



DSW Drop Ship Program: Vendor Frequently Asked Questions

What fees are associated with the drop ship program?

DSW executes the drop ship program via a 3rd party EDI platform, DSCO, which has non-negotiable fees associated for both DSW and the vendor. Below is an outline of the fee structure:

- DSW's Payment Terms Net 60
- DSW does not pay Handling Fees
- Return Allowance (comes off the invoices at time of payment by DSW Accounts Payable)

What EDI files are required to participate in the drop ship program?

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. No manual updates may be executed within DSCO. Below is an outline of the required EDI files:

- **810**: Invoice File
- **846**: Inventory File (*required daily*)
- **850**: Purchase Order File
- **856**: Ship Notice File
- **870**: Cancellation File (*optional*)

Does DSW require a UPC catalog?

Yes. All drop ship vendors must have UPCs available for download via an online catalog.

Does DSW.com update inventory in real time?

DSW.com does not update inventory in real time. Inventory is updated once per day and decrements until the following day, when the latest inventory file is received and processed. DSW requires a **daily** updated 846 EDI file to ensure inventory is accurately reflected online.

Does DSW prefer a general pool of inventory, or should inventory be set aside?

DSW accepts either means of inventory; however, a general pool of inventory that is shared with other retailers is commonly preferred. DSW applies an internal safety stock of 8 units per UPC to mitigate order cancellations. Therefore, in order to have an inventory position visible on DSW.com, 9+ units per UPC must be transmitted on the inventory file.

What is the protocol for discontinued styles or items that are no longer in stock?

If an item is discontinued or no longer in stock, DSW must receive a zero OH quantity per UPC on the 846 EDI file **prior** to removing the item from the inventory feed. DSW does not allow backorders; all items that are unavailable should be cancelled immediately.

***How should DSW be notified of order cancellations?***

Cancellations should be executed via the 870 EDI file or a direct comment on the order in the DSCO portal. Orders should be cancelled within 24 hours.

What are the expectations for drop ship order fulfillment rate?

DSW requires all drop ship vendors to ship orders within 24 hours.

How does DSW handle invoicing for shipping expenses associated with drop ship order shipments?

DSW does not accept invoices for shipping expenses associated with drop ship order shipments. All drop ship orders are required to be shipped via FedEx Ground Home Delivery utilizing DSW's 3rd party carrier account (account information to be provided at time of launch). DSW will not accept handling fees.

Below is an outline of specifications for the invoice file:

- **Invoice File Timing:** 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.
- **Handling Fees:** DSW does not accept handling fees
- **Item Cost:** Cost adjustments should be communicated to the drop ship specialist to update at least 7 days in advance of the change in the vendor's system. Orders received prior to 7-day notice of cost change should be invoiced at the expected cost. In the event of a cost dispute, orders are to be shipped in accordance with SLA of 24hrs. Failure to ship orders due to cost discrepancies can result in brand being removed from DSW.com.
- **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 be processed.
- **Fees:** FedEx or UPS shipping charges for address corrections can be submitted manually to the DSW Vendor Finance team by emailing a separate invoice to DropShipInvoices@dswinc.com, within 90 days of issuance. Invoices submitted after 90 days of issuance will not be honored.

When should the DSW Drop Ship Assortment team be contacted?

Once a vendor is operationally approved to participate in DSW's drop ship program, a designated merchant contact will reach out to request the initial assortment. Once a drop ship vendor is live on DSW.com, all future assortment-related correspondence should be directed to the respective merchant teams relevant to the assortment offering.

Below is an outline of topics that are owned by the DSW merchant team:

- Assortment selection
- Adjustments to pricing/cost/MSRP
- Site status for selected assortment items
- Vendor provided information (VPI) – Images/Copy