



NATIONAL ASSOCIATION OF
ELECTRICAL DISTRIBUTORS

Smart Tools for Smart Distribution.™



Recommended Best Practices: Collection of Point-of-Sales (POS) or Point-of-Transfer (POT) Data



Prepared for the electrical industry by the
NAED Distributor and Manufacturer Task Forces on POS/POT
in collaboration with the National Electrical Manufacturers
Representatives Association (NEMRA)

NAED's Mission

The National Association of Electrical Distributors is the voice of electrical distribution, providing members with the best in tools, information, and assistance to help them thrive financially and to improve the electrical distribution channel. This is accomplished through promotion of networking, advocacy, education, and defined standards.

Scope of This White Paper

This White Paper, *“Recommended Best Practices in the Collection of Point-of-Sales (POS) or Point-of-Transfer (POT) Data,”* is designed to facilitate a dialogue among channel partners—*distributors and manufacturers*—for the purposes of making the POS and POT process more efficient and reducing costs for all parties involved. This document is intended to recommend a standardized format for those parties currently providing, or about to undertake the utilization of, either POS or POT. This document is not intended to express any views regarding individual distributors’ decisions to provide POS or POT data, including whether, when, to whom or at what level of detail POS or POT data is provided. All distributors will continue to make their own independent decisions regarding the collection and use of Point-of-Sales and Point-of-Transfer data, based on their individual business circumstances and their relationships with specific manufacturers.

Goal of NAED’s Distributor and Manufacturer Task Forces on Point-of-Sales Data

NAED brought together teams of distributors and manufacturers and a representative of NEMRA to develop recommendations to take cost out of the supply chain by making the process of collecting Point-of-Sales (POS) or Point-of-Transfer (POT) data more efficient.

Thanks to Our Industry Volunteers

This White Paper, *“Recommended Best Practices in the Collection of Point-of-Sales (POS) or Point-of-Transfer (POT) Data,”* is the result of an industry effort. Numerous face-to-face meetings and conference calls were held with task force members and invited guests. The recommendations contained in this White Paper reflect the task forces’ desired outcomes of recognizing the value of the distributors’ POS or POT data, the desire of many distributors to maintain the confidentiality of their POS data and preserve its value, the desire of manufacturers to obtain more accurate sales information for use in assigning sales credit to their sales representatives (*both company-direct and independent*), increasing channel sales, and exploring ways in which POS and POT data can be used to benefit the entire channel—*manufacturers, distributors, end-customers, and users*.

It is important to note that POS refers to sales to end-customers and POT refers to a transfer within a distributor's system and not sales to the end-customer. The issue is what format and process to use when providing POS or POT information to channel partners. It is also important to note that a nucleus of distributors in the industry are currently providing either POS or POT in various formats, which increases the costs for all channel partners involved.

The Distributor Taskforce

The Distributor Taskforce includes volunteers from 8 companies, led by Dick Offenbacher of Graybar Electric Co.:

- Dick Offenbacher, Senior Vice President Sales & Marketing, Graybar Electric Co.
- Dan Barlow, Vice President Operations, The Reynolds Company
- David Blackwood, Vice President, Sales & Marketing, Hagemeyer N.A.
- Doug Hewitt, National Product Manager, Winlectric Inc.
- Dave Lichtenauer, Regional Manager, Van Meter Industrial Inc.
- Rick Teaberry, President, Winkle Electric Company, Inc.
- John Temple, Director of Marketing, Electrical Engineering & Equipment Co.
- Les Williamson, President, EOFF Electric Company (*A Division of Sonepar USA*)

The Manufacturer Taskforce

The Manufacturer Taskforce includes volunteers from 8 companies:

- Jerry Hagerman, Manager—Marketing Price & Policy, OSRAM SYLVANIA
- John Carroll, Director of Distribution Marketing, Hubbell Wiring Systems
- Steve Miller, Sales Operations Manager, Lutron Electronics
- Bill Shulha, Vice President-Sales Americas, Greenlee Textron
- Bob Smith, Executive Vice President Sales, Pass & Seymour/Legrand
- Jan Spademan, Manager, Sales Productivity, GE Consumer & Industrial
- Paul Suzio, Executive Vice President, Bridgeport Fittings
- Richard White, Vice President, Sales, Fulham Company, Inc.

Additional Key People

Jack Floyd, CPMR, Chairman, One Source Associates and the 2005-2006 Chairman of the National Association of Electrical Manufacturers Representatives (NEMRA) was included in the process to incorporate the independent sales representative's point of view. Mary Shaw of IDEA was included in the process to introduce the task forces to the POS and POT file format standards the IDEA Standards Committee developed. Legal guidance was provided by NAED's general legal counsel, Ron Rucker and Sandy Pastroff of Sonnenschein Nath & Rosenthal LLP.

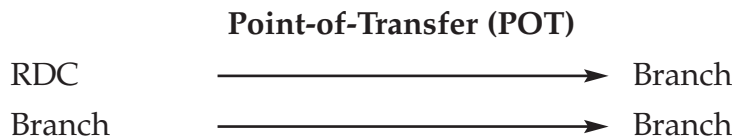
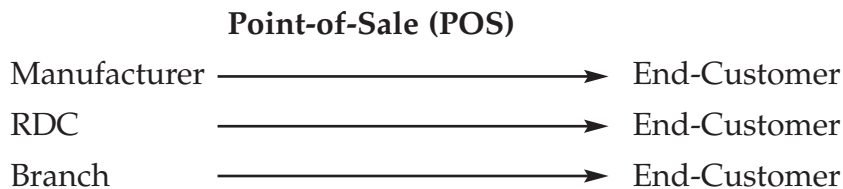
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Defining POS & POT

▶ **Point-of-Sale (POS)**—Information about the **end-customer transaction**; includes shipments directly from the manufacturer to the end-customer (Direct Ships), as well as shipments from a distributor’s branch and/or regional distribution center (RDC) to the end-customer. POS can be used to grow sales, for marketing purposes, to achieve operational efficiencies, and to optimize asset management.

▶ **Point-of-Transfer (POT)**—Information about the **transfer of product** within a company; including shipments between a distributor’s regional distribution center (RDC) and a branch and transfers of inventory between branches. POT can be used for sales credit purposes and for marketing trend analysis.



Note: Distributors with only one location, or whose branches receive shipments directly from manufacturers, rather than from a regional distribution center, may not see the same need as other distributors to collect POS or POT data, although they may see value in collecting POS data for marketing and/or sales purposes. The collection of POT data is not relevant to such distributors.

Additional Definitions

▶ **Distributor**—Channel to the marketplace that partners with manufacturers to add value to, and grow the market for, the manufacturer’s products.

▶ **EDI 867 Product Transfer and Resale Report**—EDI transaction used to: 1) report information about product that has been transferred from one location to another (*inter-branch transfer and/or transfer from a Regional Distribution Center to a branch*); 2) report sales of product to an end customer; and/or 3) report lost orders, i.e., demand beyond actual sales.

▶ **End-Customer**—The distributor’s customer(s) who “consumes” the product—the end-user; an OEM who uses it as a component in his product; the contractor when a building is under construction; or the building owner after construction is completed.

▶ **Inter-Company Transfers**—Transfers of product from one location to another within a company, i.e. between branches or from a Regional Distribution Center to a branch.

▶ **Quantity Purchased**—Quantity of each item purchased by the distributor from the manufacturer by item or catalog number.

▶ **Quantity Returned**—Quantity of each item returned by a). the end-customer (*distributor’s customer*) to the distributor or b). by the distributor to the manufacturer by item or catalog number.

▶ **Quantity Sold**—Quantity of each item sold to the end-customer (*distributor’s customer*) by item or catalog number.

▶ **UPC Code**—Acronym for *Universal Product Code*, a 12-digit number used primarily in North America. Unique for each manufacturer’s item, UPCs standardize product information for scanning via bar code. **Note:** *Can be converted into a GTIN by adding 2 digits (typically zero’s) to the left of the UPC.*

Introduction

In industry after industry, sharing Point-of-Sales (POS) information and acting on it quickly is the key to success for channel partners. While Point-of-Sale standards have been talked about in the electrical distribution industry for much of the past 10 years—*often with derision and mistrust*—it is time to stop talking and implement this powerful communications tool for channel partners. Because faced with lack-luster growth, an ever-changing marketplace, and a myriad of cost pressures, sharing information with channel partners will allow the electrical distribution channel to develop new efficiencies and uncover new avenues of profitable growth.

In June 2004, NAED sent emails to 3,807 distributor contacts at 478 NAED members requesting their insight and input on the collection of Point-of-Sales data. The survey was viewed online at www.zoomerang.com by 466 distributors, of whom 147—*representing a cross-section of NAED members in terms of sales volume*—answered the survey. Survey respondents perceived many risks and little or no current benefit for providing Point-of-Sales (POS) data. Confidentiality of the information was the biggest fear because POS data is considered to be the proprietary property of distributors. However, 75% of survey respondents did express a willingness to provide Point-of-Sale data at zip-code level if the perceived risks were mitigated.

As a result of the survey, NAED formed task forces of distributors and manufacturers to study how Point-of-Sales can benefit the electrical distribution channel. The Distributor POS Task Force set the following objectives/desired outcomes at its first meeting:

1. Improve the accuracy of the information used by manufacturers to assign sales credit to their sales representatives (*company-direct & independent*);
2. Standardize the formats for the collection Point-of-Sales and Point-of Transfer data across the industry;
3. Define and standardize terminology for POS and POT; and
4. Develop an awareness and understanding of what manufacturers, distributors, and sales representation can provide in return for POS and POT data to benefit all channel partners.

This White Paper provides recommendations that recognize the value and proprietary nature of an individual distributor's POS data while fulfilling the task forces' desired outcomes. The collection of POS and POT data is the electrical distribution channel's next frontier. Are you ready to join the POS Task Forces on the journey to a more profitable future?

Confidentiality of a Distributor's Proprietary Data

► **Current Situation:** Distributors consider their POS data to be very valuable and highly confidential. And while there is a strong desire to improve the accuracy of the information used by manufacturers to assign sales credit to their sales representatives, there is also a high level of concern regarding the potential mishandling of proprietary distributor end-customer information. An individual distributor must have confidence and trust in the manufacturer and their agents that POS information will not be misused. Because not only do the loyalties of agents not always reflect those of the manufacturers, when an agent loses a line, rarely does he leave the electrical business.

While this document is designed to facilitate a dialogue among channel partners, it is not intended to express any views regarding individual distributors' decisions to provide POS data, including whether, when, to whom or at what level of detail POS data is provided. All distributors will continue to make their own independent decisions regarding the collection of Point-of-Sales and Point-of-Transfer data based on their individual business circumstances and their relationships with specific manufacturers. This document is intended to recommend a standardized POS and POT format industry-wide for those distributors and manufacturers currently providing, or about to provide, POS or POT information.

Recommended Best Practice

- ✓ **Distributors:** The decision whether to provide POT or POS information is an independent decision between a specific distributor and a specific manufacturer based on their relationship in a local market.
 - ✓ Consult with your legal counsel to determine if confidentiality and POS or POT data ownership are addressed to your satisfaction in the vendor agreement initiated with individual manufacturers.*

**NAED Distributor Confidentiality Checklist included in Appendix B.*

- ✓ **Manufacturers:** Clearly define the intended use of the POS or POT data collected from each individual distributor, including who will have access to the “raw” data as well as the analyses that will be provided to the distributor in return.
 - ✓ Show individual distributors specific examples of how your company intends to use the POS or POT data provided to take costs out of the supply chain and grow demand through a better understanding of end-customer purchases.
 - **Note:** While an industry-wide campaign can be conducted to raise the level of awareness regarding the value of providing POS and POT, information specific to your company is best conveyed in a face-to-face meeting with the distributor decision-maker.

Standardizing the Collection of POS and POT

▶ **Current Situation:** The work required to provide POS or POT data can be costly and time-consuming for both manufacturers and distributors, particularly when different information is provided in different formats. But it’s time to leverage the efficiency benefits that accrue when a standardized method of collecting POS and POT is adopted channel-wide. The hard part—*the development of standardized formats to use when reporting product resale and transfer*—is already complete. Now the challenge is for both distributors and manufacturers to implement the standard developed through the dedication and efforts of IDEA’s Standards Committee.

Recommended Best Practice: Adopt IDEA EDIPro 867 POS and POT Format

IDEA is a corporation owned equally by NAED and NEMA. The IDEA Standards Committee is comprised of distributors, manufacturers, and software vendors who work together to develop process improvements and new data standards to increase the efficiency of the electrical distribution channel

- ✓ **Manufacturers:** Adopt the IDEA Standards for required and required conditional information per EDIPro 867* for the collection of POS and POT data via EDI and Flat File by March 1, 2006.

- ✓ IDEA Standard EDIPro 867 formally endorsed by NAED's Board of Directors on May 16, 2005.
- ✓ IDEA Standard EDIPro 867 formally endorsed by NEMRA's Board of Directors on May 12, 2005.

- ✓ **Manufacturers:** Map (*adapt, and/or translate through an intermediary*) any Excel POS and POT programs currently in use to the EDIPro 867 Flat File format by March 1, 2006 so there is 1 standard format for the collection of POS and POT throughout the industry.

* *The EDIPro Standards are available for download at http://www.ideainc.org/info_support/kb_idx.php3. The IDEA Point-of-Sale/Point-of-Transfer Flat File Standard is included in Appendix A. However, please check with IDEA for the most up-to-date version.*

Recommended Best Practice:

Methods of Submission

- ✓ **Manufacturers:** Offer 3 electronic options—EDI, Flat File, and Excel—for the collection of POS and POT with formatting based on the EDIPro 867 standard.

- ✓ **Distributors:** If you elect to provide either POS or POT data, use the electronic option—EDI, Flat File, and Excel—that best suits your individual technological capabilities.
 - ✓ Excel files can be sent to IDEA's IDX2 for translation into Flat Files and/or EDI. (*As with all IDEA Flat File Standards, there is no cost to the IDEA customer for the conversion*).

Recommended Best Practice:

Information Provided

Although IDEA EDIPro 867 standardizes the formatting of POS or POT information, there is still much room for interpretation of the information to be provided.

- ✓ **Manufacturers & Distributors:** It is highly recommended that the following information be standardized for the collection of POS or POT:

- ✓ Address/Zip Code—Use the “*SHIP TO*” address for the End-Customer.
- ✓ Price—Report end-customer sales as the Rebated Cost of Good Sold, i.e., the unit cost net of any Special Pricing Authorization (SPA).

- ✓ **Distributors:** If you elect to provide POS or POT data, determine if you will submit transaction data or summary data.

Recommended Best Practice: Timely Submission

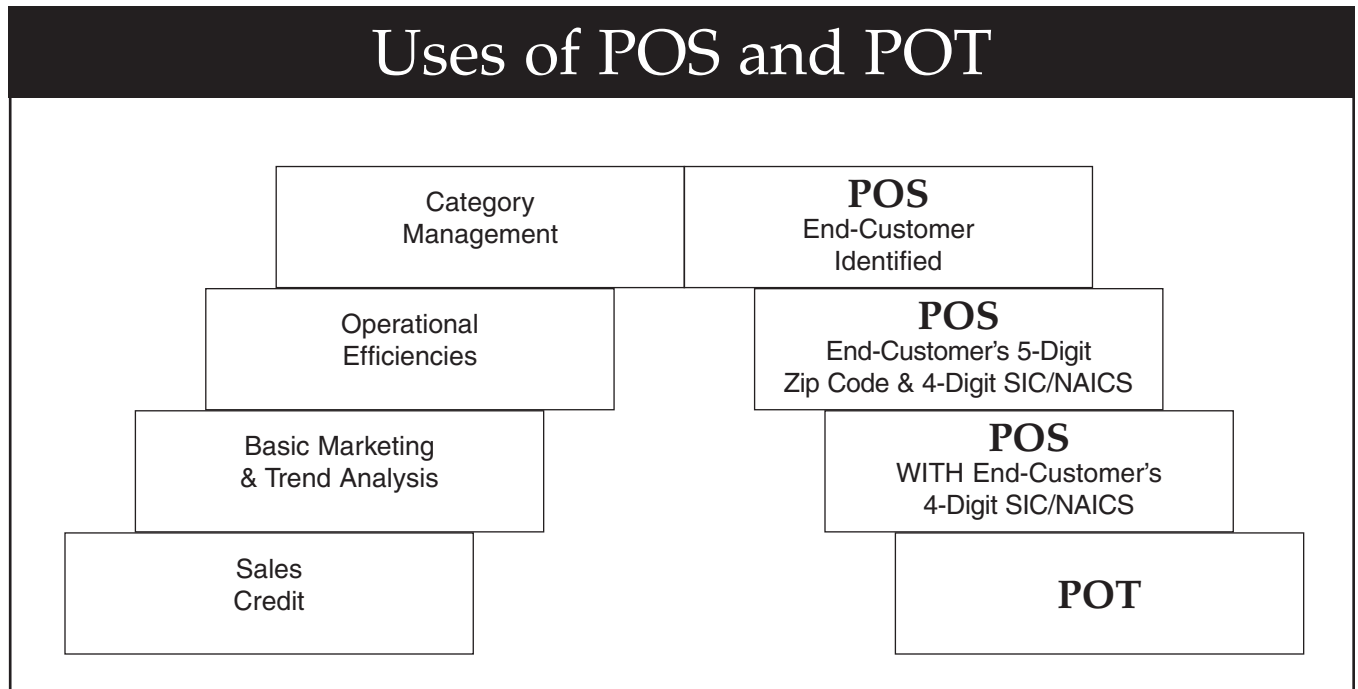
- ✓ **Distributors:** If you elect to provide POS or POT data, submit the data at least monthly.
 - ✓ Within 10 calendar days after close of month the product is sold/transferred.

Examples of Uses of POS and POT Data

The provision of POS and POT data can provide manufacturers with more accurate sales information for use in assigning sales credit to their sales representatives and eliminate a major source of friction between manufacturers and their sales representatives. The collection of POS and POT data will also allow the electrical channel to not only reduce the costs of doing business, but also develop new efficiencies and uncover new avenues of profitable growth.

There are 4 common uses of POS and POT data, each requiring different levels of data, as illustrated below:

1. Sales Credit for company-direct and independent sales representatives
2. Basic Marketing & Trend Analysis
3. Operational Efficiencies through “Supply Chaining”
4. Category Management



Using POT Data to Resolve Sales Credit Issues

POT data gives manufacturers more accurate information for assigning sales credit to their sales forces by enabling factory-direct and independent sales representatives to receive credit for sales when products are transferred among branches or shipped from a regional distribution center directly to a customer. In turn, the proper allocation of sales credit promotes strategic and tactical partnering among distributors and manufacturers.

Recommended Best Practice:

Resolving Sales Credit Issues

- ✓ **Manufacturers:** To add certainty to the way that sales credit is measured, it is recommended that sales territories be defined by zip codes and/or allocated by percent of sales in a particular zip code.

Using POS Data for Marketing Purposes

Providing POS data with the end-customer's 4-digit SIC/NAICS code can serve as a useful and productive sales and marketing tool. Joint strategic and tactical planning is facilitated

when both manufacturers and distributors are reviewing the same information. With POS data with the end-customer's 4-digit SIC/NAICS code, manufacturers can trend trading area information to potentials and provide periodic reporting on the distributor's market share. POS data with the end-customer's 4-digit SIC/NAICS code also facilitates tracking results for promotions, sales blitzes, etc., as well as by-location performance comparisons. Not only can purchasing trends (*also known as "customer mapping"*) for specific 4-digit SIC/NAICS codes be identified, but also "add-on" and "upsell" opportunities can be identified. POS data with the end-customer's 4-digit SIC/NAICS code can also be used to assist in the formulation of customer segment profiles and measure the performance and effectiveness of distributor sales efforts. Special joint marketing plans can also be developed for areas underperforming to potential. The option also exists to provide POS data to the zip code level without including the 4-digit SIC/NAICS code.

Using POS Data for Channel Operational Efficiencies

The third step in sophistication is to identify areas where channel partners can **become more efficient together, i.e.**, operational efficiencies such as lower lead-times, better fill rates, increased inventory turns, etc., allowing distribution to increase its value as a channel to end-customers. POS data at the 4-digit SIC/NAICS and 5-digit zip code level also provides both trading partners with information to produce and stock the "*right product, in the right place, at the right time*" which can streamline the supply chain and create new efficiencies by eliminating buffer stocks. And since manufacturers have the information to base product need on actual usage rather than forecasts, ultimately lead times will be reduced, fill-rates improved, and inventory turns increased for both channel partners. And for those trading partners interested in collaborating with their suppliers, POS data at the 4-digit SIC/NAICS and 5-digit zip code level with full EDI connectivity allows for the implementation of a Vendor Managed Inventory process.

Companies Using POS to Obtain Operational Efficiencies Include: Dell, Toyota, Motorola

Using POS Data for Category Management

Category Management is a technique proven in the retail industry to maximize return on investment for both channel partners through a better understanding of end-user purchasing patterns. It provides manufacturers with real time price and movement reporting so high performance and low performance products, customers, and sales reps can be managed by exception. It also matches supply with demand by measuring what's moving, who's buying it, and at what price points. The implementation of category management can facilitate the development of predictive market segment penetration models and increase the market basket of the end-customer by identifying targeted up-sell, cross-sell, and add-on sales opportunities. It also assists manufacturers in recommending to distributors how to be more efficient in what is inventoried, how to shift the mix to increase profitability, and how to understand the inventory position as it relates to specific customers and segments. To reach this level of sophistication, distributors must provide all transactions at the customer level monthly, received within 10 days of close. But real-time uploads of the information would be ideal.

Companies Using POS for Category Management Include: Wal-Mart, Best Buy, Home Depot, Rite-Aide, Target

Appendix A

POS1.02

1-Dec-04

Point Of Sale / Point of Transfer Flat File



Details for use

The flat file is delimited by pipe (|) characters (ASCII 0x7C).

The sender and receiver ID's should be exchanged and applied prior to transmission.

Color Key	
R	Required
Rc	Required only if conditional on something, i.e. trading partner agreement
O	Optional

Convertible to EDIPro 867

POS Record							
Field #	Field Name		Field Length	Description	Examples	Comments	EDI Record ID
1	Record ID (Version of POS)	R	X(8)		POS1.02		ENV
2	Sender's ID Qualifier	Rc	X(2)	Sender's ID Qualifier	12	For non-EDI companies, a qualifier of 12, indicating (telephone number) would be used. Required only when sending through IDX2 for conversion to EDI.	ENV
3	Sender's ID	Rc	X(15)	Code Identifying Sender	7024569933	Required when sending through IDX2 for conversion to EDI.	ENV
4	Receiver's ID Qualifier	Rc	X(2)	Receiver's ID Qualifier	12	For non-EDI companies, a qualifier of 12, indicating (telephone number) would be used. Required only when sending through IDX2 for conversion to EDI.	ENV
5	Receiver's ID	Rc	X(15)	Code Identifying Receiver	5329872200	Required when sending through IDX2 for conversion to EDI.	ENV
6	Report Type	R	X(1)	T = Branch Transfer, R = Resale POS	R		BPT / 0755
7	Report Start Date	R	X(8)		20030110	CCYYMMDD	DTM / 0373
8	Transaction Type	R	X(2)	SS = Stock Sale, DS = Drop Ship Sale, IB = Interbranch, SU = Summary	DS	SS-Stock Ship - Product shipped from Branch that placed the order. DS -Drop Ship - Product shipped from Manufacturer to End Customer. IB - InterBranch - product shipped between two Branches or between a Distribution Center and a Branch. SU-Summary Transaction - used for Commodity products and Lot Net orders.	PTD / 0521
9	Manufacturer Name	O	X(35)	Manufacturer Name	Siemens		N1 / 0093
10	Distributor Order Taking Location Name	R	X(35)	Distributor Branch Name	ABC Electric	Branch/ Location that took the order. If this is an IB (interbranch transfer), then this is the Branch name that received the product.	N1 / 0093
11	Distributor Branch ID	R	X(15)	Branch code of order taking location	0001	Alphanumeric code identifying branch	N1 / 0067
12	Distributor Ship From Location Name	R	X(35)	Distributor ship location	ABC Electric	Branch / Warehouse or Redistribution Center that shipped the product.	N1 / 0093
13	Distributor Branch ID	R	X(15)	Branch code of shipping location	0059	Alphanumeric code identifying branch	N1 / 0067
14	Distributor Ship From Address	O	X(55)	Distributor Ship From Address	100 LaSalle Street		N3 / 0166
15	Distributor Ship From City	O	X(30)	Distributor Ship From City	Chicago		N4 / 0019
16	Distributor Ship From State	O	X(2)	Distributor Ship From State	IL		N4 / 0156
17	Distributor Ship From Zip	O	X(15)	Distributor Ship From Zip	60601		N4 / 0116
18	Distributor Ship From Country	O	X(3)	Distributor Ship From Country	USA		N4 / 0026
19	Distributor Ship From Phone	O		Distributor Ship From Telephone Number	2125551212		PER / 0364
20	End User ID-Customer ID	Rc	X(15)	End User Account Number	1+1904	Customer ID. If this is an IB transaction, this field may be blank if the transfer just replenishes stock and is not tied to a specific customer order. If this is an SU transaction for commodity products. This field will be blank.	N1 / 0067
21	End User Name	Rc	X(35)	End User Name	Contractor Bob	Customer Information if SS, DS or SU (lot net) transaction. Blank for IB or Commodity transactions	N1 / 0093

22	End User City	O	X(30)	End User City	Tuscon		N4 / 0019
23	End User State	O	X(2)	End User State	AZ		N4 / 0156
24	End User Zip	O	X(15)	End User Zip	85421		N4 / 0116
25	End User Country	O	X(3)	End User Country	USA		N4 / 0026
26	End User Ship to Name	O	X(35)	End User Ship to Name	Coyote Stadium	Customer Ship to Information if SS, DS or SU transaction.	N1 / 0093
27	End User Ship to City	Rc	X(30)	End User Ship to City	Glendale	Required for POS, N/A for POT	N4 / 0019
28	End User Ship to State	Rc	X(2)	End User Ship to State	AZ	Required for POS, N/A for POT	N4 / -156
29	End User Ship to Zip	Rc	X(15)	End User Ship to Zip	85445	Required for POS, N/A for POT	N4 / 0116
30	End User Ship to Country	O	X(3)	End User Ship to Country	USA		N4 / 0026
31	Distributor Ship Date	Rc	X(8)	Distributor Ship Date	20030110	CCYYMMDD, Required for POS, N/A for POT	DTM / 0373
32	Distributor Invoice Date	Rc	X(8)	Distributor Invoice Date	20030110	CCYYMMDD, Required for POS, N/A for POT	DTM / 0373
33	Distributor Invoice Number	Rc	X(30)	Distributor Invoice Number	123456	Required for POS, N/A for POT	REF / 0127
34	Distributor Invoice Line Number	O	X(30)	Distributor Invoice Line Number	1		REF / 0127
35	Vendor Item Number	R	X(48)	Vendor Catalog Number	Q120		LIN / 0234
36	Buyer's Item Number	O	X(48)	Buyer's Part Number	Q120-ABC		LIN / 0234
37	Item Description	R	X(80)	Item Description	20A 1-POLE 120V 10K QP CIRCUIT BREAKER		PID / 0352
38	UPC/EAN/GTIN Qualifier	O	X(2)	UPC/EAN/GTIN Qualifier	UK	See Appendix A3 for allowable values	LIN / 0235
39	UPC/EAN/GTIN Number	O	X(15)	UPC/EAN/GTIN number of the item being reported	00783643148192		LIN / 0234
40	SIC	O	X(30)	SIC Code		Customer Standard Industrial Classification code. (SIC)	REF / 0127
41	NAICS	O	X(30)	NAICS		Customer North American Industrial Classification Code. (NAICS)	REF / 0127
42	Product Group Code	O	X(12)	Product Group Code		May be used with "SU" summary type records for commodity products.	PID / 0751
43	Product Group Name	Rc	X(80)	Product Group Name		Required for "SU" summary type transactions for commodity products.	PID / 0352
44	Percentage	Rc	X(6)	Percentage	99.00	Required for "SU" summary type transactions for commodity products.	QTY / 0380
45	Cost Unit of Measure	R	X(2)	Cost Unit of Measure	PE	See Appendix A for allowable values	UIT / 0639
46	Unit Cost	R	S9(9).9999	Net Cost per unit	23.5000	Expressed as a Real Number with four decimal places. ex: 12.3456. This is the cost the material was purchased at. The unit "into stock" cost.	UIT / 0212
47	Extended Cost of Goods Sold	R	S9(9).9999	Extended Cost of Goods Sold (Dollars Sold)	235000.0000	This is the Unit Cost * Quantity Invoiced / Cost Unit of Measure	AMT / 0782
48	Unit "Ship & Debit" Cost	O	S9(9).9999	Unit "Ship & Debit" Cost	21.0000	Unit Cost after Ship and Debit rebate is applied. For example, if the Distributor Unit Cost is 23.50 and for this item for the end customer, there is a 2.50 rebate, then the Unit Cost after Ship & Debit is 21.00. If there is no Ship & Debit cost for the item, then this cost is equal to the unit cost.	UIT / 0212
49	Extended "Ship & Debit" Cost	O	S9(9).9999	Extended "Ship & Debit" Cost	210000.0000	This is the Ship and Debit cost * Invoice Quantity/Unit of Measure	AMT / 0782
50	Lot Billed Cost	O	S9(9).9999	Lot Billed Cost		This would be used in conjunction with an "SU" summary or "DS" Drop Ship transaction for invoices that don't have a unit cost on each line.	UIT / 0212
51	Currency Code	O	X(3)	Currency code	USD	See Appendix A2 for allowable values	CUR / 0100
52	Quantity Sold	Rc	X(15)	Quantity	10000	Quantity Invoiced. Required if applicable.	QTY / 0380
53	Quantity Returned	Rc	X(15)	Quantity	5000	Quantity Returned. Required if applicable.	QTY / 0380
54	Quantity Unit of Measure	R	X(2)	Quantity Unit of Measure	EA	See Appendix A1 for allowable values	QTY / 0355
55	Number of Line Items	R	X(6)	Number of Line Items			
1	END	R	X(8)	End Record	POS1.02		
55	Total Number of Line Items	R	X(6)	Total Number of Line Items		Total Number of Line Items	

Appendix A - Field 45

Allowable Values
HF - Per 100 Feet
HP - Price per Hundred
NC - No Charge
PE - Price per Each
PF - Price Per Foot
PP - Price per Pound
TF - Per 1000 Feet
TP - Price per Thousand
UM - Price per Unit of Measure

Appendix A2 - Field 51

Allowable Values
CAD - Canadian Dollars
MXP - Mexican Pesos
USD - U.S. Dollars

Appendix A1 - Field 53

Allowable Values
BG - Bag
BK - Book
CA - Case
CG - Card
CT - Carton
EA - Each
FT - Foot
HU - Hundred
KG - Kilogram
KT - Kit
LB - Pound
MR - Meter
PC - Piece
PK - Package
RE - Reel
RL - Roll
SH - Sheet
SO - Spool
TH - Thousand

Appendix A3 - Field 38

Allowable Values
EN-European Article Number (EAN) (2-5-5-1)
U2-U.P.C. Shipping Container Code (1-2-5-5)
UD-U.P.C./EAN Consumer Package Code (2-5-5)
UI-U.P.C. Consumer Package Code (1-5-5)
UK-U.P.C./EAN Shipping Container Code (1-2-5-5-1)
UP-U.P.C. Consumer Package Code (1-5-5-1)

Appendix B

NAED Distributor Confidentiality Checklist

A. Ownership of Data

1. Does the contract specify ownership of the data?
2. Does the contract provide the Manufacturer with ownership or other rights in the data?
3. Does the contract specify who is entitled to see the data?
4. Does the contract specify the potential uses of the data?

B. Confidentiality

1. Does the contract contain confidentiality or non-disclosure provisions?
2. Does the contract contain clauses that would make it subject to the substantive law (also referred to as "choice of law") of another state?
3. Does the contract contain clauses that would make it subject to the jurisdiction (also referred to as "forum" or "venue") of another state?
4. Are the confidentiality and non-disclosure provisions enforceable?
 - a. Consult applicable state and contract law as to enforceability of confidentiality and non-disclosure provisions; and
 - b. Consult state and contract law as to enforceability of confidentiality and non-disclosure provisions in the state where the Manufacturer and Distributor are located.
5. Does the contract language ensure confidentiality (Eg. Use: "The Manufacturer shall not disclose," Do not use: "The Manufacture shall use its best efforts.")?
6. Does the contract define confidential information broadly?
7. How broad or limiting is the confidentiality or non-disclosure provisions?
 - a. The Distributor wants the Manufacturer's confidentiality provision to be broad (Eg. "Confidential information shall not be disclosed to any employee, consultant or third party...").
 - b. No limitations placed (eg. "Confidential information shall not be disclosed to...unless they agree to execute and be bound by the terms of the agreement)?

8. Does the contract provide the term for the confidentiality or non-disclosure provision?
 - a. Initial Term (how long? enforceable?)
 - b. Renewals (automatic or affirmative action to renew?)
 - c. What are the rights and obligations upon termination (eg. Does the confidentiality or non-disclosure provision survive termination? If so, for how long? Must the Manufacturer return all confidential information and data upon termination?)
9. Does the contract provide geographical limits to the confidentiality or non-disclosure provisions that would be enforceable in a court of law?
10. Does the contract specify who is subject to the confidentiality or non-disclosure provisions (Manufacturer, employees, etc.)?
11. Does the contract specify what constitutes a breach?
 - a. Manufacturer sharing confidential information with any third party (who is defined as a third party?).
 - b. Manufacturer sharing confidential information with the Distributor's competitor.
 - c. Manufacturer sharing information with independent sales representative who changes lines and uses it to sell against the Distributor.
 - d. Manufacturer sharing confidential information with company sales representative who leaves the company and uses it to sell against the Distributor.
12. Does the contract prevent the Manufacturer from dropping the Distributor and/or selling direct to the Distributor's customers or target market?
13. Does the contract specify remedies for breach of the confidentiality or non-disclosure provisions?
 - a. Does the contract state that breach would cause irreparable harm and justify injunctive action?
 - b. Does the contract provide for liquidated damages or cancellation fees?
 - c. Does the contract contain an acceleration clause or provision that all payments are immediately due upon breach of the contract or default?
 - d. Does the contract require binding arbitration or any mandatory dispute resolution other than legal action in a court of law?
 - e. Does the contract allow the Distributor to take action outside of court proceedings in response to a Manufacturer breach of contract?
 - f. Does the contract provide for the Distributor to pay attorney fees, court costs, or other litigation expenses of other parties if there is a dispute?



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