

Reducing Unauthorized Deductions

Situation

To address the growing concerns of its membership with regard to unauthorized deductions, the NCA (National Confectioner's Association) retained Dechert-Hampe & Co. (DHC) to research and analyze the issue within the industry, make recommendations, and assist the Association in its implementation.

Solution

DHC conducted NCA member surveys and trade interviews to determine the scope and major issues surrounding unauthorized deductions. Next, it conducted NCA member share groups to identify the nature and causes of unauthorized deductions. A subcommittee of the NCA Trade Relations Committee, facilitated by DHC, identified action steps for addressing the issues and implemented the following:

- Development of a Resource Guide offering a listing of products and services to assist members in the management of unauthorized deductions
- Development of standards and definitions for classifying and measuring unauthorized deductions
- Development of a tool for tracking and reporting on unauthorized deductions
- Development of materials and seminars to educate the industry on standards and definitions, measurement processes, the deductions tracking tool, and management action based on objective data
- Creation of an industry database for benchmarking purposes

After sufficient information results from the industry database, the NCA will develop and conduct best practices seminars to address the most critical issues

Results

DHC helped the association members dimensionalize the problem and identify root causes. By creating standards, definitions and measurement processes, many key issues can be addressed by management action. The tracking and reporting will allow members to measure their progress and benchmark their results.

Over 123 NCA members attended seminars to learn how to implement the NCA tools, including software designed to feed the NCA industry database. Best practices seminars will be introduced after the NCA is confident the industry database results show valid, objective trends. It is anticipated that long-term results will be a reduction in the number and dollar volume of unauthorized deductions across the confectionery industry as well as improved deductions management within member organizations.