

Procedure for Managing ITC&V Performance

Background and purpose of this procedure

XchangeIT (XIT) is committed to facilitating the transfer of reliable magazine sales inventory data from Newsagents to Distributors via Sales files (SL2) in the respective POS systems used by each newsagent.

Additionally, each Distributor provides Sales Inventory plus Returns data to XchangeIT to conduct the monthly Variance test, which completes the loop for obtaining, measuring and managing all magazine data in the supply chain.

This is with a view to improving magazine supply chain management for Distributors and Newsagents, with the long term goals of improving allocations, improving cash flow and profit, and reducing wastage.

To achieve that purpose XIT manages the testing of the SL2s, and coordinates with POS Suppliers and Newsagents with a goal of improving ITC results. ITC stands for Integrity, Timeliness and Continuity. These are described in the XIT Manual. The predominant effort is with the Newsagents to ensure that they regularly pass their ITC&Vs.

All Newsagents other than POS DOS users and home delivery members have a regular membership with XIT. This category is divided into two sub-categories, each with a different fee structure, which has been summarised below:

	Regular Membership – Discount Rate	Regular Membership – Base Rate
ITC&V	Regularly Pass ITC&V	Regularly Fail ITC&V
Returns Data Available	Yes	No
Membership Fee – 6 months	\$213.64 ex GST	\$458.18 ex GST

This procedure is the one that is conducted by XIT to ensure that Newsagents who are **not** regularly passing their ITC&V's will **no longer** qualify for the discount rate membership and will have their status changed to the Base Rate membership so that their subsequent invoice will be at the Base Rate of \$458.18 plus GST. At the same time that their status is changed, the Returns Data Available facility will be switched off and Returns Data will **no longer** be available.

Procedural steps followed by XIT support staff:

Please note that Zero days (0) is the day that the deadline for this action will be taken – i.e. fees will be increased and Returns will be switched off, if applicable.

1. At 0-60 days to deadline (i.e. 60 days from deadline)

XIT identifies those agents who are failing ITCs and conducts a high level, first cut analysis of why they could be failing. This is usually by reviewing the results for each of I, T, and C (later on a Variance (V) test is conducted).

The first contact with the Newsagent is a phone call. XIT discusses the situation, describes the ITC problem and suggests ways to address it. XIT will state that the Newsagent's

membership status will be changed to the Base Rate membership within 60 days if no improvement is seen. As a result their subsequent invoice from the deadline date will be for the Base Rate fee of \$458.18 plus GST. XIT also confirms that that EDI Returns will be switched off.

If the POS vendor needs to be involved either XIT or the Newsagent calls them to discuss and obtain their participation. NOTE: This is not XIT's responsibility and nor does it absolve the Newsagent from the problem, because the Newsagent and the POS vendor still own their relationship.

The second connection is a general Headline sent out to all Newsagents who XIT are in the process of identifying that their SL2s do not comply. This Headline will explain that those Newsagents who do not comply by the deadline (Day 0) will have their membership status changed to the Base Rate with a fee of \$458.18 plus GST and therefore their subsequent invoice will be for this higher amount. The Headline reiterates that the Returns facility will be switched off.

The third connection is via an email to Newsagents whose data is failing the ITC tests. The same messages of a change of membership status, subsequent fee increase and EDI Returns switched off will be repeated.

2. At 0-30 days to deadline (i.e. 30 days from deadline)

XIT identifies those Newsagents who are STILL failing ITCs and conducts a high level, first cut analysis of why they are still failing. This is usually by reviewing the results for each of I, T, and C.

An email reminder will be sent to those who are still failing, reminding them of the situation, and of the change to membership status, subsequent fee increase to \$458.18 plus GST and the EDI Returns facility switch off in the next 30 days.

It is the Newsagent's responsibility to attend to the issue and rectify the failing ITCs.

It is XIT's role to help where possible.

It is the POS Vendor's role to help where possible.

3. At 0 day (i.e. deadline day)

XIT will contact the Newsagent by email notifying them that their membership status has now been switched to the Base Rate membership. XIT will explain that when the Newsagent's next invoice becomes due it will be at the Base Rate fee of \$458.18 plus GST. The email will point out that the EDI Returns service will be switched off.

It is the Newsagent's responsibility to contact XchangeIT to request a delay and if XIT considers the accompanying reasons merit an extension to this deadline, it will provide such an extension.

If there is any further explanation required, please do not hesitate to contact the XIT helpdesk.

END

Last updated: 3rd November 2016