

Training: A Common Sense Strategy

it's all inside:

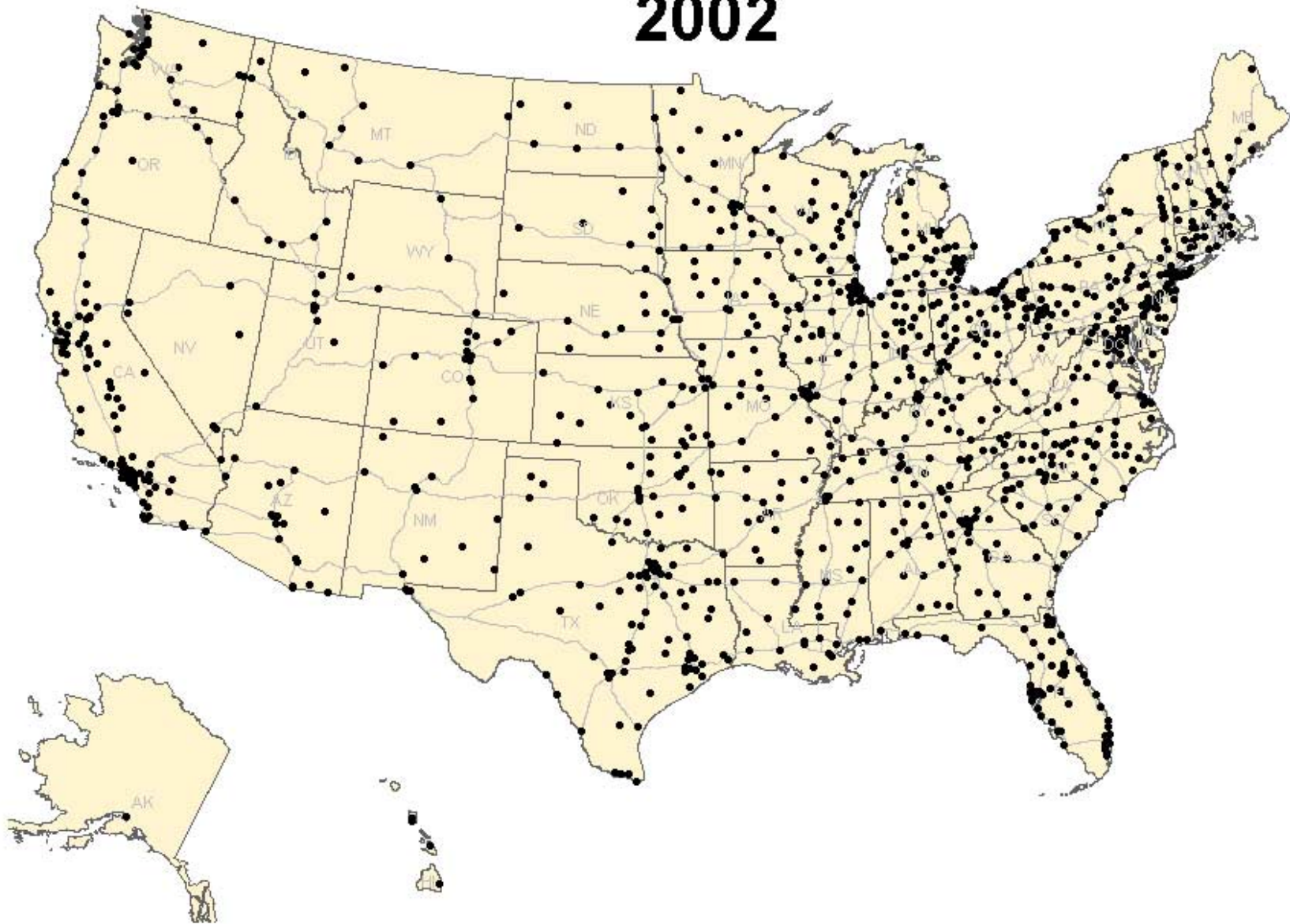


JCPenney Purchasing

Patti Hanson
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Purchasing Operations Management
JCPenney Company, Inc.
Plano, TX

December 2002

JCPenney Store Locations 2002



Mission Statement

To be a fully integrated, strategic sourcing department that achieves maximum leverage for the benefit of the entire JCPenney Corporation

World Class Organization

- ▶ Begins with selecting the right people for the job
- ▶ Training them to meet JCPenney's expectations

Selection Process

- ▶ Define the knowledge and skills by position
- ▶ Define specific product knowledge and competencies
- ▶ Behavioral interview process to examine prior responses to purchasing situations.

New Associate Checklist

Here is your New Associate Checklist, designed to help new Purchasing Associates navigate around the [Personally for Purchasing](#) Home Page. In this handy checklist, you will find informative and helpful "web links" that could be invaluable resources during your first few weeks in the Purchasing Department.

We hope that you will take a few moments to become familiar with each link, but there are three important links to documents that need to be completed right away. Those are the [Personnel Data Sheet](#), the [Welcome Note](#), and the [Emergency Contact Information](#). Please e-mail the completed **Personal Data Sheet** and **Welcome Note** to (dweiss@jcpenny.com). The **Emergency Contact Information** needs to be returned to pdonn1@jcpenny.com.

We hope you find this checklist helpful. If you have any questions, please call Diana Weiss at extension 1-2703.

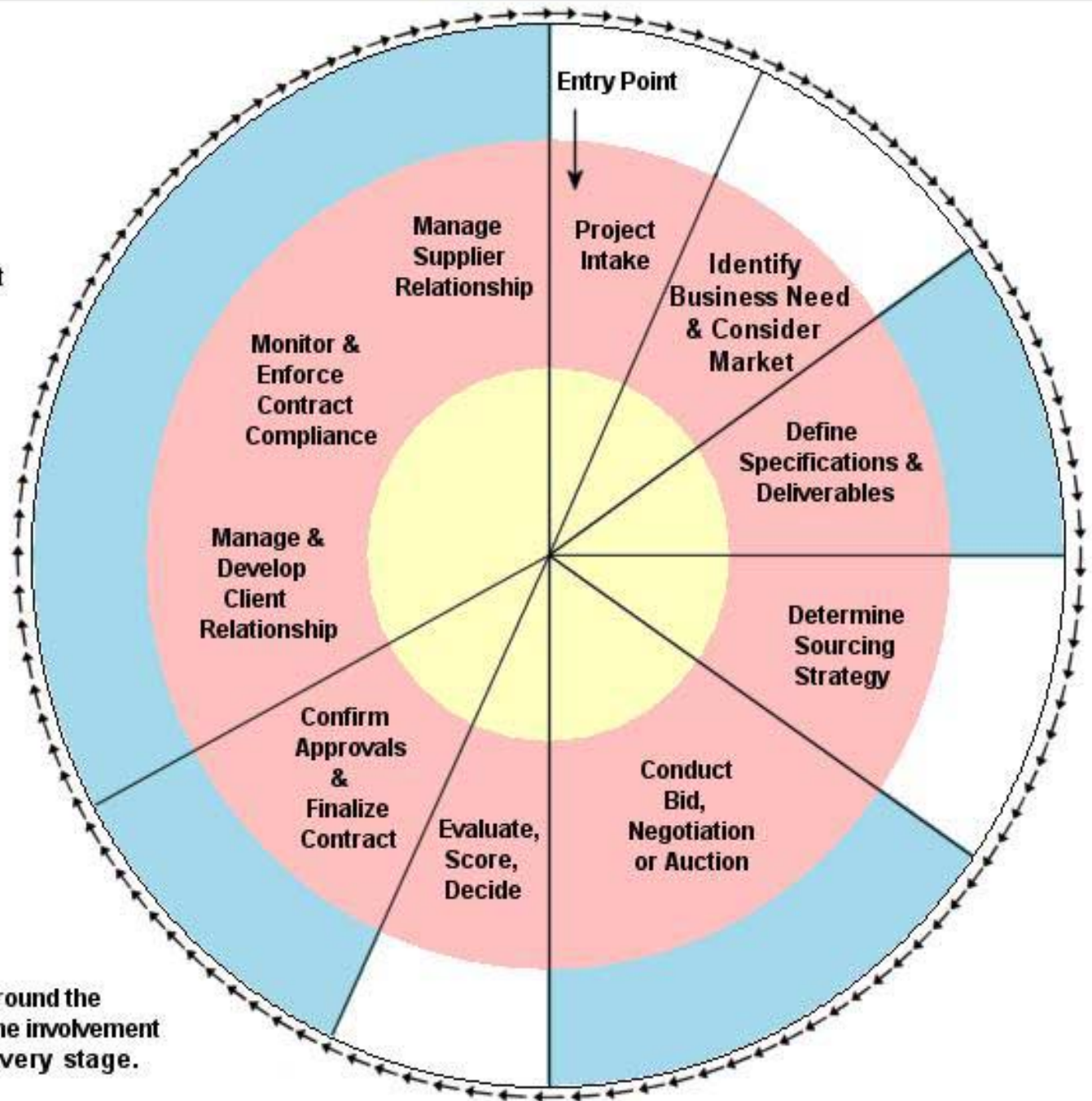
Important Web Links

- [Purchasing Procedures](#)
- [SkillSoft on-line training](#)
- [Microsoft on-line training](#)
- [Training Management System \(TMS\)](#)
- [PEPS Tracking](#)
- [UPS Tracking](#)
- [Institute for Supply Management \(ISM\) - Requirements and Guidelines](#)
- [Class Evaluation Form](#)
- [Purchasing Acronyms](#)
- [Purchasing Lending Library Guidelines and Procedures](#)
- [Purchasing Professional Development Library](#)
- [Service Directory](#)
- [Core Office Supplies](#)
- [Telephone Quick Reference List](#) - (.pdf format) Print document for best results
- [American Express Corporate Card Application](#)
- [Mail Services Associate Directory Update Form](#)

Last Updated: 08/13/2002

Purchasing Sourcing Process

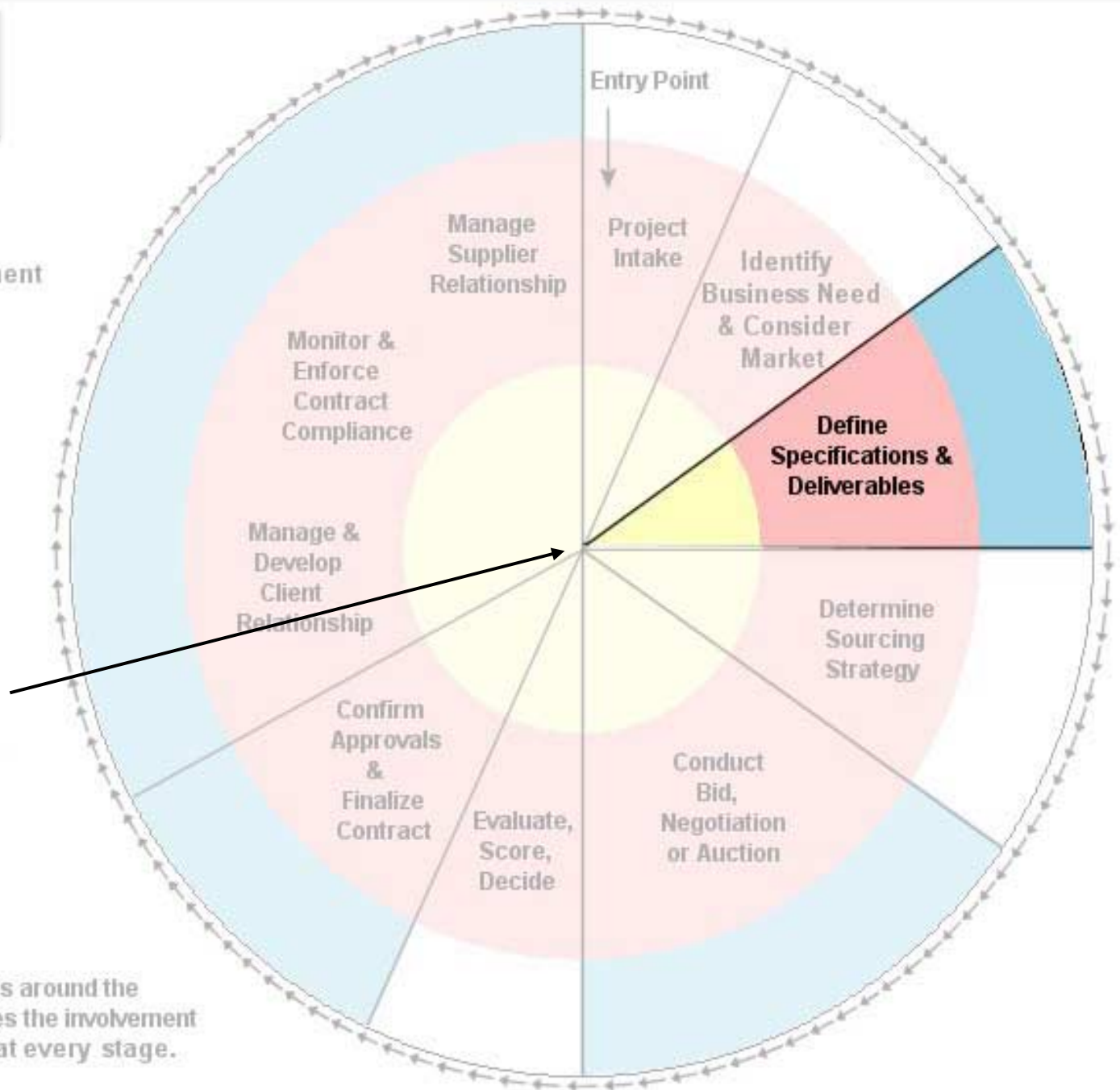
-  Client Involvement
-  Purchasing Involvement
-  Supplier Involvement



The Sourcing Process revolves around the needs of the client and requires the involvement of the client and Purchasing at every stage.

Purchasing Sourcing Process

- Client Involvement
- Purchasing Involvement
- Supplier Involvement



**Web
Page One**

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Stage 3: Define Specifications and Deliverables

Tools

Flow Chart

Reference Document

Check List

Sample Statement of
Work

Sample Request for
Information (RFI)

RFI Cover Letter

Non Disclosure (NDA)

Financial Analysis
Request Form

Stage Three Objective: To understand and identify the specifications and expected deliverables of the product or service you are being asked to source for your client. This is the first stage at which suppliers would be engaged to assist you and the client with defining the specifications and deliverables.

This stage is important in that Purchasing is mutually accountable with the client in ensuring the project is a success for all of JCPenney. In addition, Purchasing can add value by leveraging other buys with similar needs of other clients.

Address: <http://erp-web1/ptp/index.htm>**PFP Purchasing Power, Get It**Search jWeb: [About Us](#)[Supplier Info](#)[Purchasing Tools](#)[Company Links](#)[Training / HR](#)[Process Chart](#)

Important Links

[e-PRO](#)
[PSI](#)
[Web Calendar](#)[/Web Home](#)
[/Web News](#)
[PFP Archived News](#)
[Purchasing's Home](#)
[WWRE](#)
[ISM Info](#)[2001 Goals Results](#)
[2002 Dept. Goals](#)[Star Award](#)
[Birthdays](#)
[Anniversaries](#)
[Eckerd](#)

Purchasing News

[Unapproved Installed Software Applications](#) (10/23/02) - We are noticing an increase in the number of downloaded and installed unapproved software applications within the department over the past several months. This would include "spyware" such as Hotbars and Gator. Associates are reminded that **these downloads are not permitted and could impact our operational efficiency**. Please click on the link for additional details and link to Security & Controls policy.

[56th Annual Southwest ISM Conference](#) (10/21/02) - Conference presentations are now available. Click on the link for complete details.

[New Test Gift Catalog](#) (10/21/02) - Dawn Anderson, Sharlene Horton and Scott Vawter from the Print Media division, worked with Catalog to print a new concept for the annual gift Catalog. The test concept incorporates an innovative square, 8 1/2" X 8 1/2" size book. Both a standard sized 10 1/2" X 8" catalog and the test square were printed to gauge the reaction to the new format. Click on the link for complete details.

[Discounters Star in Holiday Survey 16-Oct-02](#) (10/21/02) - Bargains galore are in the forecast for Holiday 2002. "We will be seeing a very promotional retail environment for the holiday season," says Tracy Mullin, NRF president and CEO. "In essence, all retailers will be discounters." Click on the link for complete details.

[Gajewski Keeps Pricing and Replenishment Team Warm](#) (10/21/02) - Sandra Gajewski, Assistant Buyer in the Packaging, Marketing Properties and Supplies division, worked with the Stores department to provide an another option to the existing short sleeve polo shirts used by the store Pricing and Replenishment Team associates. Click on the link for complete details.

[Insurance Training Scheduled](#) (10/21/02) - Windon Chau, of the Risk Management department will contact Insurance Training for the Purchasing department. Training will incorporate General Liability, Errors and Omissions Insurance, Crime Insurance, etc. Click on the link for complete details.

[Puerto Rico Transfer Pricing Deal Complete](#) (10/21/02) - Larry Stanford, Buyer in Business Systems and Services division, worked with the Tax department to negotiate Transfer Pricing for our Puerto Rico stores. Click on the link for complete details.

[New Purchasing Supplier Web Site FAQ](#) (10/21/02) - With the recent launch of the newly revised Purchasing

Specialized Training

► Legal Issues

- Contract Formation
- Anti-Trust
- Software Licensing
- Document Retention
- Supplier Bankruptcy

► Risk Management

- General Liability Insurance
- Errors and Omissions

Policy & Procedures Manual

- 1) High level department policy
- 2) Detailed procedures for execution and management of policies
- 3) Features exhibits, templates and other support materials.

ISM Professional Certification

- ▶ 90% of the staff in buying positions are certified.
- ▶ Incentives
 - \$1000 to base pay for achievement of APP
 - Another \$1,000 for CPM
 - Another \$1000 for lifetime CPM
- ▶ Reimburse for training materials, exams and ISM membership

JCPenney | Purchasing

Home ▾ EDI Accounts Payable ▾ Supplier Compliance ▾ Supplier Links ▾ JCP Corporate Links ▾ Contact Us

Purchasing

- [\(10/09/02\) West Coast Port Situation - Order Extension Policy](#)
- [\(10/04/02\) Purchasing Suppliers - Use of Supplier Web Site](#)
- [\(09/27/02\) Account Balance Details Available Online](#)
- [\(09/20/02\) Carrier Change—USF Red Star](#)
- [\(09/06/02\) Carrier Change - Missouri Suppliers](#)
- [Archive \(13\)](#)

Online Reports and Inquiries

- [Fixture Supplier Manual](#)

Supplier Summit

- ▶ Invite top 100 Suppliers to attend.
- ▶ Company Officers report on major initiatives
- ▶ Day long workshops to gather supplier feedback on targeted issues
- ▶ Reinforces the importance of working together as a team.

Advantages of a Skilled Organization

- ▶ Increased Professionalism
- ▶ Consistent Level of Service
- ▶ Leverage Company volume
- ▶ Speak with one voice
- ▶ Get compliance to Company standards
- ▶ Minimize risk

...and it gets results

In 2001 achieved more than
\$100 million in savings and
cost avoidance!

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