DSW

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DSW Drop Ship Program: Post Launch Quarterly Reminders

DSW Drop Ship Contact Information		
DSW Drop Ship General Inbox	General Inbox	Dropship@dswinc.com
DSCO Support	General Inbox	support@dsco.io
Drop Ship Assortments	General Inbox	dbidropshipassortments@designerbrands.com
Drop Ship Invoices	General Inbox	DropShipInvoices@dswinc.com
Vendor Provided Information	General Inbox	VPI@dswinc.com

EDI Requirements

DSW requires all drop ship vendors to be fully EDI integrated. All drop ship vendors must be set up with DSCO, by undergoing an operational testing/EDI mapping phase. Below is an outline of the required EDI files:

- **810**: Invoice File – *Must send within 24 hours of ASN (DSW does not accept invoices after 3 months of creation of a PO)*
- **846**: Inventory File – *fully updated file required* **daily, including non-business days**
- **850**: Purchase Order File – *please ensure you are using the* **5010** *not the 4010 document*
- **856**: Ship Notice File – *ASNs must contain the same line number that was transmitted on the 850 & line quantities must match the 850 (if two lines of the same UPC are transmitted with a quantity of 1 each, the 856 must match this, and not consolidate to one line with a quantity of 2)*
- **870**: Cancellation File (optional) - *(If not used, cancellations must be done manually in the DSCO portal)*

If an 810 Invoice File or 856 Ship Notice File fails to update in DSCO, the vendor will receive an email notification from DSCO about the error. These errors must be resolved to update and invoice the order. The notification settings can be updated here*.*

Inventory Requirements

DSW does a full inventory sync daily. DSW requires a ***daily*** updated 846 EDI file to ensure inventory is accurately reflected online. Failure to transmit a ***daily*** inventory feed will result in drop ship brand removal from DSW.com. Below are additional reminders related to inventory management:

- **Safety Stock**: DSW applies an internal safety stock of 8 units per UPC. In order to have an inventory position visible on DSW.com, 9+ units per UPC must be transmitted on the inventory file.
- **Item Out of Stock/Discontinued**: DSW ***must*** receive a zero OH quantity per UPC on the 846 EDI file ***prior*** to removing the item from the inventory feed. If this does not occur, the previously

Inventory Requirements cont'd

- transmitted quantity remains available for sale. **Failure to update the quantity to zero will result in vendor account being paused and removal of product from DSW.com.**
- **Backorders**: DSW does not allow backorders; all items that are unavailable should be cancelled immediately and zeroed out on the inventory file.

Invoicing Requirements

DSW requires all drop ship order invoices to be submitted through DSCO via the 810 EDI file. The 810-invoice file must be sent *__after__* the 856-shipment file, otherwise the invoice will not be processed. The invoice file should be sent *within 24 hours* of the order shipment. DSW does not accept invoices for orders aged beyond 3 months. Below is an outline of specifications for the invoice file:

- **Handling Fees:** Not accepted
- **Additional Fees/Discounts:** the item cost should be the only charges included on the invoice file submitted through DSCO. If additional fees or discounts are included on the 810, the file will not process.
- **Fees:** FedEx shipping charges for address corrections must be submitted manually to the DSW Vendor Finance team by emailing a separate invoice to DropShipInvoices@dswinc.com within 90 days of carrier issuance.
- Vendors are responsible for reconciling invoices that have been errored out in DSCO within 90 days of order shipment. Invoices in error status in DSCO will not be honored for payment.
- Invoice discrepancies must be submitted to DSW within 90 days of remittance

Pricing Updates

- **Item Cost:** cost adjustments must be communicated to the drop ship specialists (dbidropshipassortments@designerbrands.com) for update at least 7 days in advance of the cost being updated in vendor's system. Should an order come through with a different cost, the order invoice should be submitted for the expected cost.
- **Failure to ship (hold) or the cancellation of orders as a result of cost discrepancy will result in vendor account being paused and removal of product from DSW.com.**

Prior to contacting the DSW Operations and/or Vendor Finance teams regarding unpaid invoices, please validate that the POs have been shipped and invoiced in DSCO.

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Order Cancellations

DSW must be notified immediately of all order cancellations via the 870 EDI file or by manually cancelling in the DSCO portal. Orders must be cancelled within 24 hours of receipt of transmission. Once an order is cancelled within the DSCO portal, a reversal cannot be executed. Any cancellation made in error must be communicated to DSW immediately. ***Note***: Orders cancelled in error can no longer be invoiced, and the vendor will assume responsibility for the cost of the item(s) contained on the order shipment.
In addition, cancellation rates should not exceed 2% of imported units per week. DSW will remove inventory and pause the account when cancellation rates hit or exceed 2% of imported units for more than one week, and will have the option to remove the Vendor from the drop ship program altogether.

Warehouse Closures

DSW must be notified at least 30 days in advance of all warehouse closures (i.e., physical inventory, inclement weather, holiday, WH move, etc.), so appropriate action can be taken to remove drop ship product from DSW.com to mitigate order delays/cancellations during this timeframe. In addition to notification, vendors must also execute the following:

- ***Vendors are required to transmit a zero-inventory file prior to their closure and resume sending positive inventory upon resuming normal business hours***.
- All outstanding orders must be shipped clean before the beginning of the closure.
- Planned warehouse closures ***must*** be entered into the warehouse calendar within the Warehouse Manager in DSCO, so they are considered when calculating SLAs. Additionally, regular business days and hours must be configured in the warehouse calendar. Information on how to set up a warehouse calendar can be found [here](#).

Note: Failure to communicate warehouse changes or closures to DSW can result in suspension of Vendor's participation in the drop ship program. Additionally, Vendors that fail to provide DSW advance notice of such changes or closures will be subject to chargebacks for any resulting order delays/cancellations (i.e., customer appeasement offerings, expedited shipping expenses).

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Shipping Requirements

Outlined below are the shipping standards that must be maintained to participate in DSW's drop ship program. Failure to ship within these requirements will result in chargebacks and/or removal from the DSW drop ship program.

- **Order Fulfillment Rate:** All DSW drop ship orders *<u>must</u>* be shipped within the agreed upon Service Level Agreement (SLA) of 24 hours. Failure to ship in compliance with SLA will result in drop ship brand removal from DSW.com and pending orders will either be cancelled or requested to be shipped expedited at the vendor's expense.

- **856 Ship Notification (ASN):** DSW requires the 856 EDI file for all order shipments. If a 997 acknowledgement has not been received in confirmation of the 856 transmission, the ASN should be resent.
    - The shipment file must contain a valid tracking number; shipment files with a blank tracking number will not process.
    - The shipment file must be sent *<u>prior</u>* to the 810-invoice file. If the invoice file is received before the shipment file, the invoice will not process.
    - The shipment file must contain the ship date of the order.

- **Ship Method/Account Info:** All drop ship orders are required to be shipped via *FedEx Home Delivery* utilizing DSW's 3rd party FedEx account (below). DSW does not accept invoices for drop ship order shipments and will not be liable for payment of shipping expenses incurred using an alternate parcel carrier account.

- Failure to use DSW required shipping method will result in a charge back of $4.50 per occurrence and Vendor will be required to reimburse DSW for any additional costs or charges incurred by it as a result of such failure.

- Failure to utilize DSW's 3rd party billing address will result in a charge back of $8.50 per occurrence.

    - *FedEx Account #*: 380220458
    - *3rd Party Billing Address:* 4314 E Fifth Avenue, Columbus, OH 43219
    - *Ship From/Return Address on shipping label:*
        DSW Returns
        32 Springside Road
        Westampton, NJ 08060

Please note, FedEx Home Delivery does not deliver to PO/APO/FPO boxes or outside of the contiguous United States. If you receive an order with one of the above addresses, please ensure that you are cancelling the order versus changing the ship method to accommodate.

Shipping Materials

- DSW has gone paperless and no longer requires a packing slip, black sticker, or other collateral to be added to the order. Please do not add anything to the box for your drop ship orders.
- No branding or markings should be on the outside of the package that could indicate its contents.
- Poly bags or shrink wrap can be used if they are opaque. Please submit a photo for approval if this packaging is to be used.
- The usage of self-ship container (SIOC – ship in own container) must be approved by DSW prior to implementation.

Common Transmission Errors

- 850: If orders are listed as exceptions in the DSCO portal, or an email is received regarding orders out of SLA, and those orders are not present in the vendor's systems:
    - The vendor will need to retransmit the orders from DSCO to their systems using the information in the links below:
        - Interactive walkthrough in the portal: [Resending Orders from Dsco](#)
        - Documentation article: [Resending Orders from Dsco](#)
    - DSW and DSCO **cannot** retransmit these orders on behalf of the vendor.
- 856 ASN
- 810 Invoice
- Common errors on ASNs and Invoices that cause them to fail in DSCO, as well as their associated resolutions, can be found [here](#).

Note: DSW **cannot** grant access to additional users to the DSCO portal. This must be managed by the vendor, by the individual that set up the original DSCO account from the initial onboarding invitation.