



XchangeIT Newsagents Pty Ltd

Suite 13, 38ACN-46 Albany 096 662 Street 421

St. Leonards, NSW 2065

Tel: 1 300 551 212

[www.xchangeit.com.au](http://www.xchangeit.com.au)

## Welcome to XchangeIT LINK

You have joined a state-of-the-art EDI system specifically designed for your industry and for your type of business.

We'd like to thank you for your business and welcome you to a tool that, when used properly, will save you time, improve your productivity, and help you run your business more efficiently.

This Welcome Pack is for you to use as a quick reference that should answer the fundamental questions to do with XchangeIT LINK, or direct you to where you can find the answer to a question you might have. We have included 5 items for your quick reference:

1. Returns process for each major magazine distributor
2. The top 5 things to do to stay happy in XchangeIT LINK
3. Pricing overview
4. Testing overview
5. List of documents to refer to when ready

XchangeIT LINK as an EDI tool cannot work to your benefit without a lot of co-operation and support from Distributors and Suppliers. At this time the major distributors and POS Suppliers are:

Distributors	POS Suppliers
Gordon & Gotch	Access POS
Integrated Publication Services (IPS)	Computerlink
John Sands Greeting Cards	NBS Palace
Blueshyft	News POS
News Corp	POS Solutions – POS Browser
	Tower Systems

XchangeIT Link – Focusing on Your Profit, not Paperwork



## Welcome Pack – Item 2 – Top 5 things to do to stay happy

We want you to enjoy ALL the services of the new XchangeIT LINK while paying the LOWEST FEE. To do that we have listed the top things you need to do to accomplish this.

1. Scan all your sales, every day. Then submit your accurate sales data on time every day.
2. Use the Return Claims forms on the XchangeIT LINK portal as supplied by each distributor.
3. Use a POS system from a listed XchangeIT supplier that is properly maintained.
4. Read your Headlines, File notes, and Status in your XchangeIT LINK regularly every day, and act on the information you receive.
5. Follow your compliance progress on ITC &V daily, weekly, and monthly. Act on any guidance provided.

XchangeIT LINK is really simple, it takes very little time, it saves heaps of time & money.



## Welcome Pack – Item 3 – Subscription Pricing

This is an extract from the Information Pack, and provides you with a quick reference to the subscription pricing matrix.

### Pricing Table and explanation

Fees are based on a newsagent being fully compliant or not (see document titled Compliance Requirements for a full explanation of Compliance).

Below is the XchangeIT LINK table of fees per Newsagent store:

Membership Type/Category	Services	Annualised Fee – Ex GST
Base price	All data types still under the compliance testing process	\$952.72
Compliant Member	Full Service of Delivery, Sales, Returns, and Returns Forms provided ITC tests are passed	\$445.46
Delivery Only	Full Services including scanned sales data, with Returns TBC with each POS provider	\$445.46
POS DOS newsagents	Delivery Data only	\$952.72
Sales Data unavailable	Delivery Data only. Returns not available	\$952.72

#### *Explanation of some terms in the table:*

- ITC = Integrity, Timeliness, Continuity. These are the 3 tests used to measure & ensure Compliance. □ “Services” refer to 2 way data flow, which is Delivery Data, Sales Data, and Returns Data/Claims. The fourth EDI element is Returns Forms and, of course, these forms use the data sets already mentioned.
- “Fee” refers to the annualised fee, payable in two equal instalments before each 186 day Compliance evaluation period.

Fees are subject to change depending on your Compliance, which affects your Membership Category per the Table, above.

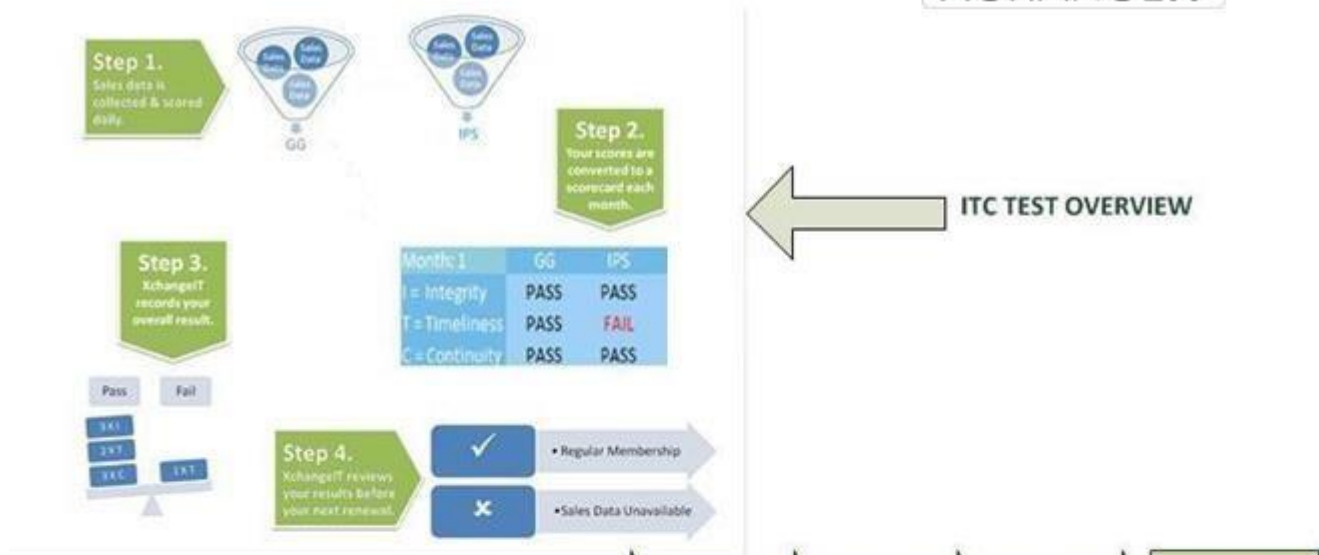


## Welcome Pack – Item 4 – ITC & V Overview

This is an extract from the Information Pack, and provides you with a quick reference to the Assessment process. For more information see the Information Pack and the Compliance Requirements document.

There are currently 4 types of assessments – Integrity, Timeliness, Continuity and Variance (ITC & V). The assessments are done on your Sales Inventory data, on a daily basis.

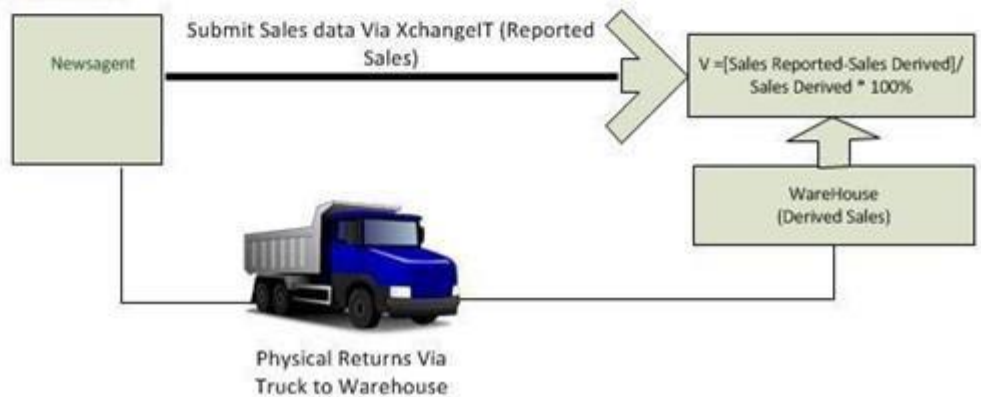
By way of an overview, the following diagram breaks the process into 4 steps:



**WORKFLOW TO PRODUCE GOOD ITC DATA**



**OVERVIEW ON VARIANCE (V)**



Your ITC data is initially assessed using various on-line tests that are run automatically against the data supplied. You are given instant feedback on the results – see example below.

Date & Time	File Name	Distributor	Type	View	Test Results			Resends
					I	T	C	
Rec: 04/11/16 - 04:58:55 AM	1928-2016-11-04-04-58-50-979-GG20161103_20161103232744_1.SL2	Gordon and Gotch	Sales Inventory Data (SL2)	<u>doc</u>	P	P	P	<a href="#">RESEND</a>
Rec: 03/11/16 - 05:00:01 AM	1928-2016-11-03-04-59-36-840-GG20161102_20161102232744_1.SL2	Gordon and Gotch	Sales Inventory Data (SL2)	<u>doc</u>	P	P	P	<a href="#">RESEND</a>
Rec: 02/11/16 - 04:59:01 AM	1928-2016-11-02-04-58-54-670-GG20161101_20161101232748_1.SL2	Gordon and Gotch	Sales Inventory Data (SL2)	<u>doc</u>	P	P	P	<a href="#">RESEND</a>
Rec: 01/11/16 - 04:59:26 AM	1928-2016-11-01-04-58-56-227-GG20161031_20161031232749_1.SL2	Gordon and Gotch	Sales Inventory Data (SL2)	<u>doc</u>	P	P	P	<a href="#">RESEND</a>
Rec: 31/10/16 - 06:27:03 AM	1928-2016-10-31-06-26-53-635-GG20161030_20161030232751_1.SL2	Gordon and Gotch	Sales Inventory Data (SL2)	<u>doc</u>	P	F	P	<a href="#">RESEND</a>
Rec: 30/10/16 - 03:40:10 AM	1928-2016-10-30-03-39-47-589-GG20161029_20161029232755_1.SL2	Gordon and Gotch	Sales Inventory Data (SL2)	<u>doc</u>	P	P	P	<a href="#">RESEND</a>

The purpose of the assessments is to ensure accurate data, all the time. If distributors do not receive accurate data all the time it works against what we are collectively trying to achieve, which is a more efficient supply chain in the newsagency world.

What to do to remain compliant:

Pass your ITCs and then your Variance (V).

ITCs Step 1. There are 3 tests for each distributor, each day, for a total of 6 tests on Sales data that are assessed daily. You need to pass 4 out of 6 each day. Here is a table of the tests. 6 tests = one daily assessment.

Day 1	GG	IPS
I = Integrity	P/F	P/F
T = Timeliness	P/F	P/F
C = Continuity	P/F	P/F

ITCs Step 2. A Performance cycle contains 31 daily assessments across 31 days – you need to pass 85% of these (i.e. pass 27 tests out of 31).

ITCs Step 3. There are 6 performance cycles in a billing review period – you need to pass 4 of 6 performance cycles to be compliant and maintain your lowest possible subscription fee.

**Remember:**

- Scan all your sales, every day, on time.
- Scan all sub-agent transfers in/out, where applicable.
- Send your Sales Inventory data each and every day, on time. That way you will retain all your services plus keep your fees at a minimum

Variance

Each agent must regularly pass ITC&V to be fully compliant.

This tells each distributor that the newsagents are sending their data accurately, on time, every time (i.e. Reported Sales), and they are claiming their Returns credits accurately (to get the correct Derived Sales).

**The Variance Test** is conducted as scheduled, monthly, by a Distributor to a selected 'basket' of issues, and for each newsagent, each 'basket' issue, calculates the difference between:

D Reported Sales – i.e. *as reported* in Sales Data received; and

D Derived Sales - i.e. *as derived* by taking quantity delivered, less net credits (which is Net Supplied), less net returned.

The actual formula is: Reported Sales minus Derived Sales divided by Derived Sales

e.g.  $(200 - 200) / 200 = 0$ . This is a perfect Variance score. Currently a 10% plus or minus tolerance is being allowed by Distributors.

The results of this test put the spotlight on in-store practices. For Variance to be consistently within each Distributor's tolerance, all sales must be scanned, all subagent stock movements must be scanned, and controls must be in place for all forms of shrinkage, including theft.

Note that for Variance Tests to be effective, the Distributor Gateway must be aware of transactions that have taken place via non-EDI channels. These include, for example, returns transactions that are conducted via the internet. In these cases, Distributors make this data available via external interfaces such as their on-line services.

Variance Test Applies to:	Sales Data, for a selected basket of items for a Returns period.
Test logic:	For each issue, each newsagent: D Variance = $([Sales\ reported] - [Sales\ derived]) / [Sales\ Derived] * 100\ %$ ; where D Sales reported = sum of sales quantity reported in Sales Data; and D Sales derived = [net supplied] – [net credits] – [returns]; and
Follow on actions:	Potentially increase in fees if consistent fails occur, plus not allowing Returns.

**The Key to Success:**

- Scan all your sales, every day, on time.
- Scan all sub-agent transfers in/out, where applicable.
- Send your Sales Inventory data each and every day, on time. That way you will retain all your services plus keep your fees at a minimum.

- If you fail Compliance tests on your sales inventory data, your Returns capability will be removed
- Scan your Returns, check for accuracy. This improves your business efficiencies.

### **Summary:**

- It is easy to be compliant – scan everything every day, then submit your Sales Inventory files at the end of every day. Follow the Key to Success as described in all the documentation. Regularly check your UNSENT folder and re-send if needed.
- Scan your Returns.
- You will have some time (30 days) to get your system working properly, before assessments are counted in overall compliance
- Compliance assessments are on Sales inventory data
- The tests are on ITC & later on V (see details below), over 6 Performance Cycles of 31 days each cycle
- You need to keep failures down to 7 or less for Integrity and Continuity, and 14 or less for Timeliness. You are allowed a 10% leeway on your Variance score.
- You need to pass 4 of the last 6 Performance Cycles to retain your membership category and your EDI Returns facility
- You receive adequate warnings if tests are failing, & guidelines for rectification
- Consistent failure leads to XchangeIT EDI Returns Service being switched off by ALL magazine distributors.

### **More detailed explanation of Performance Cycles and Fees**

A Performance Cycle is 31 days, and there are 6 performance cycles to get to the next billing period, which is at the 186 day mark.

Performance Cycles part A: If you fail 4 out of 6 performance cycles, two things happen. One, your fees increase to \$1048 p.a. and Two, you cannot do Returns Claims through XIT EDI.

Performance Cycles part B: After you have failed 4 out 6 and you then pass the next 4 in a row you can be considered for re-instatement of Returns through XIT EDI (but your increased billing remains until the next billing cycle).



## Welcome Pack – Item 5 – List of Documents to read

The following is a list of explanatory and reference documents for you to read when and where applicable. The order in which we have listed them is as follows: quick explanation, more detail, even more detail.

6. Welcome Pack Items 1 through 4
  - a. Item 1 = Returns Forms
  - b. Item 2 = Top 5 things to do to stay happy
  - c. Item 3 = Pricing overview
  - d. Item 4 = Testing overview
7. XchangeIT LINK Features & Benefits Summary.
8. XchangeIT LINK FAQ's. Can be found on the web.
9. Other documents on the web under "For Newsagents"
10. XchangeIT LINK Information Pack. This is a good overall reference document.
11. XchangeIT LINK Compliance Requirements for Newsagents.
12. XchangeIT LINK User Manual. This can be found on the web.
13. Although not actual documents as such, read your Headlines, File Notes, and Status regularly every day.

**XchangeIT LINK is really simple, it takes very little time, it saves heaps of time & money.**

Updated: June 2018