

The Retail Compliance Management Solution (rCMS) benefits the retail enterprise by providing:

- **Visibility** – A 360-degree view of supply chain operations
- **Accountability** – Identifying the source of trouble areas, both internal and external
- **Predictability** – Preventing problems before they occur

Retail Compliance Management Solution

Actionable intelligence for informed supply chain decisions

In today's dynamic retail environment, knowledge is power – but there's a hitch to this statement. Knowledge comes from processing information, but information, like your merchandise, has a shelf life. The inability to efficiently process large amounts of information into useful knowledge costs more than just time – it can eclipse your competitive advantages. The Retail Compliance Management Solution (rCMS) confronts this issue head on, equipping your distribution and merchant personnel, and supply chain trading partners, with comprehensive, mission-critical compliance information.

rCMS enables process management on an exception basis and allows continuous monitoring, measurement and prediction of supply chain activities. rCMS is a single-source supply chain data warehouse that provides cross-functional visibility and reporting on all ordering, shipping and receiving functions throughout the enterprise. Potential problems are quickly identified and resolved through collaboration with vendors, merchants, distribution, logistics and transportation.

By leveraging the data in existing systems, and using proprietary detection and notification processes, rCMS helps retail professionals focus on what matters most – slashing costs and improving merchandise flow.

rCMS equips retailers to maximize efficiency by:

- Identifying violations of routing guides
- Gaining a 360-degree view into the supply chain
- Generating chargebacks automatically
- Automating exception notification to vendors
- Implementing automated vendor scorecards
- Leveraging multiple charge structures
- Employing discretionary chargeback enforcement
- Fostering internal and external collaboration

Comprehensive rCMS functionality

By leveraging Compliance Networks' advanced functionality and reporting, you will have everything you need to take the guesswork out of planning and managing your supply chain operations.

- **Automated Chargeback Identification** – A flexible, proprietary process reviews every supply chain transaction for consistency with vendor guidelines or rules and creates offsets to the increased costs associated with non-compliance.
- **Automated Vendor Scorecard** – The automatically created vendor scorecard accurately summarizes and compares individual vendor performance.

- **Automated Reporting and Email Capabilities** – A proprietary process allows retailers to schedule a virtually unlimited number of reports to automatically run and email to merchants, internal recipients and vendor contacts.
- **Freight Routing Review** – Using a retailer's freight bills or EDI 214/210, rCMS manages an array of freight expectations.
- **RF Audit Engine** – This enhances and intelligently streamlines the RF audit process while maintaining an overall random-sample approach for all vendors.
- **Trouble Tracking** – A tool that objectively tracks and manages problem shipments by aging outstanding issues, assigning reason codes to problems, and associating each problem with the appropriate individual.
- **Correspondence Management** – A tool that objectively tracks vendor disputes and resolution, and logs information about communications, with instantaneous visibility into vendor shipping performance and relevance.

rCMS has the flexibility to not only transform the operations of retailers initiating vendor compliance programs for the first time, but also providing a solid competitive edge when enhancing an established program. The advanced technology and functionality of rCMS, combined with Compliance Networks' retail industry expertise, offer any retailer the tools they need to excel in the supply chain arena. The rCMS solution is offered in an application service provider (ASP) environment, allowing retailers to leverage Compliance Networks' extensive retail expertise while minimizing the impact to constrained IT resources. Compliance Networks' consultative approach offers retailers a cost-effective extension of their IT, logistics and distribution departments.

Fill Rate Performance			On Time Performance			PO & ASN Accuracy		
Units	Cost		Freight Bills	Receivers		Total Order Units	UPC Errors (Incorrect)	PO Accuracy
Total Ordered	25,212	\$24,715	Total Orders Shipped	20	171	Total Order Units	5,171	87.2%
Initial Received	15,540	\$16,200	Early Shipments	0	2	PO Accuracy		
Initial Fill Rate	61.6%	65.2%	Percent Early	0.0%	1.2%	ASN Shipments	40	
On Time Received	13,824	\$11,867	Late Shipments	2	71	ASNs per PO	2.7	
On Time Fill Rate	54.7%	47.8%	Percent Late	9.7%	41.8%	ASN Units (Expected)	68	
Total Received	29,211	\$27,303	On-Time Shipments	20	168	Rev Units (Actual)	68	
Total Fill Rate	87.7%	86.8%	Percent on-Time	100.0%	97.3%	ASN UPC Errors (Not)	0	
Total purchase orders in analysis	15		Average Days Early		2.5	ASN Accuracy	100.0%	
PO data uses data that date and associated receipt			Average Days Late	6.5	3.8	ASN Unit Change (Shortage)	0	
			Pop PO	2.3	11.4			

Chargeback Performance - Top 5 Net Charges by Rule									
Rule Description	Created	Approved	Denied	Pending Approval	Reversed	Exempted	Net Charges	Percent of Total	Percent of Cost
672 More than two shipments for a PO	\$4,515	\$4,515	\$0	\$0	\$0	\$0	\$4,515	25.3%	1.4665%
200 Carrier not Authorized on our Routing Guide	\$2,362	\$2,362	\$0	\$0	\$0	\$0	\$2,362	10.5%	0.9354%
670 Unauthorized Style Fill Rate Short Shipment on	\$2,354	\$2,354	\$0	\$0	\$0	\$0	\$2,354	13.2%	0.7641%
330 PO Shipped Late and/or Cancelled	\$2,217	\$2,217	\$0	\$0	\$0	\$0	\$2,217	12.4%	0.7200%
1000 Style not Shipped on PO	\$1,950	\$1,950	\$0	\$0	\$0	\$0	\$1,950	10.0%	0.6333%
ALL Other Rules	\$3,977	\$3,977	\$0	\$0	\$103	\$0	\$3,874	21.7%	1.2582%
14 Total All Rules	\$17,955	\$17,955	\$0	\$0	\$103	\$400	\$17,551		5.7395%
Net Charges = Approved - Reversed	83	83	0	0	1	5	82		

Compliance Networks' vendor scorecard enhances collaboration with vendors.

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About Compliance Networks

Compliance Networks is a leading provider of solutions to the retail supply chain that enable enterprises to optimize flow within their supply chain and make informed decisions that ultimately increase shareholder value. Since 1999, Compliance Networks' suite of retail-centric vendor compliance and distribution management solutions accelerate retail profits by increasing sales, decreasing costs and mitigating risk throughout the extended supply chain. Compliance Networks is proud to serve leading retailers such as Kohl's, Burlington Coat Factory, Pep Boys, The Sports Authority, Bon-Ton Stores Corporation, Oshmans and Gottschalks Stores. Additional information can be found at www.compliancenetWORKS.com.

rCMS offers a complete, on-demand solution for vendor compliance management, enabling retailers to:

- **Detect** all vendor violations and exceptions that can disrupt the flow of merchandise through distribution
- **Document** violations as they occur, for easy retrieval and use as evidence
- **Collaborate** with merchants and supply chain partners, sharing information that facilitates preventative action
- **Improve** flow within the supply chain, utilizing actionable intelligence to make informed decisions