Target Electronic Invoicing

Supplier Overview

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1 Introduction

1.1 Purpose

The purpose of this document is to provide Target trading partners with an overview of the steps involved in implementing electronic invoicing with Target.

The document contains;

- An overview of the main components of the process

- Electronic Invoice Trading Parameters

- Main deliverables required from the Supplier.

- Main deliverables to be provided by Target.

- Implementation steps

- Contacts

1.2 Background

A high level view of the Electronic Invoice process is summarised in the diagram below.

Electronic Invoice Processing - Target
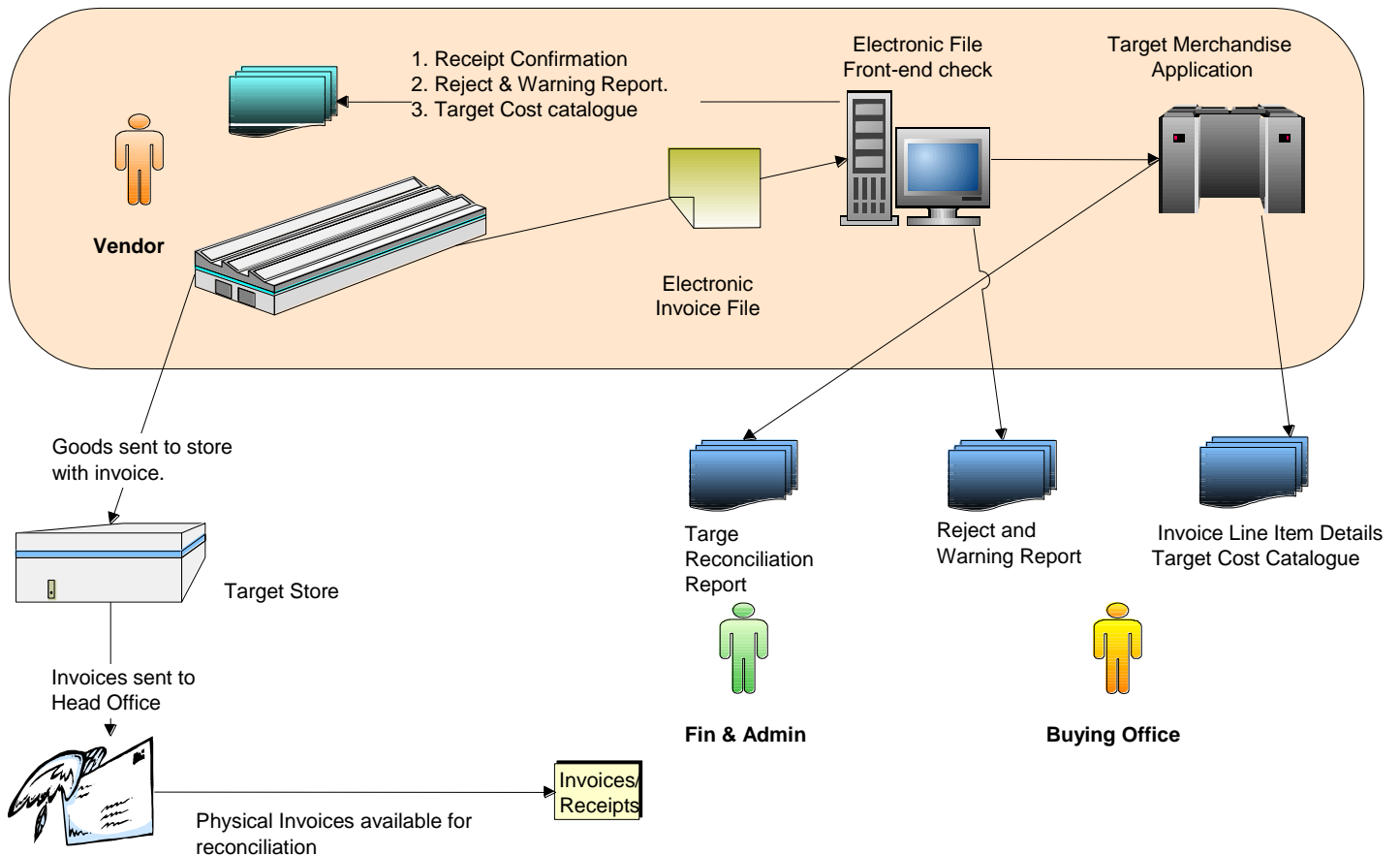
1.3 Overview

Electronic Invoicing has been introduced to Target as part of the ongoing process to improve operational effectiveness and reduce the cost of doing business.

This process only applies to direct to store deliveries and is separate to the Target Australia EDI processes.

Electronic commerce processes associated with DC based deliveries are covered in the EDI Manual available from the Target Australia Electronic Trading Team Internet site.

Purchase Order information (where relevant) will continue to be supplied in the same way it currently occurs. In addition, paper invoices will still need to be sent to stores in conjunction with stock deliveries.

In conjunction with the delivery of merchandise to stores, the vendor transmits an electronic version of the invoice to Target.

The file is received in the Target Australia Gateway and then processed by the Target Merchandise Application Suite.

Once successfully processed through the Target Merchandise application, payment will be made to the Supplier using the current method and timeframe.

The Supplier will receive a daily report of all files received at Target Australia. In addition, a report listing any rejects and warnings will also be provided. Both these reports will be sent to the Supplier to designated e-mail addresses.

On a weekly basis, the Supplier will be sent a copy of the Target Cost Catalogue Report. This contains key product details and cost information for all products supplied to Target by the Supplier.

The reject and warning report will need to be actioned by the Supplier fixing the invoice data or arranging with Target Buying Office to update Merchandise reference data. To assist in this process, a report listing Invoice item cost details will be available from the Buying Office. The Supplier will need to re-transmit the electronic Invoice data to Target. Only these invoices that have been rejected are to be resubmitted. If a file that has been partially rejected but can only be resubmitted in full the Invoice Processing Manager must be contacted prior to resending the file.

2 Electronic Invoice Trading Parameters

2.1 Terms and Conditions

The use of Electronic Invoices will not result in any changes to the existing terms and conditions agreement between the Supplier and Target Australia.

2.2 Scope Electronic Invoice File Sends

Electronic invoices can be used for direct to store deliveries to Target or Target Country stores both with and without a Purchase Order.

Electronic Invoice File sends cannot be used for deliveries to DC's.

2.3 Electronic Invoice File Sends

Electronic invoices can be sent to Target 7 days a week. Up to 10,000 files per day can be processed from each Supplier but it is preferred that invoices be bundled into files where possible.

Suppliers should aim to have files sent through to the Target Australia Gateway by 7 pm each night.

The actual processing time at Target Australia can vary depending on trading volumes and other batch processing. As such, Target are not in position to give any guarantee on processing times beyond what is contained in the standard Supplier terms and conditions.

The electronic files should not be sent prior to dispatch of stock.

2.4 Supplier Report Sends

The two vendor reports will be sent to the designated e-mail addresses on a daily basis.

Similar to the daily file sends, the availability of these reports will vary depending on trading volumes and other batch processing. It is expected however that they will generally be available to the Supplier by 9 am each day.

3 Supplier Deliverables

3.1 Electronic Invoice

The required format of the electronic invoice is described in detail in the "Target Electronic DSD Receiving" document.

The document provides details on:

- File naming convention
- Required file structure
- Full file layout and field requirements
- File transmission protocols
- File re-send requirements

3.2 Paper Invoice / Delivery Docket

The existing paper invoice / delivery docket must continue to be sent to stores in conjunction with the merchandise deliveries. No changes to the paper invoice / delivery docket contents are required to make them suitable for reconciliation and audit purposes.

3.3 Stocktake freeze periods

Target Stocktake dates will be communicated to Suppliers. Suppliers will need to adhere to the freeze period and refrain from sending files or despatching stock to stores when advised by the Target Invoice Processing Manager.

3.4 Reconciliation Report

The Supplier Reconciliation report is to be supplied to Target each Monday. It is to contain all invoices sent to Target by the Supplier in the preceding week. The report is required in an excel format and e-mailed to Target as an attached file. The report parameters, field descriptions, and a sample layout are provided below. If no invoices are sent to Target for the previous week, a nil report is still required.

Report Parameters

Timing:	Weekly (transmit by 9.00 a.m. each Monday)
Format:	Excel (CSV)
File Name:	DSD_INV_WKLY_RECON
E-mail address:	targete-inv@target.com.au

Field Descriptions

Field	Format	Description	Example
Doc Date	dd/mm/yyyy	Invoice date	07/08/2005
Supplier Number	Number (10)	Supplier Number. Front padded with zeros	0000123456
Supplier Namer	Char (20)	Supplier Name	"Acme Ltd"
Doc Type	Char (3)	Document type. Has fixed value of "INV"	"INV"
Invoice Number	Char (18)	Supplier invoice number. Rear pad with spaces as required.	"S100000287382 "
Order Number	Number (10)	Target supplied Purchase Order. If no Purchase Order, leave as zero's	0000121425 0000000000 (no PO)
Store Number	Number (4)	Target Store number	5001
Amount	Number (12) – 2 decimal places	Total cost of all lines and any "extra charges" in the invoice for the store delivery. Value is to include GST.	706.42

Sample Layout

INVOICES WE 05.08.05

Doc Date	Vendor No	Vendor Name	Doc Type	Invoice Number	Order No.	Store Number	Amount Including GST
1/08/2005	123456	Acme Ltd	INV	4304612	367981	1	706.42
2/08/2005	123456	Acme Ltd	INV	4304613	379005	3	139.10
3/08/2005	123456	Acme Ltd	INV	4304614	367881	4	123.34
4/08/2005	123456	Acme Ltd	INV	4308096	379008	5	230.62
5/08/2005	123456	Acme Ltd	INV	4308113	379008	6	230.62
5/08/2005	123456	Acme Ltd	INV	4308213	379008	7	230.62
5/08/2005	123456	Acme Ltd	INV	123456	367981	2	140.95
5/08/2005	123456	Acme Ltd	INV	245660	379005	1	240.66

4 Target Deliverables

4.1 Electronic Invoice Delivery Confirmation Report

Target will provide Suppliers with a report listing all electronic invoice files received the previous day. The report is in Adobe Acrobat PDF format and will be sent to the designated e-mail address as an attachment.

For any queries relating to this report, additional details can be obtained from the Target business contacts listed in Section 7.

4.2 Rejects and Warning Report

Target will provide Suppliers with a report listing all rejects and warnings for all processed electronic invoices that were received the previous day. The report is in Excel (CSV) format and will be sent to the designated e-mail address as an attachment.

For any queries relating to this report, additional details can be obtained from the Target business contacts listed in Section 7.

4.3 Target Cost Catalogue Report

The purpose of this report is to provide a list of key reference information for all products provided to Target by a particular Supplier.

The Supplier and the Target Buying Office will use this report to confirm that the product reference data is in synch.

A copy of the report will be produced weekly and sent to the Supplier by e-mail.

The report will be in Excel (CSV) format.

For any queries relating to this report, additional details can be obtained from the Target business contacts listed in Section 7.

5 Implementation Steps

5.1 File Creation

As mentioned in section 3, the electronic invoice file created by each Supplier must be to standard format, naming convention, and structure detailed in the "Target Electronic DSD Receiving" document.

The IT system support to create electronic invoices will also need to cater for the correction, re-creation of invoice records, creation of a new electronic invoice file for re-processing, and its transmission to Target where the file or invoice records are initially rejected.

5.2 File Delivery Mechanism

The electronic invoice files are to be set up in ZIP format to safeguard against any data being corrupted during transmission.

The naming convention of the zipped file is equivalent to that required for the data file.

The transmission mechanism used for sending the files to Target is File Transfer Protocol (FTP).

5.3 Establish Gateway Protocols

All files sent to the Target Australia network must be transferred through the Target Australia FTP gateway.

To this end, a Virtual Private Network (VPN) will need to be established between the Supplier and Target Australia, as well as appropriate firewall rules to allow network traffic.

Target Australia have separate test and production FTP Gateway environments with separate IP addresses.

Target will engage groups to set-up the transfer infrastructure, create Connect Enterprise Accounts, and provide FTP username and password to the Supplier.

Target will also arrange for access permission to the Target Australia Gateway to be established and a VPN created.

The Supplier will need to initially provide Target with technical information on the protocols that the Supplier can terminate a firewall on, e.g. IPSec, L2TP, PPTP, etc, so the suitability for FTP transfer through the Target Australia Gateway can be verified.

A confidentiality agreement will also be required between the Technical Provider contracted by the Supplier to send the files and Target Australia.

Once, the viability of FTP transfer through the Gateway is confirmed for a Supplier, they will be required to formally supply full technical details using a standard form

The Supplier will also need to supply additional details such as Supplier contact details, VPN information, and IP protocols and ports.

5.4 Conduct Testing

A sample file of invoices will need to be created and sent to Target for testing prior to implementation.

While files can be sent by e-mail for initial checking, a full end-to-end test through the Target Australia Gateway will be required before the file can be accepted.

The end-to-end tests will be repeated over several days to ensure there are no issues with the end-to-end transmission components.

Target will provide details of the minimum test file data required but will be willing to process additional data to suit the Supplier testing requirements.

The expectation is that the Supplier will have a separate test environment that will be used for test purposes. If in fact, the test files are to be transmitted directly from their production environment, agreement to this approach in advance will need to be obtained from Target.

Target will not proceed to implementation for a new Supplier until the Acceptance Tests have been satisfactorily completed and formally signed-off.

5.5 Establish E-mail Addresses and Contacts

The Supplier will need to supply Target with e-mail addresses to be used for sending the Delivery Confirmation and Reject and Warnings Report.

The same e-mail address will be used for both reports.

For test purposes, Target can e-mail the reports to other addresses if required.

The Supplier will also be required to provide Target with contacts for Business and Technical issues both for during development and after the Go Live date.

5.6 Go Live

Once all testing is completed, the implementation date will be established by mutual agreement between Target and the Supplier.

The implementation timing will take into account business as well as technical readiness.

The expectation is that there will be an initial bedding down period during which any teething issues with the electronic invoice processing will be ironed out.

Following this period and by mutual agreement, ongoing use of Electronic Invoices will be established for the particular Supplier

6 Implementation Checklist

FTP Transmission

Confidentiality agreement in place between the Supplier (or 3rd party provider) and Target Australia. ☐

VPN network established by Target Australia ☐

Access permissions issued to Supplier ☐

Supplier Deliverable Checks

Supplier File format checked against specification. ☐

End-to-end test completed for file transmission ☐

Supplier Setup

E-mail address established ☐

Supplier business and technical contacts supplied ☐

DTS Supplier table updated. ☐

Business Readiness

Cost Catalogue report produced for Supplier ☐

Product reference data and costs confirmed to be in synch between Target Australia and Supplier ☐

Go Live

Implementation scheduled ☐

Implementation confirmed ☐

7 Contacts

If it is necessary to obtain assistance with problems and enquiries in the daily operation of electronic invoices, the following people should be contacted.

7.1 Target Business Advice and Issues

Wayne Rau

- Business and Financial Services Manager, Target

- Phone: (03) 5246 2630

- Email: wayne.rau@target.com.au

Cynthia Aslin

- Invoicing Processing Manager, Target

- Phone: (03) 5246 2331

- Email: cynthia.aslin@target.com.au

7.2 Target Technical Issues

Target Australia Help Desk

- Phone: 1800 007 637

All problems with Target Australia Production applications need to be logged with the Target Australia Help desk. They will record the problem details and issue a problem number.

The problem will then be assigned to the relevant IT Support Group who will analyse and action it.