OPTIMIZE FREIGHT MANAGEMENT AND SPEND, DRIVE RETAIL COMPLIANCE

UNDERSTANDING PREPAID VS. COLLECT DELIVERY

Retail compliance has become a topic of national interest and debate – forcing suppliers to evaluate and ask the question, what is the best way to manage tight retail shipping requirements? A common misconception in the CPG industry is that it is always a better choice to let a retailer handle pickup and delivery of products to avoid retail compliance issues.

The truth: suppliers still see chargebacks when opting for collect, or customer pick-up shipping. What's more, by controlling transportation, suppliers often see operational savings and an increase in margin.

Master retail compliance and optimize your spend by understanding the difference between Prepaid and Collect – then assess which freight management process is right for you.

PREPAID VS. COLLECT

	PREPAID	COLLECT
RESPONSIBLE FOR TRANSPORTATION	Supplier & RJW	Retailer
ROUTE MANAGEMENT	RJW	Retailer
MERCHANDISE PICK / PACK / LABEL	RJW	Supplier
ON-TIME DELIVERY % REQUIRED	OVER 98%	50-60% LTL, 85% forT L
LEAD TIME	7 to 10 Days	14 to 21 Days
ORDER REVIEW	1 to 7 times per week	1 to 2 times per week

1

RJW LOGISTICS GROUP — SUPPLY CHAIN INTELLIGENCE SERIES
Optimize Freight Management and Spend, Drive Retail Compliance

THE BENEFITS OF A PREPAID PROGRAM

Drive Optimal Delivery Performance

When working in a Prepaid Program, suppliers must meet or exceed 98% On-Time, 99% In-Full delivery. Whereas in a Collect Program, suppliers are held to a different delivery standard by the individual retailer. This means that a reliable retail logistics partner drives suppliers' ability to meet these requirements – allowing products to have stronger, more consistent on-shelf presence – driving higher sales, improved supply chain performance and eliminated retailer fines.

Reduce Lead Times

Unlike Collect, a Prepaid Program puts suppliers in charge of their production and inventory review schedules - offering shorter lead times, greater flexibility and increased control across the supply chain. With shorter lead times to store shelves, products are more frequently in-stock and available to consumers both in-store and online, leading to more opportunities to convert new customers.

Streamline Compliance + Increase Visibility

To ensure compliance with specific retailer requirements, partner with a 3PL that offers a comprehensive suite of Value-Added Services. Leveraging a full-service 3PL's packaging, labeling, bar coding, point-of-sale display services and more, suppliers can move their products through the middle mile efficiently and with as few outside vendors as possible. This control affords suppliers valuable data-driven insights to make better business decisions that drive their company forward.

Remove Unexpected Costs

Hidden fees can drastically change any budget and make it hard to plan ahead. Leverage a fully integrated retail logistics expert that offers a transparent pricing model. Through a price transparency approach, suppliers gain insight into all fuel surcharges and administrative fees – making it easier to determine freight factor and make better bottom-line business decisions. Often times when a supplier uses a retailer's collect transportation program, they lose control over scheduling, which can in turn also cause unexpected freight fees.

> Turn freight management into a business advantage by leveraging a retail logistics expert to drive compliance and scorecard performance, optimize freight spend and enhance supply chain efficiency.

Visit our website at rjwgroup.com or call (630) 424-2400.

For additional CPG retail logistics insights follow us on LinkedIn at linkedin.com/company/rjw-logistics.