Trade Promotion Management

Trade Promotion Management

- What is the role of Trade Promotion Management (TPM)?
- Frequently Used Forms
- How are claims calculated?
- Exchange Partners On-Line (EPOL)
- Claim Adjustments
- Post Audit

TPM's Function

- **Support team for the buying staff**
- **Provide education for negotiated allowances**
- **Billing support on all Trade Promotion activity:**
  - Advertising
  - Price Protection
  - Margin Recovery
  - Vendor Compliance
  - And much more

Business Terms Agreement (BTA)

- **Documents standard negotiated allowances**
  - Media
  - Market Development Funds
  - Logistics
  - Volume Rebates
- **Vendor signature required**

Business Terms Agreement (BTA)

Army & Air Force Exchange Service (The Exchange)
Business Terms Agreement

Supplier Name & Address:

Agreement Dates:
This agreement becomes effective on _____ and will remain effective until a future agreement is executed.

Supplier Contact Information:
Name: _____
Phone Number: _____
Email: _____

The terms negotiated will be deducted from the Exchange systems. Claims can be viewed online at https://partners.aafes.com/EPOL/Login.aspx.

Cash Terms:

Duns Number: **PO Minimum:**

Federal Tax ID: **Lead Time:**

Provide in store service? ☐ Yes ☐ No
If yes, complete Store Level Agreement (SLA).

General Remarks:

How Paid ✓		When Paid ✓			
Credit Memo	Check	Monthly	Qrtrly	Semi Annual	Annual
☐	☐	☐	☐	☐	☐

Allowance Type	%	Dollar Amount
Co-op Advertising		
Volume Rebate		
Volume Growth Rebate (if offered please provide details in "Other" section.)		
Market Development Fund (MDF)		
Fixture Purchase		
Signs		
Air Freight Allowance		
Distribution Allowance		
Return Defective Allowance		
General Accrual		

Other:

FOB Terms for Domestic Suppliers: ☐ Destination ☐ Origin ☐ e-Comm
For International Shipments:
Incoterms:
FOB Origin _____ (OR) FOB DESTINATION _____
Click for Incoterms Definitions
Preferred Shipping Port: _____ If Other Specify: _____
Importer of Record responsible for Customs clearance and duties:
☐ Exchange ☐ Supplier

All Shipping Points with address for each: *(provide shipping point address info on a separate page if needed)*

RETURN POLICY - Vendor Must Check Options Below:

☐ **Option 1 - Defective/Returned Merchandise Allowance:** Vendor will allow the defective and returned merchandise allowances as listed in this document as shown in the allowances section above. The percentage must be adequate to cover processing costs.

- ☐ Exchange facility may dispose of returned merchandise through salvage outlets.
- ☐ Exchange facility must destroy returned merchandise.
- ☐ Returned merchandise will be sent from the Exchange facility to the vendor. If vendor requests the returned merchandise be sent to them, they will be charged cost plus a 10% handling charge and return freight charges billed to vendor.

☐ **Option 2 - Defective/Returned Merchandise: Return Merchandise to Vendor:** Defective/Returned merchandise will be sent from the Exchange facility to vendor. If vendor requests the returned merchandise be sent to them, they will be charged cost plus a 10% handling charge and the merchandise will be shipped with return freight charges billed back to vendor. Permanent Return Authorization Number _____ required for shipment. If automatic return is not possible, an 800 number or e-mail address must be provided to secure Return Authorization over the phone.

Duty Drawback
The Exchange exports a large amount of product overseas in support of our global military community. Suppliers who sell imported product to the Exchange for export are expected to support us in drawback recovery by providing the required documentation. The data exchange is coordinated with our 3rd party Duty Drawback contractor, Comstock & Thaakston, who has a confidentiality clause to keep your information private.

FOR INTERNAL USE
Supplier Procurement and Payment Codes:

Contracting Officer/Buyer Information:
Name:
Please Check:
Retail _____ eCommerce _____ Both _____
Department(s): 031-____ MMC: _____
Department(s): 031-____ COC: _____
Department(s): 031-____

Return Phone Number: _____ Return Toll Free #: _____
Return Email: _____

Supplier Sign & Date:
Supplier Signature _____ Date _____

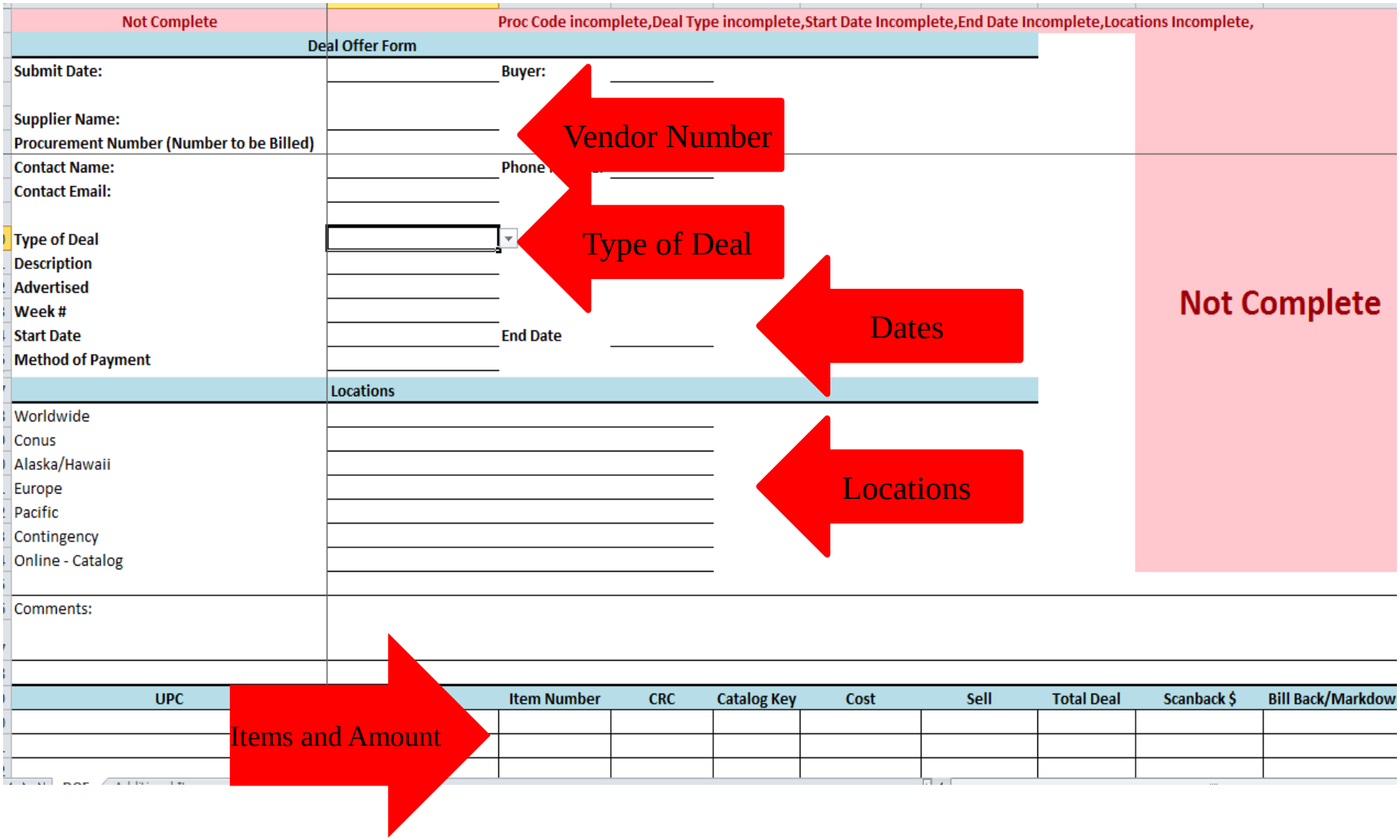
Contracting Officer/Buyer Sign & Date:
Contracting Officer/Buyer Signature _____ Date _____

EXCHANGE FORM 4350-003 (REV JUN 15) (Prev Editions Obsolete) Please reference Exchange (ARA) Form 4400-001 Page 1 of 1

Deal Offer Form (DOF)

- **Form is located on Exchange Partners On-Line**
- **Documents per event offers/negotiations**
  - Bill Back/Scan Back
  - Markdowns
  - VPR's
  - Advertising Support
  - Stack out/Pallet Promotion
  - New Item Allowances
- **DOF is emailed to TPM at coop@aafes.com**

Deal Offer Form



In Store Service

- Form to be reviewed during negotiations with the buyer
- Needs to include the service coordinator point of contact, phone number and email address

Service Level Agreement (SLA)

Service Level Agreement

Vendor Name: _____
Department: _____
Vendor Payment Code: _____
Vendor Procurement Code: _____
Buyer: _____
Vendor Point of Contact (Name): _____
Phone Number: _____
Email: _____
Vendor Servicing Organization: _____
VSO Point Of Contact: _____
VSO Phone Number: _____
Service Coordinator Email: _____
Blanket Return Authorization # _____
Address to send Returns to: _____

Store Type	Store Support																		
	Inventory Scanning	In Store Training for Associates	Product Demonstrations	Sell Merchandise	Plan O Gram Assistance	Introduction of New Items/Deleted Items	Product Write-Offs (Damage/Defective Merchandise)	Product Return (Over Stocks)	Merchandising Assistance	Stock Product	Customer Assistance	Check Date Sensitive Merchandise	Coordinate/Execute Special Events	Vendor Managed Inventory	Help Set Weekly SPS & Price Cuts	Build Displays	Solve Issues with Store Management on a Local Level	Provide Visibility of Inventory Excesses for Cross Balancing	Other (Please Specify)
Main Store/BX-Pxtra																			
Shoppette																			
Class 6																			
Auto																			
MCSS																			
Furniture Store																			
Other (Sports Store, Book Store, etc.)																			

Volume Based Claims

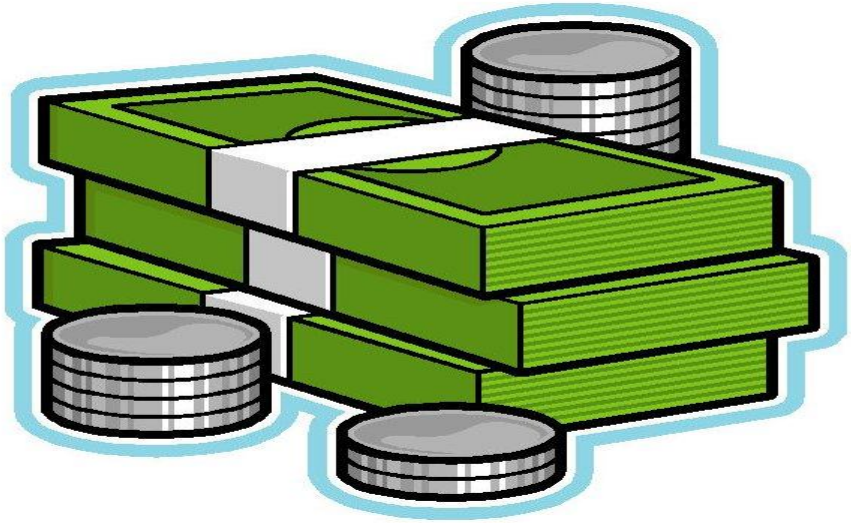
- **Percentage based claim**
  - Calculation is based on invoices processed during claim period
- **Claim periods**
  - Monthly
  - Quarterly
  - Semi-Annual
  - Annual
- **Claim Types**
  - Coop Advertising
  - Defective & Returns
  - Distribution
  - Freight
  - Volume Rebates

Volume Rebate Claims

- **Volume Rebate claims are calculated for each calendar year, regardless of the start date of the agreement for all applicable procurement codes.**
- **There are three different ways to calculate the volume rebate:**
  - Volume applies % of maximum threshold achieved to all invoice dollars.
  - Growth applies the % if the threshold is met to only those dollars in the threshold(s) achieved.
  - Progressive applies the % of each threshold to the dollars in that threshold.
- **All volume rebates are assumed to be calculated as volume unless otherwise specified as growth or progressive in the agreement.**

Recovery Claims

- **There are three main margin recovery claims**
  - Price Protection
  - Markdown Support
  - Sales



Inventory Based Claims

- **Price Protection and Markdowns**
- **Facility Inventory**
  - Run the Saturday after the effective date
  - Exchange system limitations only allow weekly inventory
- **Store Sales**
  - Run from the effective date to the facility inventory date
- **Warehouse Inventory and Due Ins**
  - Run on the effective date
- **Merchandise in Transit**
  - Shipments between facilities
  - Run on the Sunday after the effective date

Sales Based Claims

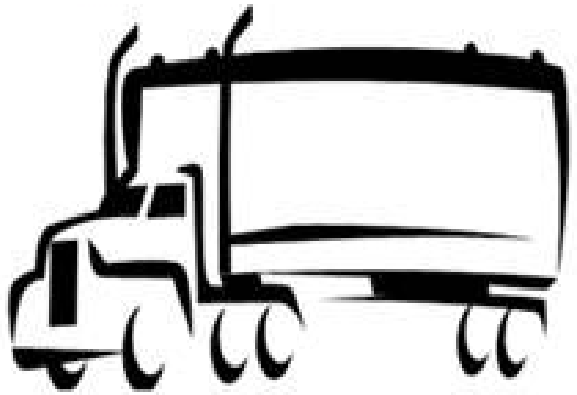
- Scan Backs and Bill Backs
- Quantities sold during the effective dates
- Locations are critical and based on DOF or SPS bulletin
  - SPS claims do not include all facilities
- Percentage based discounts are calculated off of the cost price
- When pulling sales from EPOL, include all applicable vendor codes
- Ecomm promotions will be billed on separate claims

Advertising Opportunities

- **Print Advertising**
  - Weekly Sales Flyer/Express Sales Flyer
  - Operation: BeFit! (Wellness Publication)
  - Specialty and Glam Books
  - Exchange Coupon Book
- **Digital TV-Radio-Theater**
- **Internet**
  - Exchange Website
  - The Exchange Catalog
  - Health and Wellness Site- *OpBeFit.com*
- **Social Media**
  - Facebook, Twitter, YouTube, Pinterest, Mobile Marketing
- **Point of Purchase Signing**
  - Posters, Endcap Panels, Outdoor Banners, Shelf Poppers
- **Additional Opportunities**

Vendor Compliance Types

- **Automated Early Late VNC Program**
  - 7 Day ship window for origin or destination
  - Only includes purchase > or = to $300
  - CONUS only
- **Electronic Data Interchange (EDI)**
- **Accounts Payable**
- **Quality Assurance**



TPM Claim Format

EXCHANGE™

Trade Allowance Claim

REMIT TO:
Army & Air Force Exchange Service
ATTN: FA/C/GA
P.O. BOX 660792
DALLAS, TX 75266-0792

Claim Number: DV000437439
Invoice Date: 01 APR 2012

TERMS: Net 30 Days

BILL TO:

Direct Claim Questions to:

TEL: (214)312-6102
E-Mail: **coop@aafes.com**

Customer Number:

Dates	Type	Week	Quantity	Unit Cost	Amount	Amount Due
01 MAR 12-31 MAR 12 A.36.D DVD Monthly Guide for New Movie Releases. Distributed to all movie stores worldwide.	MR/12		1.00	500.00	500.00	500.00

YOUR FEATURED PRODUCTS:
498805437 BD AA THRE MUSKTR 3DBD 2011

Authorization
This claim is a result of your firm's Co-op program.

If Payment or response is not received within 30 days from the date of this invoice, then the invoice amount will be deducted from a future accounts payable payment.

Remit in U.S. Dollars by CHECK or Electronic Funds Transfer ONLY. Indicate the claim number and Customer Number on your payment.
If you use EFT, the wire transfer information is:
Wachovia Bank, N.A.
Atlanta, GA
ABA, Bank Routing Number 061000227
Credit: Army & Air Force Exchange Service (AAFES)
Account Number 2000014830701

Cost:	500.00
Discount:	
Vendor Agreement:	
Amount Due:	500.00

AAFES FORM TA2000-20 (REV 28 DEC 2011)(Prev Editions Obsolete)

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TPM Claims Online (EPOL)

- **TPM claims and proof of performance are posted at Exchange Partners On-Line (EPOL)**
  - https://partners.aafes.com/EPOL/Login.aspx
- **Suppliers must be registered on EPOL to receive and view claims**
  - Contact your buyer for access
- **Suppliers will receive an email alert when a claim has been generated or revised**

From: coop@aafes.com [mailto:coop@aafes.com]
Sent: Friday, May 24, 2013 12:01 AM
To: John Doe
Subject: Vendor Partner Claim Notice

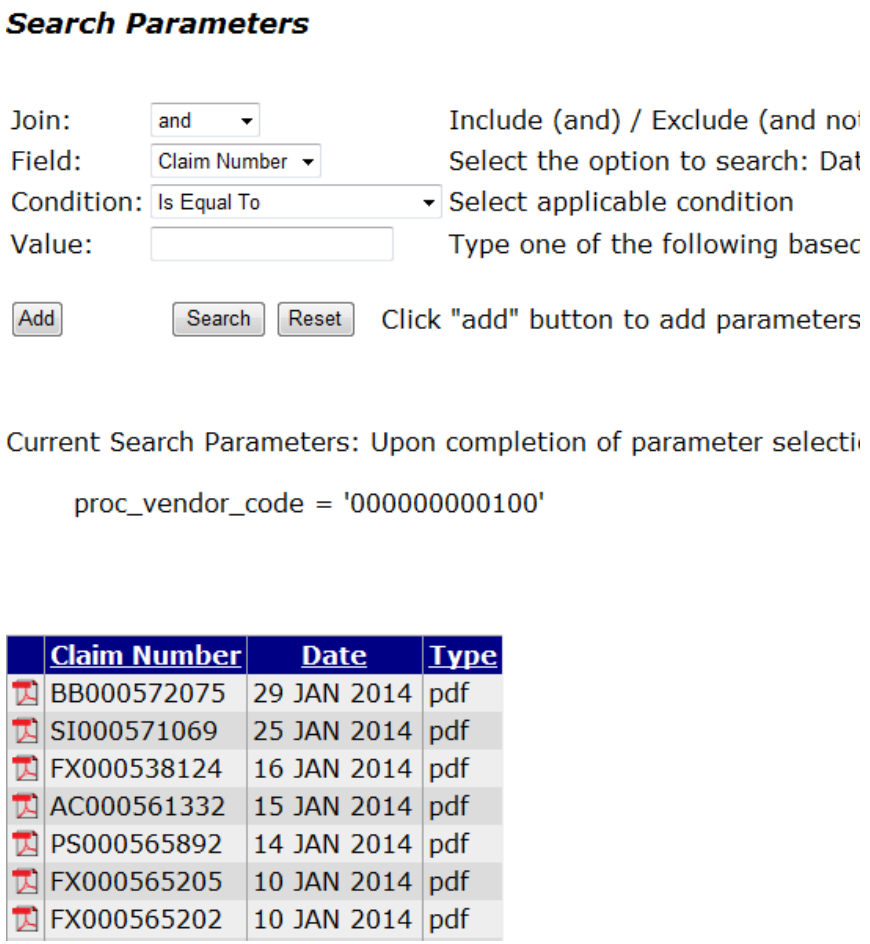
Good Day, John. You have one or more Trade Promotion Management (TPM) claim(s) ready to be viewed on Partners

Vendor code / Procurement number	Vendor Name	Claim Date	Claim number
12345678	ABC Company	5/23/2013	VO000123456

To view your claims online: https://partners.aafes.com/EPOL/Login.aspx
For issues please contact coop@aafes.com

Vendor Claim Search EPOL

- **Claim copies and backup should be available under Vendor Claim Search**
- **Detail for many claim types are in the body of the claim**
  - Sales
  - Invoices
  - Purchase Orders
  - Inventory



Search Parameters

Join: and — Include (and) / Exclude (and no

Field: Claim Number — Select the option to search: Dat

Condition: Is Equal To — Select applicable condition

Value: — Type one of the following basec

Add | Search | Reset — Click "add" button to add parameters

Current Search Parameters: Upon completion of parameter selecti

proc_vendor_code = '000000000100'

	Claim Number	Date	Type
	BB000572075	29 JAN 2014	pdf
	SI000571069	25 JAN 2014	pdf
	FX000538124	16 JAN 2014	pdf
	AC000561332	15 JAN 2014	pdf
	PS000565892	14 JAN 2014	pdf
	FX000565205	10 JAN 2014	pdf
	FX000565202	10 JAN 2014	pdf

Claim Adjustments

- **Revision/reversal process of a Trade Allowance Claim**
- **Claim Adjustment Form**
  - Internal document used for revisions/reversals of claims
  - Must be received from buyer before processing any revisions in TAMS
- **Revisions/reversals will be posted to Exchange Partners Online (EPOL) the following day**
  - https://partners.aafes.com/EPOL/Login.aspx
- **For refund information please contact FA Co-op at FACoop@aafes.com**

Post Audit Recoveries

- **The objective of a post audit firm is to offer a "profit recovery" audit by providing solutions to improve the bottom line.**
- **Claim categories that post auditors review:**
  - Missed/Incorrect allowances
  - Vendor compliance guidelines/freight bill violations
  - Pricing discrepancies
  - Billing errors
- **Supplier has 30 days to submit payment or dispute. If no response, the claim is deducted from a future accounts payable payment.**

Post Audit Recoveries

- **Post Audit Timelines**
  - TPM – Real Time (Feb – Jan)
  - Primary - Profit Recovery Group (PRGX) – Prior fiscal year
    - Admindac.claimtrax@prgx.com
  - Secondary – Connolly Consulting (CCA) – Two years prior
    - Cynthia.McCarthy@connolly.com

Questions:

- Please send all inquiries to coop@aafes.com.