

# UPCOMING SYSTEM CHANGES - VENDOR IMPACTS

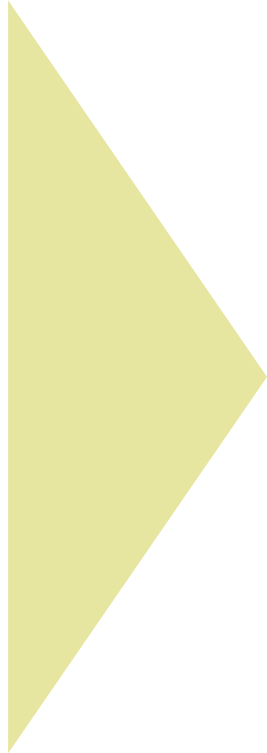
JANUARY 2021

# OVERVIEW

## Summary

Nordstrom is modernizing and migrating our merchandising and accounts payable system platforms in late January/early February to enable a simplified and standard ecosystem across all our channels.

Our supplier community is a vital component of this change and we are therefore providing you with awareness of the impacts and actions needed to support a smooth transition with minimal disruption.



## Outcomes

- These changes will move all JWN business units to a single merchandising and accounts payable platform.
- This will allow us to provide better data accuracy both internally and externally which will support our ability to quickly respond to changing customer needs.
- These changes also lay the foundation for the future move to a cost accounting methodology (target February 2022), which will enable us to become more data driven with a more granular level of data.

# SYSTEM CHANGES | VENDOR ACTION REQUIRED



## What are the System Changes?

- All US invoices will be processed through the same Accounts Payable system currently in place for Canada, and the legacy Accounts Payable system will be sunset.
- US Full Line Stores, and Nordstrom.com will be moving to the same merchandising platform as Off Price and Canada for all item, ordering, inventory, and purchase order management.



## When are the Changes in Effect?

- Beginning **January 31**: All US Off Price invoices will be processed through the new AP system.
- Beginning **February 9**: All US Full Price invoices will be processed through the new AP system.
- **February 6<sup>th</sup> – 9<sup>th</sup>** : Conversion of US Full Price to new merchandising system.
- **February 9**: All business units fully operational in a single merchandising system.

## VENDOR ACTION REQUIRED

Follow new invoice requirements NOW to avoid potential payment delays

Review new EDI functionality and update your EDI profile to enable if you choose to implement

# ACCOUNTS PAYABLE | NEW REQUIREMENTS

## New Invoice Requirements

- All US and Canada invoices must be sent with a valid UPC/EAN code beginning immediately
- Nordstrom will no longer be able to accept just a style code/number (qualifier VA). Invoices with only style information will reject, and vendor will need to resubmit the invoice in order to get paid.
- Please review your EDI invoice format to ensure you are sending the UPC/EAN Code
- A valid UPC/EAN which matches the original 850/PO or subsequent changes sent on all 810/invoices in the IT106 and IT107 (IT1\*1\*28\*EA\*2.45\*PE\*UP\*444444444444~)
- Nordstrom can receive EAN-8, UPC-A (12 digits), and EAN-13 Global Trade Item Numbers (GTINs) but does not support the EAN-14 (GTIN).

## What's Not Changing

- The current requirement of one invoice per Purchase Order, per ship-to location (DC), per shipment date remains in place. Invoices that do not comply are subject to rejection.
- The current drop ship process and requirements do not change.
- The same EDI ID you currently use to send invoices will remain in place.
- No change to Foreign/Import invoices.

For Accounts Payable questions contact [Merchap@Nordstrom.com](mailto:Merchap@Nordstrom.com)

# EDI, REPORTING, AND PURCHASE ORDER IMPACTS

## EDI Impacts:

- Vendors will now have the option to receive 850 FRs (Purchase Order Full Replacement), when changes are made to the Purchase Order full PO details are sent vs. only changes sent via 860
- Vendors currently setup for 860s will continue to receive 860s
- To update your EDI profile to receive 850 FRs contact [EDIsetup@Nordstrom.com](mailto:EDIsetup@Nordstrom.com)
- NPG vendors receiving 850 FRs will continue to receive 850 FRs in the current scheduled manner
- Vendors will not receive EDIs Feb 6<sup>th</sup> – Feb 8<sup>th</sup> during system downtime
- Contact [EDI.Group@Nordstrom.com](mailto:EDI.Group@Nordstrom.com) for all EDI Technical questions

## Supplier Reporting Impacts:

- Expect reporting delays the week of Feb 8th, status updates will be posted on the supplier portal

## Purchase Orders:

- US Full Price purchase orders written prior to conversion will be systematically converted to the new platform with the same PO# without disruption to our vendors. No action required!