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# Q2 SUPPLIER OPERATIONS PARTNER NEWSLETTER

May 1, 2023

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## Quarterly Newsletter

Nordstrom Brand Partners,

Thanks to your continued partnership and commitment to compliance, we're off to a strong start this year! We have seen additional improvement in shipping compliance this part quarter, particularly with EDI compliance. These improvements deliver positive results to decrease processing time through our Distribution and Fulfillment Centers, moving goods faster to selling locations, enabling the Closer to You Strategy, and delighting our customers!

As we look ahead, we're excited about the compliance foundation established from these improvements and tackling the largest opportunity with Ticketing compliance. We greatly appreciate your support and commitment to delivering supply chain efficiency to enhance the customer experience!

The areas of focus for Q2 of 2023 are highlighted below with additional information contained in the newsletter.

### **Q2 Compliance Focus:**

- 1) **ACTIVATION: RETAIL PRICE TICKETING**
- 2) **UPDATE: RFID TICKETING**
- 3) **SPOTLIGHT ON: EDI COMPLIANCE**
- 4) **REMINDER: ROUTING GUIDE COMPLIANCE**

We encourage you to share the information in this newsletter with your internal partners as applicable to ensure awareness and drive readiness to support.

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## Now Live: Retail Ticketing Chargebacks

### Nordstrom and Rack Stores

#### **WHAT**

Offset fees are now live for missing or inaccurate selling retail on tickets. Retail is required on all items and must match Nordstrom PO (Purchase Order) Retail and be in USD. There are exceptions for shoes, most beauty/cosmetics (required for CT PO Type), and select closeout buys for Rack.

Please see [Ticket Standards](#) for all ticketing guidelines. Pertinent Nordstrom Ticket Information can be found on the EDI Purchase Order:

- PO Type is in the REF Segment in the PO header with a PD Qualifier
- Nordstrom Regular Retail is in the CTP segment with RES qualifier
- Event ticketing/ Rack Retail: the Special Retail can be found in the CTP segment with PRP qualifier
- It is the vendor's responsibility to monitor all EDI Purchase Order details and to contact their buying office if there are any discrepancies including retail price.

**Regular Retail:** Items sold at regular retail price as designated on purchase order.

**Comparable Value Retail:** Higher (original/ CTP segment with RES qualifier) price vs. selling price (special retail/ CTP segment with PRP qualifier) with Comparable Value XX % Percent savings (Rack) or Black line (Nordstrom or Rack). Percent savings should always be rounded down to the nearest whole percentage.

#### **WHEN**

Any shipments after April 1, 2023 are subject to Offset Fees. Charges were visible to suppliers in the AP Portal starting April 25, 2023.

#### **WHO**

Suppliers shipping goods for sale at Nordstrom and Nordstrom Rack store locations where Retail Price is either missing or inaccurate to the EDI 850 price transmission.

#### **RESOURCES & QUICK LINKS**

- Nordstrom Expense Offset Policies can be found [here](#)
- Questions regarding offset fees please reach out to [offsetfees@nordstrom.com](mailto:offsetfees@nordstrom.com)
- Questions not outlined within this newsletter, please reach out to [frm@nordstrom.com](mailto:frm@nordstrom.com) (Floor Ready Management)

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### Update: RFID Ticketing

Nordstrom and Rack Stores – All categories, except Beauty, Jewelry, Rack Shoes; we expect all product to be ticketed, there may be select exemptions for Closeouts

#### **WHAT**

All Nordstrom and Nordstrom Rack stores are launching weekly stock counts leveraging RFID by the end of Q2 2023. This means that our Stock on Hand will be updated each week using the RFID tagging that so many of you have worked to implement. As a result, we will have more accurate inventory data that will support fast fulfillment of online orders, and ensure we have the right items at the right time, in the right place for our customers.

#### **WHEN**

Between April and July, all Nordstrom and Rack stores will be live with weekly stock counts. As a result, we are taking the step that was previously communicated to implement supplier chargebacks for items that are not tagged with RFID. The Offset Fee for RFID Ticketing violations will follow the existing published rate of \$250 per shipment and \$0.90/ unit. Work to implement this is in progress and we expect to begin charging the Offset Fee starting in early Q2 (May/June).

#### **WHO**

Any shipments received after May 1, 2023 are subject to possible chargebacks for RFID tagging non-compliance. Exceptions currently include Beauty, Jewelry, Rack Shoes. While we expect all product to be ticketed there may be select exemptions for Closeouts. Any further extensions or exceptions must be approved in advance by the Nordstrom GMM and RFID leadership.

#### **RESOURCES & QUICK LINKS**

- Nordstrom Expense Offset Policies can be found [here](#)
- Questions regarding offset fees please reach out to [offsetfees@nordstrom.com](mailto:offsetfees@nordstrom.com)
- Questions not outlined within this newsletter, please reach out to [frm@nordstrom.com](mailto:frm@nordstrom.com) (Floor Ready Management)

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## Spotlight On: EDI Compliance

### Nordstrom and Rack Stores/ Ecommerce

#### **WHAT**

Nordstrom requires the use of industry-standard EDI technologies which enables speed through the supply chain. These technologies and guidelines allow us to build successful, mutually beneficial partnerships with our suppliers by:

- Expediting flow of merchandise to the customer
- Enabling better inventory management
- Driving increased sales and enhanced customer service

#### EDI Transactions:

- 810 - Invoice
- 850 - Purchase Order
- 850FR or 860 - PO Change (highly encouraged)
- 856 – ASN/Advanced Ship Notice
- GS1-128 Shipping Container label related to a valid ASN
- 997 - Functional Acknowledgment
- 832 - UPC Catalog (OpenText/GXS or InterTrade)

#### **SPOTLIGHT: Advanced Ship Notice (ASN/ 856)**

The EDI 856 is used for receiving at a Nordstrom facility. Shipments received without an ASN are delayed a minimum of 1 day and are subject to an Offset Fee for the incremental processing and handling. ASNs should be consolidated by DC, contain one unique Bill of Lading, accurately reflect the contents of each case, and received prior to the shipment arriving at the Nordstrom facility.

#### **WHO**

Suppliers shipping goods for sale at Nordstrom, Nordstrom Rack store locations, and Ecommerce where shipments are not meeting our Routing Guide requirements.

#### **RESOURCES & QUICK LINKS**

- Nordstrom Expense Offset Policies can be found [here](#)
- Questions regarding EDI Setup and general EDI Compliance questions, please reach out to [edisetup@nordstrom.com](mailto:edisetup@nordstrom.com)
- Questions regarding Technical Data Transmission and EDI mapping, please reach out to [edi.group@nordstrom.com](mailto:edi.group@nordstrom.com)

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### Reminder: Routing Guide Compliance

#### Nordstrom and Rack Stores/ Ecommerce

##### **WHAT**

Routing Merchandise to the appropriate Supply Chain Facility through the proper shipping method is a standard compliance expectation outlined within the [Routing Guide](#).

There are two focus areas for compliance to Routing Guide:

- 1) **Mis-Ships** (shipping to the incorrect location) continue to impact the speed of goods flowing through our Distribution network by requiring additional processing, handling, and transportation, resulting in a 5–7-day delay in arrival to the intended selling location.
- 2) Shipments sent via **Small Parcel** (UPS) are subject to a shipping limit of 15 cartons per BOL destination per calendar week.

##### **WHEN**

Beginning with shipments received on or after April 17, 2023, Routing Guide compliance will be assessed using EDI ASN data compared to the Purchase Order; non-compliance to the Routing Guide is subject to the published Offset Fee.

##### **WHO**

Suppliers shipping goods for sale at Nordstrom, Nordstrom Rack store locations, and Ecommerce where shipments are not meeting our Routing Guide requirements.

##### **WHERE**

- Nordstrom Expense Offset Policies can be found on [www.nordstromsupplier.com](http://www.nordstromsupplier.com)
- Questions regarding offset fees please reach out to our Offset Fee mailbox: [offsetfees@nordstrom.com](mailto:offsetfees@nordstrom.com)
- Questions not outlined within this newsletter, please reach out to Floor Ready Management mailbox: [frm@nordstrom.com](mailto:frm@nordstrom.com)
- For questions regarding the Routing Guide (linked below) or Consolidator requirements by DC/FC please reach out our Traffic team: [traffic@nordstrom.com](mailto:traffic@nordstrom.com)

##### **RESOURCES & QUICK LINKS**

- Nordstrom Expense Offset Policies can be found [here](#)
- [Routing Guide](#)