H&BA
The Health & Beauty Association

COMMERCIAL CHECKLIST – TRADE SPEND PLANNING **October 2025**

Prepared for H&BA Members

Effective trade spend planning and tracking is critical, especially in sectors like CPG, manufacturing, wholesale, or distribution, where trade spend often accounts for a significant portion of total revenue. Here's how B2B sales managers can **plan, track, and validate trade spend** to ensure commercial agreements are delivered and invoices are accurate:

◆ 1. Trade Spend Planning

A. Start with Clear Objectives

- Align trade spend to business goals: volume growth, market penetration, new product launches, etc.
- Allocate budgets by customer, product, and promotion type (discounts, rebates, MDF, etc.)

B. Build Customer-Specific Trade Spend Plans

- Base it on historical performance, sales forecasts, and upcoming commercial agreements.
- Include planned promotional activities: timing, discount levels, expected uplift.

C. Contractual Clarity

- Ensure all trade terms (rebates, volume discounts, shelf space, etc.) are clearly documented in signed agreements.
- Include clauses on compliance, proof of performance, and conditions for payment.

◆ 2. Execution & Monitoring

A. Use a Centralized Trade Promotion Management (TPM) System

- If possible, use software like **SAP TPM**, **Oracle TPM**, or more agile platforms like **Blacksmith**, **CPGToolBox**, or **T-Pro Solutions** to manage spend visibility.
- Track trade spend against budget in real time.

B. Sales Forecast Tracking

- Monitor actual sales vs. forecasted sales to assess trade spend effectiveness and adjust where necessary.
- Use volume thresholds from agreements to track rebate eligibility.

C. Track Proof of Performance

- Collect evidence (e.g., invoices, receipts, promotion execution data) to validate activities tied to trade agreements.
- Use CRM notes, store audits, and third-party data providers if necessary.

🔹 **3. Invoicing & Reconciliation**

A. Automated Accruals

- Accrue trade spend as sales occur (based on % of revenue or unit volume).
- Use ERP systems to record accurate accruals (e.g., SAP, NetSuite, Dynamics).

B. Validate Deductions and Claims

- Compare customer claims to:
  - Agreed terms
  - Proof of performance
  - Sales data

🛑 **Flag unauthorized deductions** or non-compliant spend claims.

C. Invoice Accuracy & Approval Workflows

- Ensure finance or accounting teams are looped in early.
- Create a **standardized invoice approval process** for trade claims with documentation requirements.

🔹 **4. Post-Promotion Analysis (PPA)**

- Evaluate ROI per promotion/customer.
- Calculate:
  - Incremental sales
  - Spend efficiency (e.g., $/incremental case)
  - Payback period

Use this insight to adjust future trade plans and eliminate low-performing tactics.

🔹 **5. Reporting & Continuous Improvement**

A. KPI Tracking

- Key metrics to track:
  - Trade spend as % of sales
  - ROI per promotion
  - Accuracy of trade accruals
  - Dispute rate on deductions
  - % of spend aligned to contract

B. Quarterly Reviews

- Review trade spend performance with finance, marketing, and key customers.
- Adjust plans based on what worked and what didn't.

✅ **Tools to Help**

Purpose	**Tools**
TPM	SAP TPM, Oracle TPM, Blacksmith, CPGToolBox
CRM	Salesforce, HubSpot
ERP/Finance	SAP, NetSuite, Microsoft Dynamics
BI/Reporting	Power BI, Tableau, Excel (with automation)

Summary: Key Actions for B2B Sales Managers

Step	**Action**
1	Align trade spend with commercial objectives and document clear agreements
2	Track spend vs. budget and validate promotions with proof of performance
3	Ensure accruals are accurate and validate all trade deductions
4	Analyse trade spend ROI and adjust plans based on outcomes
5	Use technology to streamline tracking, approvals, and reporting

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Important links:

- Competition law – **Legally approved Guidelines**: https://thehba.co.uk/about-us/hba-guidelines
- **GSCOP**: https://www.gov.uk/government/publications/groceries-supply-code-of-practice/groceries-supply-code-of-practice

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