

## **Scan Base Trade Program Overview**

### **What is it?**

Scanned Based Trading (SBT) is a partnership between Kmart and a vendor that incorporates daily point-of-sale data to: pay for product, synchronize all data, transfer electronic funds, and generate various store-level operating efficiencies.

One of the key components of Scanned Based Trading is that inventory ownership belongs to the vendor until the customer purchases the product and it is scanned at the register.

Our SBT program is currently being utilized by a number of vendors and has proven to be quite successful for both the vendor and Kmart.

### **Benefits**

Scanned Based Trading eliminates the need to detail check in product when it is received at the stores saving store labor hours. It reduces invoice discrepancies as no invoices are sent; the vendor is paid based on what Kmart sells. In addition, SBT benefits the customer through an improved in stock position, resulting in greater sales for both Kmart and the Vendor.

### **How does it Work?**

Each day an EDI 852 (Product Activity Data), an electronic transmission of the sales transactions from the previous day is sent to the vendor. This data is also summarized by store and sales date and fed to Kmart's accounts payable system.

*\* Note- SBT transactions will appear on your remittance (EDI 820 document or Paper remittance) with an entry type 39 and serial number 7797.*

For vendors that want confirmation the merchandise was received at the store, the vendor can place a UCC128 barcode label on the carton. As merchandise is delivered to our stores, the UCC 128 label (which also contains your manufacturer number) on the box is scanned and product is placed on the shelf (No detailed check-in process is necessary). The UCC128 Bar code information is captured and transmitted to you in the EDI 861 (Receiving Advice/Acceptance Certificate). This will enable the vendor to track what has been received at our stores.

*\*The EDI 861 is not mandatory and was developed for vendors shipping common carrier, although available to all SBT vendors.*

An electronic EFT payment will then be generated based upon the terms agreed upon between Kmart and the Vendor.

### Getting Started

Once the SBT packet is filled out by your company and returned to your Kmart Buyer, we can begin the EDI testing process.

Send an email to [edigroup@kmart.com](mailto:edigroup@kmart.com) with the following info:

- EDI contact name, phone number & email address
- EDI Sender/Receiver ID (both test & production ID's)
- VAN (Value Added Network)

*\* EDI 852 & 861 maps and UCC 128 Label information can be obtained from the EDI section of our vendor website <http://www.mymart.com>*

### EDI Testing

Global Exchange Services (GXS) is Kmart's third party EDI service provider that conducts the testing for Scan Base Trade. Kmart's EDI group will forward your company's EDI contact information to GXS. GXS will set up your company's EDI sender/receiver ID's for testing. GXS will transmit the test 852 & 861(861 only if requested) documents to the vendor. The vendor will transmit the 997 to GXS.

GXS also conducts the EFT testing (820 & 812 EDI documents) through their "Network Community Manager" tool (NCM). This is an online web application that enables vendors to self test.

### UCC 128 Label Testing

The vendor will mail a UCC 128 Bar code label for testing to the Kmart's EDI group to:

**Kmart EDI Group – C221  
Kmart Resource Center  
3100 W Big Beaver Road  
Troy, Michigan 48064**

The label will be checked for proper format and the barcode will be scanned. The bar code must scan as a UCC128. Kmart EDI group will approve or reject the label.

### Production on Scan Base Trade

Once the EDI testing is complete and the UCC128 label is approved, you will be placed into production EDI Status.

*\*The Kmart buyer will determine the actual start date for SBT.*

You will begin receiving the EDI 852 document as the products are purchased by our customers and 861(if requested) as shipments are delivered to the stores.