct, real-time access to SAP Financials, Grainger has accurate program reporting and profitability analysis.

The result has been increased revenue from improved claims, supplier rebates recovery and improved cash flow with decreased Days Chargebacks Outstanding (DCO). In addition, the company has seen a 50% reduction in incentive-related disputes and a 70% reduction in deductions related to performance rebates.





**Headquarters:** Lake Forest, IL

**Industry:** Wholesale Distribution

**Products:** Maintenance, repair and operations  
products/services

**Revenue:** \$10 billion

**Locations:** Distribution centers worldwide

**Employees:** 22,400

**Solutions implemented:**

**SAP margin optimization solutions by Vistex**

- SAP Incentive Administration by Vistex
- SAP Paybacks & Chargebacks by Vistex
- SAP Data Maintenance by Vistex, pricing option

**Let's Connect**

## About W.W. Grainger

W.W. Grainger, Inc., a Fortune 500 industrial company, is North America's leading broad-line supplier of maintenance, repair and operating products, with additional distribution facilities and operations across Asia, Europe and Latin America. The company distributes more than 1.2 million industrial products, including electrical devices, fasteners, fleet maintenance equipment, hand tools, hardware, janitorial supplies, lighting, office supplies, power and plumbing tools, and safety, security and test instruments.