



"Partners In Retail Growth And Success"

January 24, 2024

TO: Our Vendor Trading Partners

FROM: URM Stores

RE: New Item Policy

As you are aware, new items are a very important part of the grocery business. From the manufacturer, through the distribution channel, to the consumer, our goal at URM is to be the first in the marketplace on the availability of new items. To that end, we would appreciate your help to accomplish that goal by following these guidelines.

- 1) All new items should be presented to us at least 8 weeks before the first ship date. This allows us time to review the category. When presenting new items to the URM Category Management team, a suggested list of possible discontinued items from you based upon our sales numbers is helpful. Please be prepared to answer the following questions: Are the new items unique or "me too" items, variety versus duplication? What is the vendor's track record on previous new items? How much advertising will there be on the new items? Will the items fit in the sections at store level? What were the test market results? What other retailers in our market are stocking the item? How will you get the new item to the retail shelf? A local sales representative or local brokerage may be required if URM takes on the new item(s).
- 2) All new items need to be presented on the URM New Item Presentation sheet along with a live sample of the item(s). A vendor's spec sheet showing the product specifications (weight, cube, T x H, UPC, etc) is very helpful. Also, a JPEG picture of the item is required if the item is accepted. URM will put the item in our monthly New Item Bulletin along with the pack/ size, store cost, and URM code number that we send to all stores. Dated products will require a certain amount of shelf life on the merchandise at the time we receive it. Check with your buyer for our required dates.
- 3) We require a "guaranteed sale" on all new items. If a vendor will not stand behind their product, why should we? The buyers will review the new items at 60, 90, and 120 days after they have been received. At your request, we can provide you with a list of stores that have not ordered the product. If the item does not meet our sales expectations after 120 days, your company or company representative will be notified in writing or e-mail at the time the item is flagged "To Be Discontinued" by URM. You will be furnished with our on-hand inventory as of that date. Thirty days from the date you are notified, we will salvage all remaining merchandise and you will be invoiced for the difference between the salvage price and our sell price. Perishable

products that go outdated before the 30 days have elapsed will be destroyed and you will be invoiced accordingly.

- 4) Provide a current vendor price sheet with all price brackets and terms.
- 5) If there are allowances available, please fill out a URM promotional form and attach the original vendors promotional notice letter.
- 6) If the new items are not accepted, we will send back the new item sheet and a reason why we did not take the items on. For accepted items, we will provide you with the URM item codes and sell prices 30 days before the merchandise arrives at URM. This allows you time to present the items to the ad groups and implement your 6-month promotional planner.

Vendors are required to complete a "Vendor Information Sheet" when presenting new items. A couple of key points on this updated form are:

- Please attach a copy of the vendor's certificate of product liability insurance for new vendors that you are presenting to URM. We require a minimum of \$2,000,000 in liability coverage.
- The success of new items is very important, and the marketing strategy is a key part of that success. Under the item description is a field that you will enter the total number of ads and TPR's that you plan on presenting to the URM ad groups for the first 6 months of the new item(s). We do not need the specific URM group marketing plans. Without a marketing plan it is very unlikely that we would bring the items on unless it is a line extension of an existing proven line.
- Provide the EDI contact person for the vendor. Our goal is to reduce paper and the costs of faxing purchase orders and manually reconciling invoices.

The new item form, along with other URM forms, is available at www.urmstores.com.

This process will speed up and improve the set up of new items. Please forward this information to the appropriate personnel in your organization.

Thank you,

Mike McShane
VP Procurement, Profit Centers &
Category Management

Cecil Boyd
Director of Procurement & Category Management