

RevLine Industries — Supplier Commercial Framework (Student Packet)

Read this like a real buyer. Nothing is hidden, but nothing is highlighted either.

How to use this

This short packet summarizes the commercial terms you can use in Scenario 6. You're expected to **ask questions**, choose the best lane (Incoterms), and decide whether to use the Early Payment Program (EPP). The right combination reduces landed cost and nudges EBIT up — without layoffs.

Incoterms® 2020 — Quick Map

Lane	Incoterm	Who controls freight?	Who handles import duties?	Risk transfers
EU Supplier → Lyon DC	FCA (Plant)	Buyer	Buyer	At carrier handoff (Supplier)
APAC Supplier → Rotterdam DC	FOB (Port)	Buyer	Buyer	On board at port
US Supplier → Norfolk DC	DAP (DC)	Supplier	Buyer	At delivery to Buyer DC

Key Clauses (Trim)

Price & Notice — Price lists firm for 6 months. Changes require 30 days' notice and evidence of input cost movement.

Early Payment Program (EPP) — Standard terms Net 45. Buyer may take **2%** discount for payments made within **15 days** on up to **50%** of eligible monthly spend (prioritized by landed-cost impact).

Incoterms & Logistics — Default lanes use **FCA Supplier Plant**. Alternatives: **FOB Port** or **DAP Buyer DC**. Lanes may be switched per SKU/PO without amending the agreement.

Customs/Duties — Under FCA/FOB, Buyer is Importer of Record. Under DAP, Supplier handles export; Buyer handles import unless DDP is agreed per PO.

Quality & Recalls — 24-month conformity warranty. Supplier-caused failures recovered by debit note/price offsets/future cost-downs; timing per Buyer policy.

KPIs & Chargebacks — Monthly KPIs: OTD ≥95%, Fill ≥98%, PO Accuracy ≥99%. After notice, reasonable chargebacks may apply for non-compliance.

Nudge: Try pairing FCA/FOB on lanes where your logistics rates beat the supplier, and deploy EPP on the priciest inputs first. Cash timing matters — but so does EBIT.