

SHOPKO®

Vendor Partnership Manual

Section 9 – Inventory Management

What's New

Changes have occurred since our last update in January 2018.

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1 Inventory Management

1.1 Inventory Management Standards for Our Vendors

1. Shopko considers its Vendors to be partners in our business.
2. Shopko expects all Vendors to be capable of receiving Purchase Orders via EDI (850 EDI Purchase Order).
3. Shopko expects all Vendors fill performance of Purchase Orders to be 98% or better.
4. Shopko expects all Vendors ship/cancel lead time performance standard to be 5 working days or less. (i.e.: order is ready to ship within 5 working days of Vendor receiving the order).
5. Shopko expects all Vendors to be capable of receiving and shipping Purchase Orders a minimum of once per week.
6. Shopko expects all Vendors will communicate any and all issues that may cause any issue with shipping a Purchase Order complete and that the communication will be done immediately upon discovery of that issue.
7. Shopko expects all Vendors to understand that basic instock and ad instock is critical in meeting or exceeding our customer expectations and helps grow our respective businesses. Vendors must be able to maintain a 98% or better Purchase Order fill rate performance.
8. Shopko expects that all vendors ship from a consistent location for each item. If a vendor changes the origin of shipping or adds a new origin of shipping, they must provide written notification to the Shopko Buyer/Inventory Analyst team at least 30 days in advance.
9. Vendors are expected to provide Shopko with accurate Vendor Set Up and SKU Setup Information to avoid chargebacks. (i.e. Case Size, Case Weight, Processing Time, Transit Time)
10. Any non-compliance that creates additional expense may result in a chargeback. Please refer to [Chapter 15; Non-Compliance](#) for chargeback information.

Shopko's Inventory Managers are responsible for working with Vendors who are not able to meet our Inventory Management standards which is On Time delivery/Ship and 98% Fill Rate. If the Inventory Manager does not anticipate that the Vendor's performance will improve, the Inventory Manager is responsible for bringing the issue to the attention of Shopko's upper management with recommendation of corrective action to be taken, up to and including discontinuation of the Vendor.

1.2 Partial Shipments (Fill Rate), Backorders, Overshipments, Early/Late Shipments

Partial shipments (Fill Rate), backorders, overshipments, and Early/Late shipments will not be accepted without the respective Inventory Analyst's written authorization, unless specifically authorized on the face of the Purchase Order. All authorized backorders will arrive on a prepaid basis; FOB Shopko's dock. Refer to Terms and Conditions – found in [Chapter 3: Terms & Conditions of Purchase Order](#) of this Manual for detailed information.

1.3 Consolidator Shipments

Vendors shipping orders through a consolidator are required to follow the shipping requirements found in [Section 8.8 of Chapter 10; Distribution and Domestic Transportation](#) of this manual.

2. Exhibits

New Vendor Questionnaire

NEW VENDOR QUESTIONNAIRE

1. Are you capable of receiving the 850 EDI purchase order transaction set?
2. Are you capable of receiving our sales data, EDI 852 product activity data?
3. Are you capable of sending a reverse purchase order, EDI 855 purchase order acknowledgement?
4. Are you capable of sending the EDI 856 advance ship notification?
5. Do you need ladder plans / forecasts to ensure you will have goods available for Shopko?
If yes, attach explanation of level of detail you require.
6. Are you capable of having dedicated inventories set aside exclusively for Shopko to ensure our instock?
If yes, will you have a minimum of 30 days supply on hand at all times and a minimum of 30 days supply in production? If answer to any of the above is no, attach explanation of why, and what measure will be taken to ensure our instock.
7. How many days from receipt of our purchase order do you need to pack and ship? (This is what we consider the Processing Time; our standard is 5 working days or less)
8. Are you capable of packing and shipping multiple orders per week?
9. Are you capable of shipping orders direct to store if there is an exception situation requiring this?
10. Are you capable of shipping to D.C. locations by master pack (defined as 1 size, 1 color per carton)?
11. Are you capable of shipping display racks on opening orders. Master pack with inner packs for reorders?
12. Who are the following contacts and contacts phone numbers?
 - Sales Rep: _____
 - Customer Service: _____
 - Warehouse: _____
13. How do you communicate short ships and delivery issues?