

## NOTICE TO THE TRADE – DeCA NOTICE 13-07

## SUBJECT: Speed to Market Initiative

New items are a critical component of our global strategy towards meeting the emerging trends and evolving needs of our customers. To ensure new items are readily available for patron purchase requires a united effort that directly involves our Industry partners, our category management team and our associates at store level. As we are well aware, launching new items to market quickly creates a tremendous value to our consumers but only when we are able to deliver these latest products to the right markets in the right quantities at the right time.

The purpose of this NTT is to capitalize on this value related to timely and effective new item introductions. Collectively, we must all work together to ensure the process and expectations are clearly understood by all involved. By clearly defining our objectives, we can focus on every part of the supply chain simultaneously through the identification of our corporate key performance indicators and expected results. Specific details regarding industry performance standards and measurements for speed to market, fill rates, and store merchandising will be released under a separate NTT. This NTT focuses on the speed to market expectations, process and associated timelines.

Below is a summary of the expectations we have linked to the addition of new items:

1. New item presentations will follow the process and obligation for support as prescribed under the “Doing Business with DeCA” page located at [www.commissaries.com](http://www.commissaries.com) and [www.ALA-National.org](http://www.ALA-National.org).
2. Once the category buyer has selected the items that will be authorized for addition to the stock assortment, a formal standardized e-mail notification listing the items accepted on the New Item Presentation Form (DeCAF 40-15) will be sent by the buyer to the vendor representative. (An example of this e-mail notification is provided in Attachment 1). The vendor representative will respond to the buyer via return email notification with the specific first ship date the product will be available to the store. Please note that present day category review procedures will not change.
3. To obtain the first ship date, the vendor representative will contact their distributors and collectively determine when the product will be available, taking into account such factors as the time required to set up the item into the distributor, the order lead time requirement, and the time needed to receive and slot the new item to be ready for a store’s first order. In the event of a problem arising that will interfere with the distributor availability date, the vendor representative will be expected to promptly notify the buyer and category manager. The buyer in turn will inform the line item manager of the delay and provide an updated date of availability as to when the new item should be allocated to the store.
4. Once a distributor is aware of a new item authorization, they will be responsible for indicating the balance on hand or due-in date for each new item listed on the Add tab of

the weekly Add/Delete/Change Report. This information is expected to be provided to the DeCA Distributor Coordinator within five business days from the date of the Add/Delete/Change Report.

5. Stores are expected to order new items within seven calendar days after it has been allocated to the store, yielding at least a 92 percent fill rate expectation for the quantities ordered.
6. Stores are expected to work with their local vendor representatives to ensure products are placed on the shelf in accordance with the DeCA approved plan-o-gram within seven days from delivery.

To summarize, the expectation from Industry is fundamental to our success in attaining optimal speed to retail; i.e., accurate information must be provided for all new items presented to prevent unnecessary and costly delays in having new items available for purchase. Industry's responsibility begins with an error-free New Item Presentation Form (DeCAF 40-15). Then, once an email notification from the category buyer is received advising of a new item authorization, Industry must provide the buyer with an accurate date identifying when the product will be ready to ship to the stores with enough inventory to keep the shelf replenished. To close the loop, the local sales representative must assist our stores in ensuring new item placement on store shelves using the DeCA approved planogram. With these basic guiding principles, all new items should appear on store shelves and available for customer purchase within 14<sup>th</sup> days from the date the new product is available from the distributor. To ensure this process is clearly understood by all, a "New Item Timeline" is provided in Attachment 2.

Please note that benchmarks are highlighted in the attached new item timeline. Our objective is to ultimately use the enclosed benchmarks as part of our Industry performance standard metrics. A Speed to Shelf Report now tracks critical information needed by each stakeholder in the new item process. Data is updated daily and provides valuable insight on the status of each new item by store. Industry members may review their information by vendor number, manufacturer code, commodity code, distributor, store name, UPC or GTIN by going to the DeCA Store Data page found on the ALA web site at <http://www.ala-national.org/members/commissary/store>.

Ensuring new products are on the store shelves to meet the needs of our customers is a complex process requiring greater attention to detail than ever before. We have been missing critical sales opportunities and ask that we work together to develop a greater sense of urgency in our ability to offer new items to the marketplace either ahead of or in direct alignment with our retail counterparts outside the gate. We will be utilizing the information from the Speed to Shelf Report and other data to closely monitor performance of our new item introductions. With this data we can identify gaps in the replenishment process failing to meet expectations. Working collectively with the DeCA ALA Commissary Council and Business Systems & Processes Committee as well as industry members, we can ensure new items flow to our shelves in a more timely and proficient manner.

Our points of contact for the Speed to Market initiative is Mr. LaRue Smith, Category Manager, [larue.smith@deca.mil](mailto:larue.smith@deca.mil) or (804) 734-8000 extension 48255, or Mr. Wayne Webb, Business Solution Specialist, [wayne.webb@deca.mil](mailto:wayne.webb@deca.mil) or phone at (804) 734-8000 extension 48854.

//Signed//  
Christopher T. Burns  
Director of Sales

Attachments:

- (1) Buyer Email Sample Notification to Broker/or Manufacturer
- (2) New Item Timeline

cc:

Mr. Mike Pettitt, Distributor Coordinator, LELD  
Mr. John Madar, Chief, Store Support, SOS