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**LOWE'S, WHIRLPOOL, RITE AID, KIMBERLY-CLARK, WAL-MART,  
eBIZPRIZE, SCHNEIDER NATIONAL AND SAFEWAY HONORED AT  
12<sup>th</sup> VICS ACHIEVEMENT AWARDS**

*Tom Cole of Macy's Receives Milliken Career Achievement Award*

**Lawrenceville, NJ** — The Voluntary Interindustry Commerce Solutions Association announced the winners of the 2009 VICS Collaborative Commerce Achievement Awards this evening at the VICS/U Connect Annual Conference at the Orlando World Center Marriott Resort. The Awards are designed to identify and reward excellence in supply chain collaboration. Winners of the VICS Achievement Awards were decided by votes of the VICS Board of Directors, which is composed of an elite Who's Who of industry luminaries.

The 2009 VICS Collaborative Commerce Achievement Awards honor outstanding companies for their strategic thinking and leadership, as well as the implementation of GS1 US standards and VICS collaborative commerce guidelines that have resulted in more effective supply chain practices and partnerships. The awards recognize the positive results of company-wide dedication to customer satisfaction that have made continuous improvements to the supply chain.

The following are the **2009 VICS Collaborative Commerce Achievement Awards Winners** along with the accomplishments noted by the judges --

**Retail Side Excellence:**

Lowe's Companies Inc.

- Lowe's has re-designed its inventory planning and supply chain processes to accommodate greater automation and collaboration with suppliers. Lowe's now forecasts demand for more than 42 million store/SKUs, creates a time-phased, flexible approach to adjusting to changing consumer demand, and shares the data with suppliers.
- Suppliers now access a rolling 26-week forecast of POS and orders, collaborate to gain consensus, enabling substantially improved plans for high in-stocks with less inventory.
- The initiative has earned a superior ROI. Benefits come from reductions in inventory while achieving in-stock goals, increased inventory turns, and a 50% faster response time

to changes in demand at a store—50% faster!. Additionally, it enabled suppliers to improve fill rates, which have risen from the low 90s to over 98%.

- Supported by new JDA software, Lowe's has also improved processes for managing data, creating a single forecast based on demand, ordering, receiving, planning transportation, and numerous other operational activities.

### **Supply Side Excellence:**

#### Whirlpool

- Working with Schneider Logistics, Whirlpool created a Global Logistics Council that communicates and coordinates supply chain efforts across a formerly autonomous, separately operated set of logistics silos encompassing 6 continents, 50 factories, 140 warehouses, 200 suppliers and 300,000 customers.
- The initiative standardized data on Whirlpool's \$2 billion in logistics spend, modeled an improved logistics network, and identified 12 top-priority projects that have delivered (or are modeled to deliver) over \$25 million in savings. A second tier of projects promises even greater savings.
- To assure success, Whirlpool obtained participation of staff across its vast supply chain and engaged in a substantial change management effort.

### **VICS CPFR® Implementation Excellence:**

#### Rite Aid Corporation and Kimberly-Clark

- Rite Aid's CPFR program has surpassed critical mass with 50 suppliers, and the CPFR program with Kimberly Clark is a shining example. They derive a single, time-phased shared forecast for sales and orders
- As a result, Rite Aid's sales of Kimberly-Clark products has increased, while inventory has decreased by 13%. Fill rates have improved from an already strong level by 8%.
- Rite Aid's CPFR partners as a group achieve half the out-of-stock rates of non-CPFR suppliers. They also have service levels 4% higher, inventory reductions of up to 17%, and a reduction in merchandise returns of 37%.
- When Kimberly-Clark initially implemented CPFR with Rite Aid, it was up and running on all 14 Rite Aid DCs and in all 200 SKUs in three months. The project also entailed implementing JDA software.
- Rite Aid shares its ad plan and POS data with Kimberly-Clark along with SKU-level forecasts inventory levels, and ad plans for each DC. Kimberly-Clark recommends forecast improvements to Rite Aid, and together they have avoided \$1.2 million in out-of-stocks.

### **Sustainability Excellence:**

#### Wal-Mart

- Wal-Mart created a holistic series of sustainability-focused programs involving over 7900 stores, 2 million associates, 61,000 suppliers and 176 million weekly consumers worldwide.
- Called Sustainability 360, the programs are progressing toward goals of 100% renewable energy, creating zero waste and offering assortments of more energy-efficient and environmentally preferable products.
- Wal-Mart has started measuring and improving sustainability performance in a series of networks with suppliers, including fossil fuel reduction, alternative fuel use, more

sustainable buildings, increasing truck fleet efficiency, reducing the amount of waste going to landfills, adding more local food suppliers, adding more organic textiles and energy-efficient electronics.

- The company encourages its associates to maintain voluntary personal sustainability projects at home and in their communities, and has received more than 480,000 pledges from associates for sustainability initiatives.
- In addition, Wal-Mart hosted a sustainability summit with over 1,000 leading suppliers from around the world to communicate Wal-Mart's responsible sourcing and environmental sustainability standards and goals.

### **Best Third Party Technology Provider:**

eBizprise

- Taiwan's leading home fashions retailer, the 130-store chain Working House, implemented a mix of CPFR® and collaborative product design both internally (between merchandising and sourcing) and externally—with local and overseas suppliers. eBizprise provided consulting and information technology to support the initiative.
- The initiative improved sales forecast accuracy by 14% and speed-to-market by over 50% (99 days). Order fulfillment lead time sped up by 80 days. On-time deliveries surged from 67% to 93%. And emergency rush orders dropped from 25% to 9%.
- WorkingHouse's new processes considered plans and marketing in creating forecasts, facilitated collaboration on product design with supplier design team, and enabled real-time visibility to production needs across the global supply chain.
- The initiative also provided interactive web access to new season themes, specifications and proposals to consumers for gathering their feedback.
- Suppliers now enjoy real-time communication, shared demand data and exception processing that enables greater speed and flexibility as well as improved cash flow.

### **Best Third Party Service Provider:**

Schneider National

- Schneider has created a system for co-shipping products to retail stores, often from multiple manufacturers in one truckload, while simplifying the invoicing.
- Called the Schneider Convergence Model, the system was co-developed by Schneider National and Kimberly-Clark to meet the needs of a specific grocery retailer and it was piloted successfully.
- Service from DCs to stores improved while avoiding the need to expand or build DCs—eliminating volume constraints for a retailer's distribution network.

### **Supply Chain Excellence:**

Safeway

- Safeway collaborated with suppliers, specifically Kimberly-Clark, to improve in-stocks at the store shelf during promotions.
- Within 6 months, lost sales during promotions dropped by half, delivering a 100-basis point increase in promotional sales volume for Kimberly-Clark products
- To overcome obstacles, Safeway re-engineered the business processes in collaboration with their retail stores, warehouse and distribution, category management and supplier partners.

- With the new process, Safeway and supplier partners access near-real-time data on store-level demand via technology from Teradata and DemandTec and collaborate frequently, often daily. They analyze exceptions and push promotional product to stores that need it
- With visibility across the supply chain, the collaborative team continues to improve the Safeway shopping experience.

### **Roger Milliken Career Achievement Award**

Tom Cole, Chief Administrative Officer, of Macy's, Inc.

Tom is Macy's, Inc.'s senior-most operations executive. As Chief Administrative Officer, he oversees the company's retail support divisions, including Macy's Systems and Technology, the Macy's Credit and Customer Services and Macy's Logistics and Operations, as well as various Corporate Office functions.

Tom is a St. Louis native who began his retailing career at Allied Stores Corporation in 1972 after graduating from Kent State University. He joined Federated Department Stores, Inc. (now called Macy's, Inc.) in 1980 as vice president/controller of I. Magnin, an upscale specialty store division then owned by Federated and based in San Francisco. Later, Tom moved to New York as senior vice president of finance and administration at the Federated Merchandising Group (now Macy's Merchandising Group). He then moved to Cincinnati to become senior vice president of financial services for Federated's Lazarus department store division.. Later, he returned to New York as FMG's president and chief operating officer before assuming responsibility for Macy's Systems and Technology, Macy's Credit and Customer Services and Macy's Logistics and Operations.

“Despite the economic pressures facing companies in our industry, or perhaps because of them, we had an outstanding selection of nominations for the awards this year. The VICS Board of Directors congratulates the winners, the finalists and all of the nominees,” said Joe Andraski, president and CEO of VICS. “We also applaud one of our former chairmen, Roger Milliken Career Achievement Award winner Tom Cole. Tom has been and remains a staunch supporter of VICS, giving his valuable time and providing his company’s resources to create many of the standards that help our supply chain run so smoothly.”

Hewlett-Packard Company sponsored the 12th annual VICS Collaborative Commerce Achievement Awards dinner.

### **About VICS.**

The Voluntary Interindustry Commerce Solutions (VICS) Association has enabled companies in the retail and consumer-focused industries to eliminate billions of dollars of waste and delay. By creating voluntary guidelines, often referred to as “standards,” VICS has created new best practices that ultimately lead to lower costs and better availability of products for consumers. VICS’ volunteer members improve the flow of products and information throughout retailing and the consumer-focused industries that supply retail. The Association provides leadership and an environment in which executives can make a difference in their industry, their company performance—and their personal commitment to make the world work a little bit better. VICS’ members help define the next best practices in the industries and thus anticipate and optimize business processes and costs. Additional information can be found at [www.vics.org](http://www.vics.org).

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