

## Orchard Dropship FAQs

### 1. Who is Bluestem Brands' EDI dropship service provider?

Bluestem utilizes CommerceHub to manage/support the integration of our dropship program. We do not support direct connectivity with our vendors for dropship. All partnerships/connectivity must be via a CommerceHub account.

Each vendor will need separate connectivity/vendor ID with CommerceHub to distinguish between the Fingerhut versus Orchard Brands business.

### 2. What are the integration requirements?

All vendors must connect via CommerceHub for the dropship program. CommerceHub offers a web browser interface (Order Stream) or integrated connectivity options, including EDI via a VAN, sFTP and AS2.

Bluestem requires the following documents to be exchanged:

- Inventory Feed (EDI 846 or equivalent) - Must be sent daily

#### **Inventory Feed Requirements:**

Vendors are required to zero out inventory the same business day for out-of-stock products. We request data that is entered into the vendor sku field, is the data that you require back on the PO, so you know what is being ordered. We will enter the data populated in the vendor sku field in our system so that when po are created you are getting the right data. The vendor sku field data can either be a UPC code or your unique Item SKU number (Your model number) whichever one you provided Orchard Brands. In most cases this is the UPC code. This is required for the automated inventory process to work correctly.

- Dropship Purchase Order (EDI 850 or equivalent)
- Functional Acknowledgement (EDI 997 or equivalent)
- Shipment Confirmation/Cancel Acknowledgement (EDI 856 or equivalent) - Must ship complete at the line-item level
- Purchase Order Cancel Request (EDI 860 or equivalent)

### 3. What are the costs?

Costs for browser and integrated solutions in CommerceHub:

- Order Stream Browser: \$750 setup, \$65/month, \$0.50 per order
- Integrated Connectivity: \$1,750 setup, \$65/month, \$0.50 per order

One Time Setup Fee for Orchard Brands includes (Appleseed's, Draper's & Damon's, and Blair)

Monthly Fee for Orchard Brands includes (Appleseed's, Draper's & Damon's, and Blair)

### 4. How often should I send inventory updates to CommerceHub?

At a minimum, we expect a DAILY inventory file to be sent. Vendors are required to zero out inventory the same business day for out-of-stock products.

### 5. How will I distinguish specific Orchard Brand orders?

Orders will indicate a sales division, so you will see any of the Orchard Brands (i.e., Appleseed's, Draper's & Damon's, and Blair) so it is important you are mapping that field internally to determine which brand's packing slip needs to be used.

**6. Is a packing slip required with each shipment?**

Yes, each package or carton must contain the appropriately branded packing slip. Please note that Fingerhut's packing slip differs from the individually branded versions at Orchard (see attached example).

Bluestem does not currently have an online returns process.

**7. What address should be used on the shipping label?**

Please ensure you are including the correct returns address to be printed on the shipping label:

Orchard Division (Appleseed's, Draper's & Damon's, and Blair)  
148 Industrial Blvd  
Eatonton, Ga 31024

**8. What happens with returns?**

Return programs are negotiated with the buying team and should be noted in Active Community Manager/ACM (Bluestem's database) when the original paperwork is initiated.

**9. What are your shipping product requirements?**

- We ask that all packages are shipped in an appropriate size carton or polybag and must be packaged to protect the goods during outbound shipments.
- We expect vendors to process consolidated purchase orders. For multiple carton shipments, vendors must enclose a copy of the packing slip in EACH carton.
- No pricing of any kind should be visible on the product.

**10. How should products be shipped?**

All shipments are prepaid by Bluestem. Small parcels are shipped via FedEx ground and each Orchard sales division will have a separate FedEx Ground account number. The account numbers will be provided once you are set up on our system.

**11. What does FedEx need to process small parcel shipments?**

Vendors must transmit accurate shipping carton dimensions to FedEx using the package level detail or system generated end of day shipment reporting. Bluestem incurs FedEx chargebacks if not available or accurate.

**12. Who should the vendor contact if an item cannot ship using the provided ship method?**

It is critical the supplier uses the shipping method provided on the purchase order. For any issues, please contact [orchardbrands-dropship@bluestem.com](mailto:orchardbrands-dropship@bluestem.com).

**13. What if the dropship cost is incorrect on a Purchase Order?**

Bluestem systems maintain the cost coming over on dropship orders and is inclusive of any dropship fee. If a cost is incorrect, please reach out before it is shipped or cancelled to [orchardbrands-dropship@bluestem.com](mailto:orchardbrands-dropship@bluestem.com) so they can work with the buyer on cost approval. We are not able to re-transmit the purchase order but can update the cost before the ASN is uploaded. If not caught in time, AP (Accounts Payable) will need to reconcile the invoice.

**14. What if an item is on backorder?**

We do not accept backorders or substitutions. Bluestem also operates on a kill or fill method. If you are not able to fulfil the entire line, it will need to be cancelled.

**15. What are the timing expectations once an order is received?**

We expect small parcel orders to be picked, packed, and shipped within 2 business days. There may be some categories or products such as personalized or truck ship in the future that have different lead times. These items need prior approval from dropship operations to manage lead times on these models.

Day one (1) of the fulfillment timeframe begins the day the dropship order is posted in the order broker. Orders posted to the order broker by 12:00 pm EST will be counted as that day's orders. Orders received after 12:00 pm EST are considered the next business day's orders. For orders received during reported national holidays and weekends, the fulfillment timeframe will not start until the next business day.

**16. When is an order considered late?**

A dropship order is considered "on-time" if the shipment confirmation has posted to the order broker by 3:00 pm EST on the 3rd business day for standard fulfillment, or 3:00 pm EST on the day following the last day of the extended fulfillment timeframe for non-standard orders.

**17. How is an order closed?**

Dropship orders are not considered to be shipped until a successful ship confirmation is received and the order is closed in CommerceHub. Shipment confirmations MUST include the complete, accurate tracking number transmitted in the appropriate segment or data field and indicate the actual carrier and service level used for the shipment following the SCAC codes provided by the order broker integration specifications.

Orders that age past the cancel date *may be canceled without prior notification*. Bluestem Brands will not be liable for payment once orders are canceled due to non-shipment, non-receipt of the proper documents to close the orders or vendor system issues.

**18. How is a dropship invoice processed?**

There is no separate invoice required or accepted for dropship orders. Invoicing elements are included with the shipment confirmation to the order broker and will be used to pay Vendor. Bluestem will issue payment based on the receipt date of the shipment confirmation plus terms. The term period will not begin until a successful shipment confirmation has been processed, including the unique invoice number.

**19. How are dropship fees incorporated?**

Vendor needs to work with the Orchard merchant to get new items set up in the system. Drop ship fees must be included with product cost for invoicing purposes. A separate invoice is NOT needed for the dropship fee.

**20. What happens if a PO Box address or address clarifications are needed?**

Please email [orchardbrands-dropship@bluestem.com](mailto:orchardbrands-dropship@bluestem.com) to obtain a customer's street address. Wait 2 full business days and if no response, please cancel the order as "cannot ship to PO box" reason code.

**21. What is the fill rate expectation?**

Bluestem expects that our dropship suppliers will fulfill 99% of orders.

## 22. What happens with system issues or warehouse closures?

Please contact [orchardbrands-dropship@bluestem.com](mailto:orchardbrands-dropship@bluestem.com) at least 7 business days ahead of any warehouse closure to determine next steps. Inventory may be taken down or lead times adjusted.

## 23. What chargebacks can be assessed for dropship orders?

- Late ship – if the order confirmation is not received within the agreed fulfillment time frame
- Oversell – if an order cannot be fulfilled and is cancelled after the standard 2-day fulfillment time frame
- Customer requested cancels and other reason codes the vendor cannot control are excluded
- ASN Error (SCAC) – if an incorrect carrier, service level or tracking number is provided in the confirmation

## 24. What are the chargeback fees?

The complete fee schedule is published in the vendor guide chargeback schedules:

- Late Ship = 2-4 days late: \$20; 5+ days late: \$25 per purchase order
- Oversell = \$20 per purchase order
- ASN Error = \$20 per purchase order

A \$50 monthly administrative fee is assigned to any vendor with dropship compliance in that month

## 25. If I have additional questions, who can I reach out to?

Dropship: [orchardbrands-dropship@bluestem.com](mailto:orchardbrands-dropship@bluestem.com)  
EDI: [EDI.Operations@bluestembrands.com](mailto:EDI.Operations@bluestembrands.com)  
Vendor Number/ACM: [Supplier.Management@bluestembrands.com](mailto:Supplier.Management@bluestembrands.com)  
Vendor Compliance: [vcompliance@bluestem.com](mailto:vcompliance@bluestem.com)  
CommerceHub: [CustomerSupport@Commercehub.com](mailto:CustomerSupport@Commercehub.com) or 1-844-HUB-HELP, ext. 2

Updated 2/2023