

## Compliance operations OP1 2017 General assumptions:

Summary: This document list out the assumptions made for **Compliance operations 2017 OP1 planning**.

Level distribution is performed based on below logic

- 1) L2 - 60% of total HC forecasted
- 2) L3 - 40% of total HC forecasted [ Trade compliance 100% L3s due to job profile need]
- 3) SME/L4IC – 1 SME for 20 HC
- 4) L4 Manager – 1 L4 for 14 HC
- 5) L5 Manager – 1 L5 for 3 L4's
- 6) L6 above Chris to decide.

### Program specific assumption:

#### Dangerous Goods:

- During Q1'15, due to multiple undeclared shipment issues, Amazon had stopped services from third party service provider (TCA) for NA hazmat classification and diverted the work to COPs. Additionally, Product compliance and legal team jointly force grounded of all existing unclassified ASINs to avoid any legal issues. In Auto grounding, ASINs will be transported via ground transportation and COPs team would need to review all such ASIN and classify. This created a 26M backlog WW in Jun'15. Due to that, performing a forecasting for 2016 based on the previous year data will not provide us the right details. Hence analyzing NIS 2015 volume trend as below, the percentage increment taken month on month having April volumes as base.

Month	Percentage Increment
Jan	0%
Feb	0%
Mar	0%
Apr	0%
May	10%
Jun	0%
Jul	0%
Aug	16%
Sep	2%
Oct	25%
Nov	10%
Dec	0%

- Based on the DG 2016 forecasted volumes, **30% incremental growth** is considered for 2017 volumes month on month.
- As in DG getting the right market place [MP] is a challenging due to ASIN will be active in multiple MP, which can be reviewed by any MP associate. Hence using the associates' login id and language expertise the MP data is broken down. However as English is common for US, CA, UK & IN and Spanish is common for ES and MX, the volume is split as per below proportion based past data of higher precedence market place data.

MP	Split
CA	7.10%
UK	13.90%
US	47.80%
IN	31%

ES	73.70%
MX	26.30%

**Productivity incremental is taken as 10% i.e.**

**Classification: 563 ASIN per day** based on 10% increment from 2016 productivity, which is **510 ASIN per day, incremented every month.**

**Ticketing: 31 TTs per day** based on 10% increment from 2016 productivity, which is **28 TTs per day.**

- Based on the forecasted volumes and productivity, HC details calculated. [**Volumes / (Productivity per day\* working days)**]
- However, we also have a few miscellaneous tasks, such as **UTC Review, Flypaper, and Customer Order, Jackpot and other Adhoc tasks** for which volume projection will be complicated hence the 2017 HC projections were made based on considering the required HC for 2016 and directing incremented HC with 20% [**30% Volumes growth minus 10% productivity growth**] and arrived at the 2017 HC.
- For Easy ship we taken 50% growth as all MFN participating in Amazon Logistics We are estimating the same HC as easy ship, with 50% needed in 2017 as provided by program team.
- For Quality we have incremented 100% growth due to new statically methodology implementing in quality frame work.

#### **RPC:**

- RPC 2016 forecast is made as per projections shared by program team, which is derived based on number of rules will be written in 2016 and number of ASIN per rule. However it was a quarterly forecast, hence it is broken down monthly using proportion of 2015 volumes. Also we have 8% variation of actuals and forecast from Jan to May month. Hence additional 8% is added to future month's forecast.

- Based on the RPC 2016 forecasted volumes, **30% incremental growth** is considered for 2017 volumes month on month.

- **Productivity incremental is taken as 10% i.e.**

**Classification: 380 ASIN per day** based on 10% increment from 2016 productivity, which is **420 ASIN per day, incremented every month.**

**Ticketing: 33 TTs per day** based on 10% increment from 2016 productivity, which is **30 TT per day, incremented every month.**

**Website audit: 7 Rules per day** based on 10% increment from 2016 productivity, which is **6 rules per day, incremented every month.**

- Based on the forecasted volumes and productivity, HC details are calculated. [**Volumes / (Productivity per day\* working days)**]
- However, we also have a few miscellaneous tasks, such as **Offensive, Quality, Adhoc & Rule Writing/Refinement** for which volume projection will be complex hence the 2017 HC projections were made based on considering the required HC for 2016 and directing incremented HC with 20% [**30% Volumes growth minus 10% productivity growth**] and arrived at the 2017 HC.

#### **Trade Compliance:**

- TC Forecast is based on 2017 rule targets provided by program team per market place.

- Productivity incremental is taken as 10% i.e. **5.06 rules per month** based on 10% increment from 2016 productivity, which is **4.6 rules per month, incremented every month.**