



Supplier Direct Fulfillment (SDF) Program

New Vendor Orientation

Program Overview

- OUR MISSION
- OUR VALUES
- THE PROGRAM
- THE PROCESS

Our Mission

What we're about



Belonging

At PetSmart, we strive to create an inclusive environment in which every associate feels like they truly belong.



PetSmart Charities

We're proud to be the leading funder of animal welfare in North America, helping to transform the lives of pets and those who love them.



Our Values

Our core values place a keen focus on serving pet parents, embracing challenges, doing what's right and working together.



Anything For Pets

We're working to create a world as our pets see it. Because a world through the eyes of our pets is one that's more compassionate, inclusive, sincere and community centric.

Our Values

Our Values

Passion for Pets

Care
Expertise
Love
Joy

Customer First

Customer Focus
Compelling Experience
Responsive
Proactive

Responsible Leadership

Own It
Bias for Action
Empower
Develop
Communicate

Excellence in All We Do

Be the Best
Commit
Make a Difference
Growth Mindset
Be Curious and Learn

Do What's Right

Integrity
Courage
Trust
Judgment

Team PetSmart

Belonging
Teamwork
Grow Together
Collaborate
Challenge Ourselves

Ship Direct Fulfillment (SDF) Program Overview

PetSmart strives to be the industry leader providing the broadest, deepest product range to our pet parents to keep their pets happy and healthy.

Expanding our online assortment through Supplier Direct Fulfillment (aka Drop Ship) is one of our top strategies and priorities.

Through an SDF relationship with vendors, PetSmart leverages extended aisle assortments from suppliers to meet customer expectations. This is a winning approach for both PetSmart and our suppliers. PetSmart continues to seek to attract new customers and grow our Digital business with the help of our SDF program.

SDF Business Goals

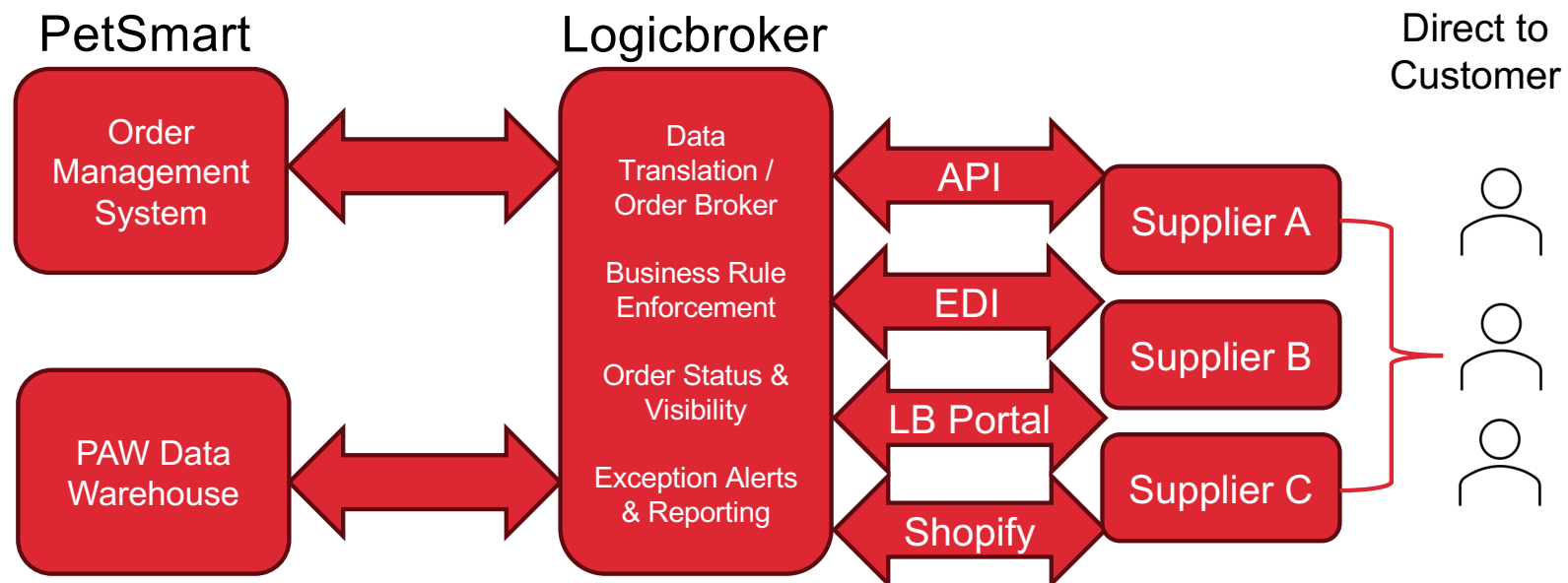
- Expand assortment through new drop ship and web exclusive models
- Continue the expansion of our OMNI-Channel Experience
- Meet our customers' expectations with fast, consistent online fulfillment & delivery

Approach

- Ensure that we have a mature drop ship technology platform that allows us to closely manage and build this part of our business
- As a specific business strategy, we will target a continual expansion of our Drop Ship program
- Partner with suppliers to continually expand our SDF assortment
- Actively monitor / manage supplier & SKU service performance

SDF Process Overview

- PetSmart utilizes Logicbroker as the third-party order broker to integrate data between us and our SDF supplier partners
- PetSmart SDF team will support day to day operations and support
- Contact us at SDFVendorSupport@petsmart.com



Program Specifics

- INVENTORY MANAGEMENT
- PRODUCT SET UP
- ORDER FULFILLMENT
- SHIPPING
- RETURNS
- INVOICING & PAYMENT
- PERFORMANCE MONITORING

- APPENDIX
 - CONNECTIVITY METHODS
 - ONBOARDING & TESTING
 - SHIPMENT DOCUMENT GUIDELINES

INVENTORY Management

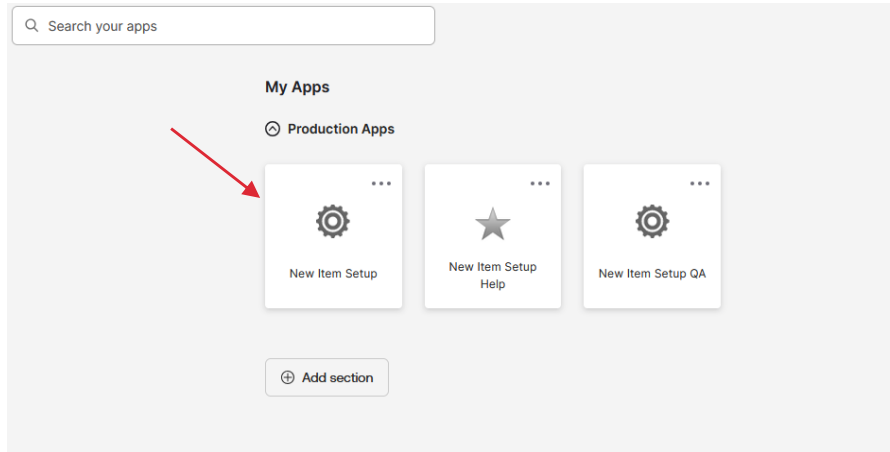
Accurate inventory = better customer experience + better sales

- Supplier Inventory transmissions via Logicbroker
 - A full inventory by SKU is expected daily
 - Delta inventory updates throughout the day will help to manage orders
 - Do not send inventory updates for non-active/non-approved SKUs
 - If a SKU is out of stock, please send a zero-quantity update ASAP
- Logicbroker will transmit a full inventory by SKU once per day followed by hourly updates of any delta changes throughout the day
- On hand quantities will be reflected on PetSmart.com

Note: We reserve the right to turn off items that experience high out of stock rates or cancel rates, to protect the customer experience

ITEM SET UP

Step 1. You will receive an email from OKTA to set your password and direction to enter the New Item portal.



Step 2. Please utilize the new item set up manual as a step-by-step guide to enter your product information.

INFORMATION TO HAVE PREPARED FOR SET UP:

Vendor Specific Information:

- Vendor Article Number, UPC (without the check digit)
- Content units and product dimensions, Shipping dimensions
- Product ingredients

PetSmart Information:

- Reason for adding product, planner or plan-o-gram (POG), Month and Year.
- Brand, PetSmart Cost, Product description and POS description
- Your PetSmart Buyer, Your PetSmart Inventory Manager/Demand Planner

Step 3. Your buying team will submit additional information to support item set up and you will be notified when completed.

ORDER Fulfillment

Accurate & efficient order fulfillment is our value promise to the customer; it is how we stay true to our value of "Customer First"

- Expected time frames for Suppliers
 - We have a current customer promise of 1–3-day delivery
 - Orders should be worked in order to best meet this promise
 - Close all order lines and quantities
 - Communicate a status of shipped or cancelled for all line items and quantities
 - Partial shipments are allowed against a line, but we will look to understand why and monitor fill rate
 - All line items quantities should have a shipped or cancelled status within 24 hours
 - Provide a reason code for all cancel status updates
- Supplier status updates are transmitted through Logicbroker
24hours/7days
- Supplier branding on exterior shipping boxes must be reviewed and approved by PetSmart
 - Inserts, including rebates, cannot be included without prior authorization
- IMPORTANT NOTE:
 - Suppliers must notify PetSmart Drop Ship Operations and their Buyer of fulfillment center closures at least 30 days in advance of the closure along with the expected length of the closure (excluding National Holidays)

SHIPPING

- ***PetSmart is committed to fulfilling our Customer Promise of 1–3-day delivery***
 - Please ensure shipment within 24 hours (SLA) to support customer promise
 - Shipment confirmations must include the Carrier tracking number
 - **All parcel orders MUST be shipped via PetSmart’s approved parcel carrier at the service level in the order transmission, using PetSmart’s carrier account number**
 - Suppliers are required to ensure packaging is strong enough to protect product
 - Supplier identity remains unknown to the customer
 - Branding standards / ship label guidelines (in appendix) are adhered to
 - US Suppliers must be able to ship to APO/FPO and Puerto Rico addresses, generating the necessary customs documentation (CN22) to do so
 - Scheduled / Special Home Delivery for Oversized/Special items
 - Carrier will be provided by PetSmart for these shipments
 - Service levels and rates must be pre-approved by PetSmart Transportation
 - Shipments are pre-paid, and Supplier must invoice PetSmart separately for the negotiated freight cost

Order Received	Expected Order Ship Date
Friday, Saturday, Sunday	Monday
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday

RETURNS

- Customer product returns to to our Return Center(s), not to suppliers
 - Suppliers cover product returns via the DDR allowance
 - If a supplier receives a product return from a customer, suppliers are expected to notify PetSmart of the return within two (2) business days
 - PetSmart Drop Ship Operations team (SDFVendorSupport@PetSmart.com)
 - Returns of LTL or White Glove delivery products may be sent back to the vendor, if this is the case then the PetSmart Drop Ship Operations team will work with the vendor on the return freight and financial reconciliation process prior to launch of the product on PetSmart.com

INVOICING & PAYMENT

- Suppliers must wait one hour before submitting an invoice to Logicbroker for all shipments completed
- PetSmart (via Logicbroker) will pay suppliers based on negotiated wholesale costs and terms in MVA
 - By shipping a product, the supplier accepts the Item Cost that has been agreed on our item master
- Logicbroker, on behalf of PetSmart, will consolidate and initiate the payment for product costs on shipped orders by suppliers on a scheduled weekly basis
 - **IMPORTANT NOTE:** For cost changes the Buyer must be informed of price changes at least 90 days before effective date to allow internal approvals and processing to update our SKU master data

PERFORMANCE MONITORING

- All Suppliers will be evaluated on their performance each month
 - With the following measurements being monitored in priority order:
 - Shipped within SLA – (Orders Shipped within 24 hours / Orders Received)
 - Fill Rate (Shipped Units / Ordered Units) – We expect suppliers to maintain a fill rate of 99.2% or greater (except custom items)
 - Cancel Rate (Cancelled \$ Sales / Ordered \$ Sales)
 - New suppliers will be closely monitored and reviewed at the end of the first 90 days post-launch
 - Performance review meetings may be conducted to address issues and agree to corrective actions
 - PetSmart reserves the right to remove suppliers with extreme or uncorrectable performance issues
- Good communications is a key to a successful Drop Ship program
 - To ensure good communication between PetSmart & our Suppliers
 - We ask suppliers to set up an email address (distribution list email perhaps) in Logicbroker and maintain its accuracy so that communications are not disrupted
 - We ask suppliers to ensure that changes in contact information are communicated immediately
 - PetSmart Drop Ship Operations team (SDFVendorSupport@PetSmart.com)

Appendix

- CONNECTIVITY METHODS
- ONBOARDING & TESTING
- SHIPMENT DOCUMENT GUIDELINES

CONNECTIVITY METHODS

Before you begin onboarding, review with your team to decide how you would like to integrate with Logicbroker. There are no testing or set up fees for the below options.

	Portal	EDI	API	Shopify / Ship Station
Go-Live	5 business days	20 business days	20 business days	5 business days
Formats		AS2, SFTP	XML, JSON	
Receive	Orders	850	Orders	Orders
Send	Acknowledgements, shipments, invoices	855, 856, 810	Acknowledgements, Shipments, Invoices	Cancel Acks, Shipments
Inventory	XLSX or CSV upload to Logicbroker	846	Sent through API	Sent through the API

Testing Required to Go Live

- The following tests are required to ensure that integrations are set up properly prior to supplier go live on PetSmart.com
 - Inventory delta change validation
 - Once an initial full load of inventory is complete, a delta change transmission should be sent and the resulting update to the inventory on hand should be validate
 - Single line order fulfillment & shipment
 - Optional Test – Single Line Order Fulfillment & Shipment for a Value-Added Service Item
 - This test case is required only for those suppliers who sell items that have a value-added service such as engraving or embroidery, in this test we want the supplier to ensure they can receive the necessary information to perform the value-added service
 - Single line order & cancellation
 - Single line order & partial line cancellation
 - Multiple quantities on the line, some fulfilled and some are cancelled
 - Multi-line order, multi-box shipment
 - Multi-line order, multi-box shipment same line
 - Same line requires more than one box & tracking number
 - Multi-line order & shipment
 - Multi-line order & cancellation
 - Multi-line order & partial cancellation
 - Partially fulfill more than one line on the order with the remainder cancelled
 - Customs document validation for Puerto Rico & APO/FPO address shipments

Shipping Document Standards



Key FedEx Shipping Label Specifications:

- Ship-From address should be setup as a "Return Address and read:
 PetSmart.com Returns
 6499 Adelaide Ct
 Groveport, OH 43125
- Include the PetSmart Customer Support number (1-888-839-9638)
- Ship label must not identify the supplier by name nor include the supplier's address