

GUIDE FOR CAO STORE RESETS

Preparation:

- Process salvage in a timely manner the week prior to pull down day to free up extra shopping carts.
- Save empty boxes, ask the stocking crew to keep boxes the last few days prior to the reset.
- If the store will be closed for a day or two for the reset, make sure this is reflected in the CAO Facility Schedule Override so that CAO will not build an order for these days.
- Deactivate all phased out items and items with an RSL code above store/commodity class.
- Order all new items prior to reset.
- Activate all new items on hand giving them at least a Shelf Maximum of UPK plus 2 (until they are merchandised to the shelf).
- Review orders a few days prior to the reset date, adjust orders down with the intent of reducing backroom stock levels, or
- Consider applying negative ramp factors by Velocity Code to allow the store to run down automatically.
 - Ramp down E and F items by -20% four weeks prior to reset.
 - Ramp down C and D items by -20% two weeks prior to reset.
 - If some of these items become close to an NIS condition, changing the ramp to -14% will likely trigger CAO to order a case to keep the product in stock.
 - Leave A and B items alone to prevent out of stocks prior to the reset.
 - Ensure that the ramp end-date corresponds to the last day of the reset so that CAO will order to fill the store back up.
- Ensure deleted items are removed from the shelves prior to reset.
- Do **not** deactivate CAO items prior to the reset for the purpose of reducing BOH.

Execution:

Ensure all new items are activated prior to the reset day. Failure to activate new items on hand could result in the store having holes on the shelves and items in the backroom not being activated in CAO. Conversely, all FDS, phased out items must be deactivated because CAO will order active items even if the labels have been removed.

Once Planograms are approved for each section, ensure CAO items are active and those items not RSL coded for the store are deactivated.

- Set up an RF HHT in DIBS to check the RSL code or delete/phase out status.
- Set up an RF HHT in CAO to check item status for activation or deactivation.
- Set up an RF HHT for the front end to use in generating new labels.
- The Headquarters CAO team will apply new Shelf Maximums two to three days prior to the reset based on a file provided by the reset and planogram team. The new shelf maximum is calculated at 75% of the packout value on the planograms. If the calculation

result is below case pack plus 2 units then the new shelf maximum is set to case pack plus 2 units. Note: All HBC items are set to case pack plus 2 units.

- Store CAO Specialists should be available during the reset to make shelf maximum adjustments to sections that have changes to the planogram set. This includes accommodating store optional items that are not identified on the planograms.

Special Note:

- The person checking the DIBS status and the CAOS should be working together on this reset, usually at the control desk or in the aisles as needed.
- Items that will no longer be carried (higher RSL code) must be brought to the control desk for deactivation in CAO.
- Pallets or U-boats should be staged at, or near, the control desk to place the deactivated, deleted and those higher RSL coded items on them.
- This deactivation of higher RSL coded items will allow the store to have sufficient amount of space for required items.

POST EXECUTION:

- After the reset is done and products are placed back on the shelves, some “overstock” and deactivated merchandise will be left over. When the order runs on the last closed day the CAOS should:
 1. Perform a flagged item report using the flag code number 7 - ‘Hi Stock Backroom’ for the “overstock” items. The CAOS should compare the ‘Hi Stock Backroom’ items on the report to the current order to determine if CAO has ordered the same item. If yes, then the quantity ordered should be changed to zero and the BOH/Shelf Maximum checked for validity. This will allow the “overstocked” items to be stocked rather than more of the same merchandise being ordered. This should continue until all “overstock” merchandise is gone. The deactivated items (higher RSL code) should be picked up by the vendor via VCM or sold in a designated area. The CAOS should also walk the store, aisle by aisle, looking for labels with no stock on the shelves. Using the RF HHT and the menu selection, “Order Maintenance”, scan the label and determine if the item is activated; and, if yes, was the item ordered? If not ordered, then add cases to the order, and then validate the Shelf Maximum and BOH.
 2. If the item is not active (assuming it is a new item), go to “Manage Items”, activate the item, set the Shelf Maximum appropriately, and then validate the BOH. Add a case quantity of one or two to the order for those items with zero due in and none on the shelves.
 3. Closely monitor order quantities after the set to ensure the Shelf Maximums are still valid. Some adjustments may be necessary for velocity code A, B and C items.
 4. Pay special attention to NIS conditions and excess stock after the reset, as they may require activation, Shelf Maximum adjustments, BOH, and/or order adjustments

Questions concerning CAO and DIBS functions may be directed to one of the team members below.

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