

Voluntary Guidelines for

**FLOOR-READY
MERCHANDISE**

11.0 Evaluation and Feedback

2nd Edition

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Table of Contents

Section	Title	Page
	Table of Contents	3
	Revision Summary	4
11.0	Evaluation and Feedback	5
11.1	Introduction	5
11.1.1	Objective	5
11.1.2	Overview	5
11.1.3	Benefits	5
11.1.4	Important Considerations	6
11.2	Evaluation - Retailer of Supplier	6
11.3	Evaluation - Supplier of Retailer	7
11.4	Feedback	8
11.5	Best Practices	8
11.5	Discussion Checklist	8

Revision Summary

Date	Section	Page	Revision
15-Sep-06	All	All	2nd Edition published.

11.0 Evaluation and Feedback

11.1 Introduction

11.1.1 Objective

The objective of the Evaluation and Feedback guidelines for floor-ready merchandise is to establish uniform evaluation components of the floor-ready process and guidelines for feedback between retailer and supplier.

11.1.2 Overview

Today's floor-ready process includes critical actions by the retailer and supplier.

- ◆ Product Information
 - ◆ assignment and marking of products with UPC-A or EAN-13 barcodes by the supplier
 - ◆ conveyance of product information from supplier to retailer via Price/Sales Catalogue (VICS 832 Transaction Set)
- ◆ Application of floor-ready services as negotiated between the retailer and supplier. Such activities may include:
 - ◆ retail price marking in conjunction with the U.P.C. Marking Guidelines for General Merchandise and Apparel
 - ◆ hanger application following the VICS Hanger Application Guideline
 - ◆ packing, including reduction of waste, folding, etc.
 - ◆ security device application
- ◆ Use of EDI Documents
 - ◆ conveyance of purchase orders (VICS 850 or 860 transaction sets) from retailer to supplier
 - ◆ conveyance of retail price through purchase orders (VICS 850 or 860 transaction sets) or Price/Sales Catalogue (VICS 832 Transaction Set) from retailer to supplier; or from supplier to retailer via the Purchase Order Acknowledgment (VICS 855 Transaction Set)
 - ◆ conveyance from supplier to retailer of shipment information via the Ship Notice/Manifest (VICS 856 Transaction Set), including advising retailer when a specific item or carton does not conform with the floor-ready service requested
 - ◆ conveyance of invoice electronically (VICS 810 Transaction Set)
 - ◆ conveyance of Product Activity (VICS 852 Transaction Set)
 - ◆ conveyance of Motor Carrier Shipment and Status Message documents (VICS 204 and 214 Transaction Sets)
 - ◆ conveyance of Organizational Relationship document (VICS 816 Transaction Set) applicable to unity distribution requirements (branch store numbers, names, addresses, etc.)

11.1.3 Benefits

The results of the evaluation and feedback process may be used to further support increasing pipeline improvements reduced lead times, increased consumer availability, increased environmental awareness, and decreased costs.

11.1.4 Important Considerations

- ◆ The retailer and supplier should agree upon the appropriate evaluation period, frequency, and criteria. In addition, the communication of evaluation results and actions to resolve should happen quickly to prevent future problems.
- ◆ The determination of floor-ready services should be agreed upon by the trading partners.
- ◆ Both retailer and supplier should designate key contact person(s) responsible for accurate, timely communication and problem resolution. The contact person(s) responsible should have the authority to cross-functional lines and communicate internally to all relevant functions.
- ◆ Performance expectations should be established between retailer and supplier. VICS and GS1 US guidelines should be used where applicable to establish performance expectations.

VICS publishes independent of this document sample forms that you may use as a starting point for developing a trading partner evaluation. They are the **Evaluation Form - Retailer of Supplier** and **Evaluation Form - Supplier of Retailer**.

11.2 Evaluation - Retailer of Supplier

The retailer may evaluate the following components:

- ◆ Product Information
 - ◆ accuracy of GTIN (Global Trade Item Number) assignment and marking including UPC-A or EAN-13 barcode legibility
 - ◆ accuracy and timeliness of conveyance of product information via the Price/Sales Catalogue (VICS 832 Transaction Set)
- ◆ Application of floor-ready services as negotiated between the retailer and supplier
 - ◆ accurate retail/consumer price on product ticket
 - ◆ application of retailer designated labeling, packaging, and product tickets for private label merchandise
 - ◆ correct hanger application
 - ◆ internal packing materials (e.g. tissue, polybags, cardboard, clips)
 - ◆ folding, product packing agreements
 - ◆ security tag application
- ◆ EDI Documents
 - ◆ timeliness and accuracy of Ship Notice/Manifest (VICS 810 Transaction Set)
 - ◆ accuracy and timeliness of conveyance of retail price from supplier to retailer via the Purchase Order
 - ◆ Acknowledgment (VICS 855 Transaction Set) where applicable
 - ◆ timeliness and accuracy of conveyance of electronic invoice (VICS 810 Transaction Set)

- ◆ Shipment Accuracy
 - ◆ timeliness of legal transfer of goods
 - ◆ adherence to carrier routing instructions
 - ◆ carton content versus Ship Notice/Manifest (VICS 856 Transaction Set) and the final purchase order (overages, shortages and substitutions)
 - ◆ accuracy of assignment of bill of lading number(s) and conveyance in appropriate EDI documents (VICS 856 and 810 Transaction Sets)
 - ◆ breakage or damage
- ◆ Carton labeling
 - ◆ accuracy and legibility, including legibility of GS1-128 barcode if applicable
 - ◆ label placement
- ◆ Packing
 - ◆ carton size and weight
 - ◆ special requirements such as number of units per carton, packing slip attachment

11.3 Evaluation - Supplier of Retailer

The supplier may evaluate the following components:

- ◆ Purchase order conveyance
 - ◆ timeliness of conveyance of purchase order confirmation
 - ◆ accuracy of product information conveyed
 - ◆ accuracy of start ship and cancel dates as negotiated by the trading partners
 - ◆ accuracy of price information, including wholesale cost, retail/consumer price as negotiated by the trading partners
 - ◆ timeliness and accuracy of order changes or cancellations
- ◆ EDI Documents
 - ◆ conveyance of initial purchase orders and purchase order changes (VICS 850 or 860 Transaction Sets)
 - ◆ conveyance of retail price through purchase orders (VICS 850 or 860 Transaction Sets) or Price/Sales Catalogue (VICS 832 Transaction Set)
 - ◆ timeliness of pulling Ship Notice/Manifest (VICS 856 Transaction Set) from EDI mailbox
 - ◆ timeliness and accuracy of conveyance of Product Activity (VICS 852 Transaction Set)
 - ◆ conveyance of Organizational Relationship document (VICS 816 Transaction Set) applicable to unit distribution requirements (e.g. branch store number, names, addresses)
- ◆ Retailer to Supplier Correspondence
 - ◆ adequate documentation provided to substantiate claims - company or division, purchase order number, transmission date, bill-of-lading number
 - ◆ clear explanation of reason(s) for deduction/claim
 - ◆ timeliness of claim to enable investigation and resolution
 - ◆ compliance with return authorization procedures
 - ◆ timeliness of receipt of retailer routing and packing instructions

11.4 Feedback Guidelines

- ◆ Method and format of evaluation communication - paper, e-mail, etc. - should be agreed upon by the trading partners
- ◆ Trading partners should communicate evaluation results within 14 days of the evaluation period
- ◆ Adequate, specific information should be provided to the evaluated trading partner to facilitate problem resolution
- ◆ Evaluated trading partner should respond, with planned actions to resolve, within 14 days of receipt of the evaluation

11.5 Best Practices

- ◆ Publication of trading partner policies and procedures regarding applicable components of the pipeline is recommended. The publication may cover floor-ready services, EDI documents, logistics, and retailer to supplier correspondence requirements.
- ◆ A formal meeting, including all affected functional areas of retailer and supplier, to define and reach consensus on critical actions is recommended. In this meeting, floor-ready services, EDI documents, product information, shipping and logistics requirements, performance expectations, evaluation and the feedback process should be confirmed.
- ◆ On-site tours of the retailer's or supplier's processing or distribution facility improve understanding of the trading partner's pipeline process.

11.6 Trading Partner Discussion Checklist

- ◆ Determine product marking requirements such as UPC-A or EAN-13 barcodes
- ◆ Determine floor-ready services provided and the responsibility for the services -- supplier or retailer
- ◆ Determine method and responsibility of conveyance of floor-ready requests
- ◆ Determine EDI documents to be traded
- ◆ Determine shipping, carton labeling, and packing requirements
- ◆ Determine retailer to supplier correspondence requirements
- ◆ Determine performance expectations, evaluation criteria, feedback methods and timing, and key contact person(s) responsible in each trading partner for communication and problem resolution