



Delivery Compliance Visibility



Tackle Vendor Penalties to Increase Supply Chain Profitability

In late 2015, Target decided to “get tough with vendors to speed up [the] supply chain.” The retail giant was “cracking down on suppliers as part of a multi-billion-dollar overhaul ... [to] better compete with rivals, including Walmart, Inc. and Amazon.com, Inc.,” according to *Reuters*.

Following this announcement came a letter from Target to its suppliers expressing the need to better partner and collaborate, along with an investment of over \$5 billion in supply chain and technology infrastructure between 2015 and 2017. Fast forward to today and the retailer’s tighter grip on deliveries – while crucial for stocked shelves and cost control – is costing the average-sized Target supplier upwards of **\$1.6 million in chargebacks annually** (substantially higher for larger suppliers).

Here’s how the Delivery Compliance Visibility process works:

Target suppliers are paying enormous fines for violating compliance policy in three areas:

- On-Time Ship
- Fill Rate
- EDI Metrics

Only two weeks are allowed to dispute violations before they turn into chargebacks, which involves:

- Three reports in POL
- Dozens of keystrokes per item
- Nearly impossible analyzation of trends to make corrections
- High labor costs due to manual work

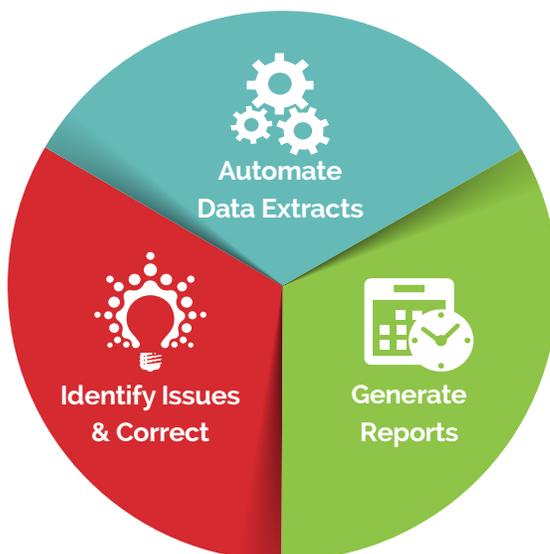
In many cases, suppliers would rather outright pay the fines rather than spend hours – and even days in some cases – to tediously research every item and PO only to realize that it’s not even worth the effort. Given the complexities and potential financial impact of this challenge, RSi took a creative approach to crafting a solution that would deliver strong value to all key stakeholders.

Reducing Fines through Automated Analysis

Picture this: Target suppliers have to look at several critical resources to extract the right data to analyze – in other words, the pieces of data needed to understand why they’re being charged are spread across various reports. After about 20 to 24 painstakingly slow clicks (and multiple circling “processing request” screens), the report typically expires and they have to start the process all over again.

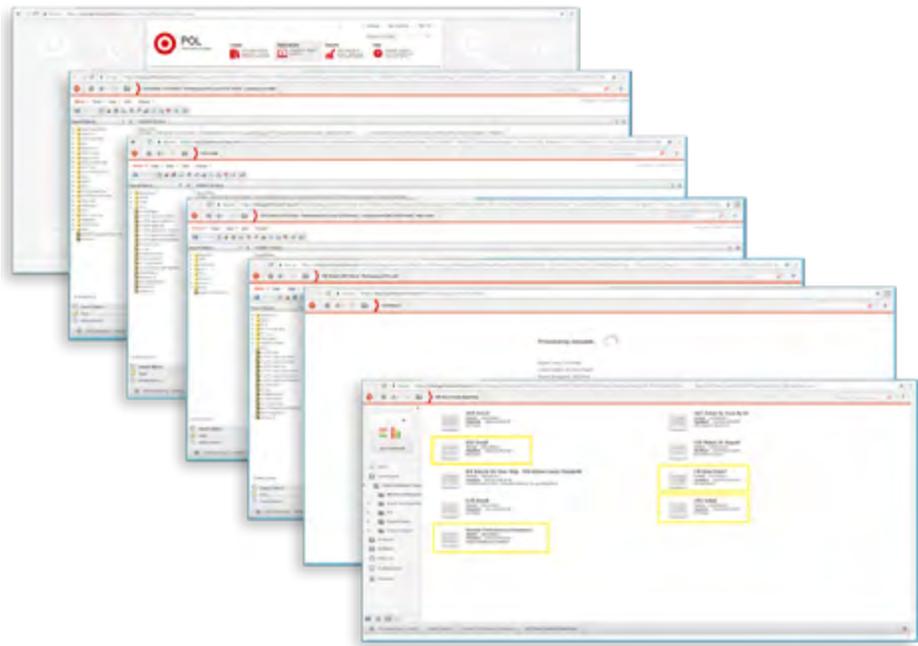
But, what if Target suppliers could automatically pull the data they need, all in one place, to quickly identify and correct their issues? With RSi’s *Delivery Compliance Visibility* solution companies can do just that:

- Determine root causes
- Identify patterns
- Take corrective action
- Eliminate future fines



- Automatically pull data
- All necessary info in one place
- PO/Item/DC granularity
- From all relevant POL reports
 - ✓ EDI Report
 - ✓ Fill Rate Report
 - ✓ On-Time Shipment Report
 - ✓ Scorecard
- Easy to use
- Highly graphic
- Interactive
- Quickly find answers

To put it even more simply, users can go from dozens of tedious, time-consuming steps:



To accessing the data they need, all in ONE place:



Reaping the Benefits of Early Adoption

The task of manually searching through multiple documents and drilling into root causes is so daunting that suppliers frequently just settle and pay their fines. Therefore, having a fully automated solution pays for itself simply in labor costs alone. By being able to quickly see problem areas, suppliers have enough information – in an easy-to-view format – that arms them with the information and insights they need to reconcile disputes.

Perhaps even more important, by identifying chronic issues, including persistent out-of-stocks or habitually late DCs, companies can quickly identify nodes within the supply chain that need to be improved. Once these issues are addressed, the root causes that led to the late deliveries or short shipments can be eliminated, resulting in a much more efficient and profitable supply chain.

RSi has leveraged its industry-leading data expertise and collaborated in innovative ways with top CPG suppliers to develop the capabilities needed to gain a competitive edge. The outcome of this collaborative effort includes four critical reports that will help users optimize their market position:



Leading early adopters are experiencing important benefits:

- Productivity savings of 4 to 6 hours per week compared to time previously spent manually pulling data and research item/PO violations; of course, saving time means saving money.
- The ability for analysts to jump right into addressing the actual problem by identifying issues and trends almost immediately.



Automation

Spending time analyzing rather than pulling and aggregating supply chain data.



Historical Data

Collecting ongoing data for historical insight and identifying trends over time.



Visualization

Using simple visual cues to quickly identify exact areas of focus.



Interaction

Drilling down into DCs and items on the fly for more granular analysis.

Don't Lose Unproductive Funds – Rule the Target Supply Chain

Now, RSi's *Delivery Compliance Visibility* solution has an automated way to tell a better story both internally and to Target – that means that regardless of business function, simple visualizations can show exactly where the issues occur, driving corrective action.

It is understood that only about 10% of chargebacks are overturned. By leveraging a map view and other visual elements like color gradients, suppliers can quickly see problem areas, rather than just looking at raw data. If a picture is worth a thousand words, then RSi's *Delivery Compliance Visibility* solution is a no-brainer for CPGs looking to improve productivity, efficiency and ultimately profitability. Because it is so important to follow up on every violation as it occurs, RSi's *Delivery Compliance Visibility* solution will help you properly identify the root cause and dispute 100% of all violations to ensure no money is left on the table. Contact your RSi representative to learn how you can take back your unproductive dollars to grow, profit and rule – from supply chain to shelf.



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ABOUT RSi

RSi is the world's leading provider of proven technology solutions that enable CPG manufacturers and retailers to grow, profit and rule – from supply chain to shelf. Twenty-seven of the world's leading CPG companies and nearly 250 of the top retailers trust RSi's unparalleled industry knowledge, best-in-class technology solutions, and deep data expertise to generate greater productivity and profitability. RSi's cloud-based data transformation engine is fueled by digitally enabled technologies that deliver real-time, actionable insights, seamlessly across every channel. CPGs and retailers recapture hundreds of millions of dollars in lost sales each year with the RSi IRIS platform, the world's #1 on-shelf availability solution. RSi's employees, located in 20 locations across the globe, are passionate about empowering customers to rule the shelf, and own the future. To learn more, visit www.retailsolutions.com.