



Discussion Points for SBT Protocol Agreements

Dated: December 2004
Updated: March 2007

DISCUSSION POINTS FOR SBT PROTOCOL AGREEMENTS

AREA	PREFERRED	REQUIRED	NOT ACCEPTABLE
Scanners	<p>Scan full UPC code including magazine issue.</p> <p>Scanner reliability monitored and tested.</p>	<p>Scanner reliability monitored and tested.</p> <p>Identification of magazine title as unique inventory item in the master catalogue.</p>	<p>Magazines identified by price points or retailer specific inventory ids that are not title specific.</p> <p>Shared general merchandise key with other product.</p> <p>No allocation method for reallocating "unidentified magazine sales".</p>
Transmission of Data	<p><u>Direct from Retailer:</u> Retailer provides scan data <i>for magazine category</i> (direct to CMG) electronically within 24-hour period (preferably in our Std File Format (see Attachment III), via EDI x-12 (#852) transaction or via a web site exchange.</p> <p>Provide a periodic update of customer (Chain / Store – #864) information. See Attachment IV.</p> <p>Provide the scan data for all titles sold for the chain.</p> <p><u>Direct from Wholesaler:</u> Wholesaler, via interpreting the Retailer POS data from handhelds or merchandising efforts, provides scan data daily in agreed upon standard formats directly to CMG.</p>	Same	<p>No access to scan data or limiting access to wholesaler only.</p> <p>Passing data along to wholesaler only or passing along data that is NOT in required format or is rendered useless because of transmission or content problems.</p>

AREA	PREFERRED	REQUIRED	NOT ACCEPTABLE
Transmission of Data (continued)	See Attachment IV. Provide a periodic update of customer (Chain / Store) information. See Attachment III and Attachment IV. Provide the scan data for all titles sold for the chain.		
	Distributor provides order regulation data monthly per our IMPACT data requirements. See Attachment III. Provide direct assistance if questions occur regarding reliability / integrity of data.	Same	No order regulation data.
Other EDI Capability	Must be able (at the store level) to: <ul style="list-style-type: none"> - Synchronize bar code data - Accept ASN's - Provide customer file updates - Transmit to/from 	Same	
Issue Code Identification	Retailer scans the full GTIN including the issue code.	Merchandising Data (i.e., date/time stamp) from appropriate in-store service partner which identifies product movement at the store level.	No data to interpret issue code related to the sale.
Shrink	Maintain a maximum of XX% (or less) shrink for magazine category by store. Percentage will be determined in the protocol terms.	Same	
	Agreement on allocation of shrink b/t retailer, wholesaler and publisher. Establish settlement in Protocol Agreement.	Same	No discussion or agreement concerning shrink.

AREA	PREFERRED	REQUIRED	NOT ACCEPTABLE
Inventory	Establish terms in Protocol Agreement.	Establish terms in Protocol Agreement.	Establish terms in Protocol Agreement.
Auditing	Set-up independent 3 rd party audits of scan data (and shrink) every month. See recommended audit work program in Attachment II. Provide means for continued monitoring of shrink" on a sample basis across stores.	Allow for audit of shrink calculations by wholesaler or publisher upon request. Provide means for continued monitoring of shrink on a sample basis across stores.	No audits of scan data.
	Engage a 3 rd party auditor to perform an annual independent attestation review of the internal controls environment.	Same	No independent internal controls review.
Check-In of Product	Provide checks & balance for accuracy of bundle counts and bundle content.	Same	No monitoring controls at check-in.
Returns	Must allow wholesaler to scan returns prior to destruction. Must provide secured, reliable destruction processes that can be periodically audited.	Same	Unsold magazines (or covers) not sent back or properly destroyed at retail / wholesale outlet.
Galleys	Must agree to check-in galley product fully.	Same	
Invoicing	Provide automatic payment of sold product every XX days. To be determined as part of the protocol terms.	Provide automatic payment of sold product every XX days. To be determined as part of the protocol terms.	Hold payments from scan data.
	Allocate / Track shrink based on protocol agreement.	Same	
Point of Sale Data – Historical	CMG requires 12 months of prior historical POS data for the entire category. Test will continue until all parties are comfortable with the integrity of the point of sale data.	Send 6 months of prior historical POS data for the entire category. Test will continue until all parties are comfortable with the integrity of the point of sale data.	No test of point of sale data.

AREA	PREFERRED	REQUIRED	NOT ACCEPTABLE
Order Regulation Data – Historical	See Attachment III O&R data requirements. If not a participant of IMPACT, then the distributor should provide 12 months of order regulation data for the same time period as the POS data for the entire category.	Same	No order regulation historical data.
Due Diligence Review	CMG will perform an on-site due diligence review by a team of CMG professionals to assess readiness.	Same	No due diligence review.