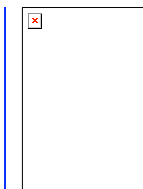




Developing a Deduction Improvement Roadmap Workshop Worksheet



Developing a Deduction Improvement Roadmap *An Attain Academy Workshop*

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Developing a Deduction Improvement Roadmap *Workshop Objectives*

This workshop is designed to help you ...

- ✍ Evaluate your company's performance against best practices in the areas of:
 - ✍ Organizational Structure
 - ✍ Process
 - ✍ Communication & Reporting
 - ✍ Technology
- ✍ Identify the top deduction issues your company is facing
- ✍ Evaluate and prioritize your company's improvement opportunities
- ✍ Develop an improvement "Roadmap"

Developing a Deduction Improvement Roadmap *Workshop Recommended Prerequisites*

We recommend that the following Attain Academy sessions be taken prior to taking this Workshop:

- Seminar – Deduction Fundamentals

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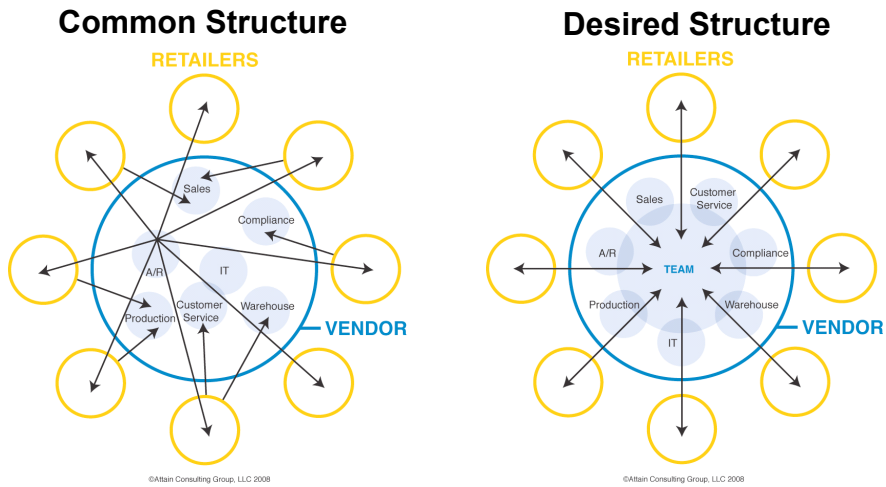
Developing a Deduction Improvement Roadmap *Workshop Outline*

1. Introduction
2. Comparison against best practices
3. Analyzing your deductions
4. Identifying your improvement opportunities
5. Prioritizing improvement opportunities
6. Creating your *improvement roadmap*
7. Conclusion
 - a) Workshop review
 - b) Workshop self-assessment

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1. Introduction

Taking control of deductions



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1. Introduction

Types of deductions

Intentional Typically budgeted, pre-authorized.	Preventable Generally result from compliance.	Unauthorized Mix of compliance violations and
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1. Introduction

Developing a deduction improvement roadmap

- In order to develop a deduction improvement roadmap, you will need to identify improvement opportunities for your company
- During this workshop, we will review two methods of identifying improvement opportunities, comparison against best practices and review of deduction performance



2. Comparison against best practices

2. Comparison against best practices *Categories*

- The overall deduction management process can be divided into the following categories:

2. Comparison against best practices *Self assessment*

Best Practices	You Company Assessment <small>(use best practices and samples provided)</small>
ORGANIZATION <ul style="list-style-type: none"> Clear Lines of Responsibility; Cross-Functional Cooperation; Ownership and Accountability 	
PROCESS <ul style="list-style-type: none"> Proactive Management of Retailer Requirements; Streamlined Internal Processes; Effective Root Cause Analysis & Prevention Activities 	
REPORTING & COMMUNICATION <ul style="list-style-type: none"> Use of Key Indicators to Monitor Performance; Effective Reporting; Development of Customer Specific Strategies 	
TECHNOLOGY <ul style="list-style-type: none"> EDI / Electronic Interface Capabilities; Reporting / Business Intelligence / Data Warehousing Tools; Deduction Management or Collections Tracking Capabilities 	

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3. Analyzing your deductions

3. Analyzing your deductions *Review company performance*

- **Review deductions received during the past 12 months**

3. Analyzing your deductions *Review company performance*

- **Write down your answers to the following questions regarding your deduction data:**
 1. Excluding Intentional* (sales -related) deductions, what are the top 3 reason codes based on deduction dollars? What % are these of the total?
 2. Excluding Intentional* (sales -related) deductions, what are the top 3 reason codes based on deduction count? What % are these of the total?
 3. Excluding Intentional* (sales -related) deductions, who were the top 3 deduction customers? What % are they of the total?
 4. When you look at your aged open deductions by reason code, are there certain reason codes that seem to take longer to resolve?
 5. When you look at your aged open deductions by customer, are there certain customers whose deductions take longer to resolve?
 6. Do you have any reason codes with deduction dollars less than 5% of the total deduction dollars (excluding Intentional* deductions)?
 7. Do you have any reason codes with deduction dollars greater than 10% of the total (excluding Intentional* deductions)?

* For more information on Intentional deductions, consider Attain Academy seminar: Deduction Basics

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4. Identifying your improvement opportunities

4. Identifying your improvement opportunities

Documenting opportunities

- Use the self assessment you completed in *Section 2* as well as your answers to the questions in *Section 3* to compile a list of improvement opportunities
 - From the self assessment:

4. Identifying your improvement opportunities

Documenting opportunities

- From analyzing your deductions:

Chargeback Category	Chargeback Type	Total Dollars	# of Chargebacks
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5. Prioritizing improvement opportunities

5. Prioritizing improvement opportunities *Basic factors*

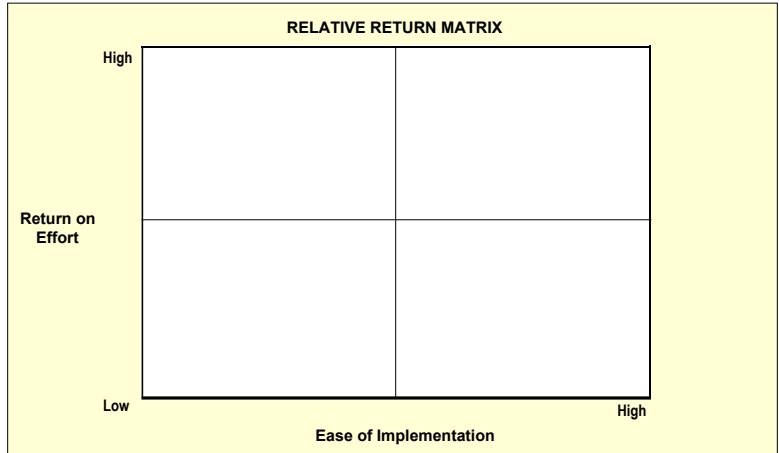
- Using the list of improvement opportunities you developed in **Section 4**, consider the following as you begin to prioritize them:

5. Prioritizing improvement opportunities *Relative Return Matrix*

OPPORTUNITY	EASE OF IMPLEMENTATION	BENEFIT		
		POTENTIAL \$ RECOVERY	FUTURE \$ SAVED	MANAGEMENT & TRACKING

5. Prioritizing improvement opportunities

Relative Return Matrix



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6. Creating your *improvement roadmap*

6. Creating your *improvement roadmap*
Defining the steps

- Once you have begun to prioritize your improvement opportunities, you are ready to create your deduction *improvement roadmap*

6. Creating your *improvement roadmap*
Roadmap template

6. Creating your *improvement roadmap*
Creating an advisory board

- In addition to the opportunities you have identified up to this point, when embarking on a deduction improvement initiative, it is recommended that companies create an Advisory Board to raise senior management awareness and involvement

6. Creating your *improvement roadmap*
Sample roadmaps



Workshop review ...

9. Conclusion

Workshop self assessment

Answer the following questions. If you are not sure about the answer, you may want to go back to that section of the workshop

1. Name 2 of the four different categories reviewed when looking at deduction management process best practices *(section 2)*
2. Discuss at least one best practice for each category *(section 2)*
3. When analyzing deductions to identify improvement opportunities, what are 3 questions you should ask yourself? *(section 3)*
4. How would you identify which reason codes to focus on when developing corrective actions? *(section 4)*
5. What are 2 factors to consider when prioritizing improvement opportunities? *(section 5)*
6. Besides specific activities and tasks, what elements should be included on your improvement roadmap? *(section 6)*

*Thank you for Attending
Developing a Deduction Improvement Roadmap*

- We hope you enjoyed this Workshop and use the information to help your company **Improve Cash Flow** and **Take Control of Deductions**
- Attain Academy offers a wide variety of on-line deduction training formats, including seminars, workshops and on-line discussion groups. Sample training topics include:

Seminar Topics	Workshop Topics
<ul style="list-style-type: none"> • Deduction Fundamentals • Negotiation Tips & Strategies • Successful Customer Settlement Strategies • Effective Cross Functional Teams • Measuring Performance & Managing Scorecards • Managing Pre-Deduction Notification Information • ... and more – check website for full listing 	<ul style="list-style-type: none"> • Preparing for a Customer Meeting • Negotiating Deductions – Practice • Research Strategies by Reason Code • Facilitating Cross Functional Teams • Working through the Settlement Process • Creating a Deduction Dashboard • ... and more – check website for full listing

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Take Control of Deductions