

J.C. Penney uses three GXS solutions to support EDI transactions, ASN and barcode requirements and an electronic product catalogue.

# J.C. Penney Company, Inc.

## Corporate Profile

### One of America's Largest Department Store and Drug Store Retailers

J.C. Penney Company, Inc. is one of America's largest department store, drugstore and catalog retailers. The company operates nearly 1,150 J.C. Penney department stores in all 50 states, Puerto Rico, Mexico and Chile. In addition, the company operates 21 Renner department stores in Brazil. Eckerd Drugstores is comprised of nearly 2,900 drugstores located in the Southeast, Sunbelt and Northeast regions of the United States. J.C. Penney Catalog, including e-commerce, is the nation's largest catalog merchant of general merchandise. J.C. Penney Direct Marketing Services markets insurance products and membership services to various credit card customers by direct response solicitations primarily in the United States and Canada.

## Business Challenge

### Managing a Growing Supplier Base Cost Effectively

In the 1960s, J.C. Penney established direct connections with more than 500 key suppliers in order to transmit purchase orders and invoices electronically instead of sending them via mail. As J.C. Penney grew, however, so did its number of suppliers and the volume of transactions required to do business with them. To reduce the cost and time involved in managing hundreds of direct connections, J.C. Penney officials decided to move from the proprietary direct dial up system to EDI, standardizing document formats and centralizing EDI processing. This also allowed J.C. Penney to reach more suppliers who were not yet EDI capable.

In the process of solving that problem, J.C. Penney forged a long-standing relationship with GXS. J.C. Penney turned to GXS once again to enable the retailer to pack shipments using scanning technology, label shipments with barcodes, and send Advance Ship Notices (ASNs).

## The Solution

### Fashioning the Right Electronic Commerce Solutions

Three GXS solutions help J.C. Penney's business run more smoothly:

- J.C. Penney uses GXS's EDI\*EXPRESS<sup>SM</sup> Service, a network that enables companies to exchange business documents electronically with their trading partners. EDI is an integral part of J.C. Penney's Quick Response program because it eliminates routine paperwork, which reduces administrative costs, product delivery delays and related supply chain inefficiencies. J.C. Penney now uses EDI\*EXPRESS with more than 3,000 trading partners, which represents about 80 percent of J.C. Penney's retail EDI traffic. GXS and J.C. Penney are also in an ongoing process of ramping and expanding documents to J.C. Penney's trading partners.

- GXS's ASN Plus allows suppliers to simultaneously pack product shipments and produce barcode-shipping labels, as well as electronically generate and send ASNs and invoice EDI documents to buyers. Currently more than 70 percent of J.C. Penney's shipment volume is processed via this system.
- J.C. Penney also uses GXS's Global Product Catalogue<sup>SM</sup>, a centralized, electronic product catalog and data alignment service for universal product codes (UPCs), European article numbers (EANs) and related descriptive product information.

## The Results

### In-Store for Big Savings

Armed with GXS's EDI\*EXPRESS Service, ASN Plus and Global Product Catalogue, J.C. Penney has:

- Achieved overnight delivery of purchase orders
- Dramatically reduced the number of Accounting Department associates who handle more than 40 million invoices annually
- Reduced operational and personnel staff in the mailroom while cutting printing and mailing costs significantly
- Increased supply chain efficiencies
- Accelerated payments to suppliers
- Delivered merchandise to the selling floor faster, by using EDI Advance Ship Notices (ASNs), which has reduced receiving costs
- Facilitated the management of UPC data
- Improved EDI data integrity so that both retailer and trading partners have the capability of integrating EDI into their application

## Quotable Quotes

### Jeanne Huling Manager, Electronic Commerce (EDI), J.C. Penney Company, Inc.

GXS's Value Added Network (VAN) "made the implementation and the rollout of EDI a lot faster and easier because we have one connection with GXS as opposed to having to manage and install thousands of connections with suppliers."

"Before, we had about 500 or 600 suppliers using our proprietary network. Using GXS's VAN saves time, it saves dollars, and we're able to maintain a staff of people that has basically not grown even though our supplier base has grown from let's say 600 on the proprietary system to more than 3,000. So the efficiencies are in the economies of scale. A lot of the support that we would have to provide internally is handled by GXS."

"Over the years—it's been 10 years now—GXS has been an excellent business partner."



#### About GXS

GXS is a leading provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration. Organizations worldwide, including 75 percent of the Fortune 500, leverage GXS' GS1 certified global interoperability and supply chain execution solutions. Active in the global standards arena, GXS offers solutions, powered by the Trading Grid<sup>SM</sup>, that enable customers both large and small, to connect with global partners, synchronize product information and optimize the execution of supply chains. Headquartered in Gaithersburg, MD., GXS provides sales and support to businesses and their partners worldwide. For more information about GXS visit [www.gxs.com](http://www.gxs.com).

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