



RIA/UPS Shipping Program – FAQ’s for retail members

The UPS shipping discount program will be offered to RIA members as a premier benefit. Under the program, RIA retail members will receive substantial discounts with **UPS Small Package** on incoming/outgoing freight, third party dropships, and return freight. Larger LTL shipments will qualify for discounts as well.

How did the RIA negotiate this discount?

The RIA will offer the program in partnership with the United Shoe Retailers Association (USRA). The USRA has enjoyed this program for several years. Our new partnership with USRA enables us to qualify for substantial additional freight discounts. RIA will subsidize the program by paying a negotiated fee to the USRA that will allow all RIA members to become ‘affiliates’ of USRA and participate in the program.

How high are the discounts?

Discounts vary depending on shipping variables like delivery service type (two-day, ground commercial, etc.), carton size, and weight. That said, the RIA’s test of the model for ground commercial service resulted in an average discount of 35% on orders that ship within the program.

That translates to substantial annual savings. For example, an average-sized store whose average yearly freight costs are \$25,000 would save over \$8000. *That is almost 20 times your annual RIA membership dues!* For larger stores, yearly savings would be in the tens of thousands compared to the published UPS pricing vendors prepay and add to their invoices.

How is the program managed?

The program is managed by third-party contract provider, Parcel Management Group, who will handle the entire onboarding process for each RIA member.

The PMG service model extends well beyond the program set-up. They analyze your freight bills and provide guidance, set up routing with your vendors, and track your billing. Have a problem with a freight bill? Call PMG. They’ll get it



fixed, free of charge. PMG literally becomes your in-house freight manager, adding value well beyond the actual UPS discounts, and their services are 100% free of charge.

If their services are all free, what's in it for Parcel Management Group?

PMG is paid a small commission by UPS that equates to a few pennies on every package that processes through the discount program. RIA members never pay a dime to PMG for anything.

What about my larger shipments that don't qualify for UPS small package?

You'll still be able to take advantage of substantial freight discounts. This program utilizes a pool of approximately 30 national and regional LTL carriers with highly-discounted rates, specifically for footwear shipments. Part of the Parcel Management Group service model is to complete an apples-to-apples rate comparison to ensure the best possible rate for your shipments. In some cases, they may discover that their rates are *not lower*. In those case, at the very least, they will have confirmed you are well positioned with your LTL pricing.

But wait, there's more!

One of the ancillary benefits to the program is the **Refund Recovery Audit Service**. In short, if UPS ships late, you are entitled to a refund, and the refund service secures it for you.

More details: The Refund Recovery Audit Service applies to regular small package shipping with UPS. (It does not apply to LTL shipping.) Since UPS offers money-back guaranteed transit times, every package billed to your UPS account has a transit time they must meet. If they fail to do so you are eligible for a refund for the full cost of shipping. Keep in mind that UPS will not tell you when a package is delivered late, nor will they automatically refund your money. On your side, you have no cost-effective way to manually identify and file claims as it would be way too time consuming of a task. The good news is the refund recovery service takes care of that, and through this service, you can expect to save up to an additional 5%.



There is no contract or commitment involved and no set-up or out of pocket costs at any time. It works strictly on a contingency basis, which specifically means there is a 50/50 split on any refunds the service generates, and are documented on your UPS invoices as a credit. The only requirement to set up the service is that you must be registered for electronic billing through the UPS.com website. (More on that process below)

**What happens to the special freight deals that I receive from my top vendors?
Will these go away?**

Emphatically, no! The UPS freight program does not replace freight programs that vendors offer to specialty run dealers. To ensure that these special programs remain intact, PMG has worked exhaustively with each major vendor to understand their shipping policies and special programs. Subsequently, the routing guides provided to each of these vendors will be tailored to specify that all purchase orders that qualify for special freight discount arrangements will remain intact. All other open and future POs -including dropships- will be shipped per the routing guidelines provided.

How will my freight charges be billed?

For shipments that fall within the program, you will no longer see freight charges added to vendor invoices. All freight charges will be billed directly through UPS at the discounted rate.

What is the process for getting signed up on the RIA Freight Discount Program?

When the program launches, every RIA retail member will be provided with an on-boarding how-to guide. This guide will detail each step of the process, including:

- 1) setting up a UPS direct billing account, and,
- 2) providing PMG with a list of your account numbers for key vendors.

Once these steps are complete, PMG takes over. PMG will perform a comprehensive review of each retailer's current pricing and freight practices with the vendors provided. Upon completion of the review, PMG advises the retailer on where they can save, and where to NOT use the program. (For example, PMG



wouldn't recommend setting up the program with vendors who provide free freight.)

PMG then submits to all selected vendors your specifically tailored routing instructions. Every RIA members' individual UPS shipper numbers are automatically flagged in the UPS system to receive the discount, so it is not necessary for the retailer to do anything more than simply place orders.

Why do I need to enroll in the Online Billing Center at UPS.com?

There are three main benefits to setting up UPS online billing.

- 1) It will allow PMG to audit your UPS invoices and confirm that the discounts are being applied correctly.
- 2) It will allow PMG to access your shipping data; information that they'll use to provide your annual savings reports.
- 3) The online access is required to set up your account(s) on the refund recovery audit service that tracks packages delivered late. As previously mentioned, this can save you up to an additional 5% off of you weekly freight spend.

When can my store get started?

Each RIA member will go into an onboarding queue on a first-come, first-served based. Simply follow the steps of the how-to guide mentioned above, which primarily includes providing PMG with the required onboarding information. From the date PMG begins processing your information, you can expect the process to take about 3 weeks. At that point, you will begin seeing discounts.

How long will it take to on-board all RIA members?

Total estimated time to onboard existing RIA membership is estimated at 12 weeks, so it is important to follow the steps and get in the queue quickly.