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Volume 1, Issue 4

We welcome your feedback at ItemMDMVIP@kroger.com Please include the word 'newsletter' in your subject line.

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Questions on these topics or the data score-card?

Webinar Dates

Sept 11th, 1pm-2pm

Sept 20th, 2pm-3pm

Register [Here](#)

To Our Valued Suppliers

Hazardous Product Compliance System (HPCS) and Item Setup Impact

What's changing?

To support Kroger's Hazardous Product Compliance System (HPCS), we will be implementing changes to our item setup process. Product classified by the vendor as hazardous in Vendor Item Portal (VIP) will be subject to additional validation to ensure it is registered in Underwriters Laboratories (UL) WERCSmart database. The item setup process will cease until that product has been registered by the supplier in the UL WERCSmart database.

System changes in the VIP will take effect on **September 5th, 2018**. If New Item Forms (NIF) are used, validation checks similar to the VIP process will be implemented.

When is a product considered hazardous?

If a supplier selects any of the boxes (see picture below) in the VIP or Kroger New Item Form (NIF), the product is considered potentially hazardous. Please keep in mind that many states, such as California, have stringent regulations concerning the definition of a hazardous product.

How will this affect you?

The following scenarios outline the handling of hazardous product during the item setup process.

Scenario 1: Product is registered in UL WERCSmart and submitted for the first time.

When supplier submits the item, the automated verification process can take up to 24 hours before it is visible to the Category Manager. From there the item setup process will continue normally.

Scenario 2: Product that is already verified in UL WERCSmart is being re-submitted.

It will continue through the item setup process without delay.

Scenario 3: Product is not registered in UL WERCSmart and submitted.

The automated validation process will reject the item. Prior to resubmitting the product to Kroger, the supplier will need to register it in UL WERCSmart. This could take several days depending on how quickly and accurately the supplier registers their product. Once resubmitted, the automated validation process can take up to 24 hours before the item is visible to Category Managers. Item setup will then continue normally.

Does this impact items that are already set up?

Yes. The next time an item comes through VIP, such as a new sales or seasonal event, it

will be subject to the UL WERCSmart validation.

Are there efforts in place to notify suppliers of existing product that may be hazardous?

Over the past 4 years, Kroger has sent letters to our suppliers. The most recent was sent in June 2018 (available [here](#)). Kroger has identified existing items we believe are potentially hazardous and not registered in UL WERCSmart. We are in the process of contacting suppliers of those items. Once they have registered the items in UL WERCSmart they will no longer receive notifications.

What is my role when onboarding new product or resubmitting existing product?

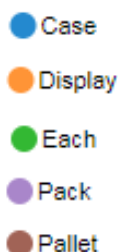
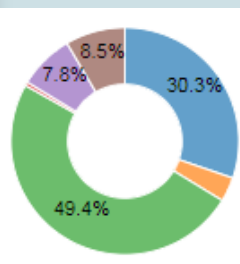
When working with Kroger to carry a new product OR when being asked to resubmit an existing item, it is necessary to determine if the product may be considered hazardous and if so make sure it is registered in UL WERCSmart PRIOR to submitting to VIP.

For additional info:

- Details on Kroger's UL WERCSmart requirements: <https://www.thekrogerco.com/vendors-suppliers/regulatory-compliance-assessment-wercs/>
- UL WERCSmart website: <https://secure.supplierwercs.com/Home/ssologin?sourceService=PORTAL>
- Questions about Kroger's WERCSmart initiative can be directed to our WERCS email: wercsinfo@kroger.com

WERCS Product Classification

BATTERY OR BATTERY-CONTAINING PRODUCT
 PERSONAL CARE PRODUCT
 CONTAINS A CIRCUIT BOARD OR ELECTRONICS
 LIGHT BULB-NON INCANDESCENT
 NONFOOD CHEMICAL-CONTAINING PRODUCT
 OVER THE COUNTER PHARMACEUTICAL AND/OR NUTRITIONAL SUPPLEMENT
 PRODUCT DISPENSED BY AEROSOL OR BAG-ON-VALVE METHOD
 FLAMMABLE/COMBUSTIBLE



Data quality is important to both suppliers and retailers and makes a difference in what displays online to customers!



Master Data Management (MDM) and Product Information Management (PIM)

How should a supplier best support Kroger's item data needs?

Kroger is working to create a single source of the truth for all of their master item data. The single source of the truth is going to be our MDM, which is fed by information input through our VIP by our suppliers.

Today, in an effort to get digital attribution quickly, some parts of the organization are getting data from sources other than our VIP/MDM, and so in the short term, suppliers may be asked to supply data/information through alternate sources.

We are actively working with the Kroger digital technical team to make VIP/MDM the source of master item data and images that we use for ClickList and our other digital platforms.

The best way to provide Kroger with all the right information about your products for both brick and mortar and digital platforms is to ensure that all of your items have been submitted with all appropriate attribution in the Kroger VIP. Verify that all items have been submitted and that all contacts are updated.

What is PIM?

PIM (Product Information Management) is the newest

part of Kroger's item master data solution; it supports our goal of having consistent, rich, and accurate product data. PIM is a web-based application with a simple user interface as well as role-specific workflows and dashboards, allowing for a streamlined, collaborative process. For our suppliers and our Category Managers, PIM should be an invisible part of our item setup process—items are still submitted through our VIP and will flow to MDM.

What does this mean for Kroger?

PIM will work cooperatively with our MDM to serve as the backbone for Kroger's Enterprise Item Strategy: the ability to capture millions of items, with rich and accurate attribution, available across all sales channels. We need additional infrastructure to support our ability to scale with the needed digital growth in assortment and attribution. With PIM's technical performance, as well as the streamlined processes around item validation, we are solving both the technological and human workload barriers that were preventing a multi-million product catalog.

What does the future look like with PIM?

Getting items into our catalog is only one step; having accurate and useful infor-

mation about the product is just as critical. We will be able to build automated data quality rules which means that we can move item validation tasks further upstream where they will be handled by machines and logic, instead of manual review. In addition to the automated data quality rules, we have made role specific workflows and user interfaces, showing only the relevant attributes and validations needed to perform that task. This allows users to be more productive when manually reviewing data. We are currently in the infancy of utilizing our PIM capabilities, with many iterations to come.

In the future, PIM will act as the single source of truth for all master item data across the Kroger, feeding data to all operational systems and digital platforms. Work involving master item data that is currently performed in various downstream systems will move into PIM, prior to items being setup and flowing to these systems, so that Kroger can have one consistent item record. We will also continue to investigate possible integrations with new technologies such as machine learning and artificial intelligence, and how these options could help us meet our long-term vision.

Supplier Hub

Supplier Hub is here! Kroger has implemented a new centralized vendor management system where contact information and compliance documentation will be stored.

The Supplier Hub ensures we know who our suppliers are, that they are assessed for compliance and that every supplier we work with is worthy of our customers' trust.

The Supplier Hub will be the ONLY gateway into our vendor payment system. It is important for vendors to

promptly contact us to begin the setup process.

This new process means less updates using spreadsheets for payments, stop storing certifications in lasta, start using the Supplier Hub to make updates, and start entering supplier/facility details into the Hub.

Benefits for the supplier:

- Easier onboarding
- A single repository, with clarity on required documentation
- Simplified Standard Vendor Agreement (SVA)

- Faster food safety certification.

Look for an email invitation from Kroger. When a new vendor is awarded business, your Kroger representative will send you an invitation to update your vendor profile directly in the Supplier Hub.

Existing Kroger Vendors and Suppliers will be invited to update their vendor profile directly in the Supplier Hub.

As a Kroger Vendor you will be required to provide your corporate DUNS# (Dun and Bradstreet number). If you

don't know your numbers contact Dun & Bradstreet (D&B) directly: <https://iupdate.dnb.com/>

Find out if you are a vendor or supplier and get a jump start on the process by sending an email to:

SupplierCompliance@kroger.com with "Supplier Hub Vendor Request" as the subject line.

For more information about this process and the documentation required for a Supplier Hub profile approval, click [here](#).

Supplier Integrity



GTIN Reuse No Longer Allowed

In 2015, GS1 was challenged by global industry members, to evaluate the use of Global Trade Item Number (GTIN) as a globally unique, pervasive, identifier. They evaluated the negative and positive impacts of ending GTIN reuse in all industries and sectors.

They found that GTIN reuse creates confusion online, where products may live forever, in listing processes, where catalog data may be out of date, and for brands

with products in multiple sectors.

The old standard allowed for GTINs to be reused after 48 months in general, or after 30 months in apparel, but never in healthcare, and never in technical industries with directly marked parts.

Starting **December 31, 2018**, GTIN reuse will be eliminated in all sectors. In other words, a GTIN allocated to a trade item SHALL NOT be reallocated to another trade item, regardless of

sector.

There are two notable exceptions:

If a GTIN has been assigned to an item, which was then never actually produced, the GTIN may be deleted from any catalog immediately without first being marked as discontinued. In this exceptional case, the GTIN may be reused 12 months after deletion from the seller's catalog.

Trade items that have been

withdrawn from the market and are reintroduced may use the original GTIN if they are reintroduced without any modifications or changes that require a new GTIN as specified by the GTIN Management Standard.

More information will be coming in future newsletters. The intent of this message is for information sharing and to begin strategy planning.

For questions, click [here](#) for more information or email GTINReuse@gs1us.org.

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Accurate and complete data, in a timely manner, is our goal!



VIP Update

For the August release (8/11/18) we made the

Attribute Spreadsheet available outside of the Vendor Item Portal once again. It is found on the Kroger landing page (<https://www.1worldsync.com/community/customers/kroger/>) under Quick Links on the right hand side of the page, about half way down.

For the time being, we will also keep it as a link inside VIP, which will redirect to the external link. This should make it easier to use as a reference document without having to log in to VIP.

How to Corner – Designating a Shipper in VIP

Suppliers must use the Kroger VIP to designate item hierarchies as basic stock, shipper, assorted case, or dynamic assortment to ensure the correct item setup in downstream Kroger systems. Before submitting a new item, suppliers are encouraged to confirm the hierarchy type with the appropriate category manager/buyer.

An item hierarchy that contains a single consumer GTIN is usually considered basic stock. Basic stock items comprise the majority of item hierarchies submitted to Kroger, usually to support a planogram event.

An item hierarchy is designated as a shipper if EITHER of the following two conditions is met on the Kroger VIP:

1. The item hierarchy contains multiple consumer GTINs and is NOT designated as a dynamic assortment or assorted case as described in the other sections below, OR
2. The item hierarchy contains a single consumer GTIN (A) AND an appropriate Display Type attribute (B) is selected for the dispatch unit.

Selections other than “SHIPPER” for the Display Type attribute for the dispatch unit on the Item screen

| Information Provider: | Status: | Assigned To: | Kroger CIC State: | Product Type | Product Description | Brand Name | GTIN(Global Trade Item Number)/Item Identifier |
|-----------------------|---------|--------------|-------------------|--------------------|---------------------|--------------|--|
| | | | | Mod Pallet (Mixed) | | XXXXXXXXXXXX | XXXXXXXXXXXX |
| | | | | Each | | XXXXXXXXXXXX | XXXXXXXXXXXX |

Display Information:

| | |
|--|------------------|
| Trade Item is a Display Unit: | Unspecified |
| * Has Display Ready Packaging?: | True |
| Display Type: | SHIPPER B |

are acceptable for designating the item as a shipper; the field must be populated.

Shippers are allocated rather than reorderable by the stores.

The item hierarchy does not have to include a “Display” or “Pallet” product type to be designated as a shipper.

Any questions on this or any other topic in the newsletter, please email the SEG team at ItemMDMVIP@kroger.com Please include the word ‘newsletter’ in your subject line.