Drop Shipping

Service Description

Table of content

1 Introduction

This document defines the content for Posti Drop shipping –service. Service enables e-commerce business model where:

- E-retailer publish and sells Supplier's products in its webshop

- E-retailer sends sales orders from the webshop to the Supplier

- Supplier delivers sales orders directly to webshop's buyer using buyer's selected delivery method

1.1 Definitions

"Webshop" means e-retailer's systems which are used to publish products in a web and enables their online buying.

"E-retailer" means a company who is selling Suppliers products in its webshop.

"Supplier" means a company who offers products for sale to E-retailer and fulfills sales order to webshop buyer as chosen in the webshop.

"Customer" means an E-retailer or a Supplier using the Service.

"Service" Means Service provider's (Posti) SaaS solutions operating between an E-retailer and a Supplier as defined in this service description.

"System" means Service provider's technical solution producing the Service. Service production is done using Posti's IT systems for the service and utilizing connected Posti's, E-retailer's and Supplier's IT systems.

"Customer data" means any data which an E-retailer or a Supplier loads into the Service and all data which a result of processing this kind of data.

"EDI CODE" (FI OVT ID) is a unique identifier used in data transfer. It follows SFS 5748 standard. Customer is responsible to produce its EDI Code to the Service. EDI Code used in the service is 12…17 numbers e.g. 003799999999NNNN which is build of

- country code following ISO 6523 standard e.g. in Finland country code is maintained by Tax authority and it is 0037

- 8 digit VAT code

- 5 digit organization maintained codes which can be used in the Service to identify warehouse locations for products

2 Overview of the Service

Posti Drop shipping -service integrates Supplier's warehouse catalog to E-retailer's webshop for consumer to buy. Customer needs to integrate their systems with Posti's API in order to use virtual warehousing and drop shipping services. Using the Service an E-retailer can maintain its' own product catalog from warehouse and/or stores, download product catalogs from suppliers in Posti's supplier network, view stock balances, create orders and view order and shipment statuses.

There can be many connected E-retailers and Suppliers so that they can exchange information without the need to build point-to-point integrations. One integration to the Service is enough to integrate to all connected parties.

E-Commerce Drop Shipping Process Model
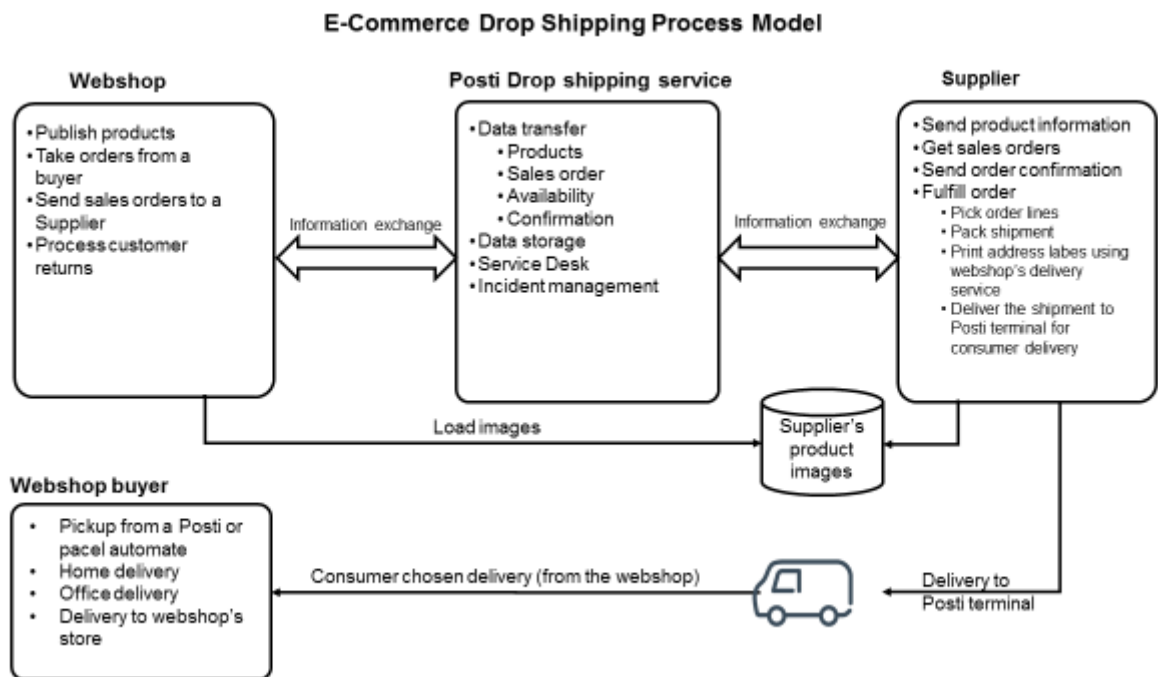
3 Service features

Service works as a supply chain information operator between a Webshop and its suppliers. Programming interfaces are defined in Posti web pages at api.posti.fi. User-id and password to programming interfaces can be get from Posti's contact person.

An E-retailer needs to use Authentication, Warehouses, Products and Order APIs while Supplier uses Authentication, Products and Shipment APIs. Additional APIs that can be used are defined in api.posti.fi.

The integration supports JSON and Posti's LGW2 formatted data used primarily in Posti's warehouse integrations. LGW2 integrations are agreed separately.

3.1   Manage warehouses

E-retailer can add and manage warehouses information to host product specific stock balance using the Warehouses API. E-retailer can use the EDI Code to identify each warehouse. The first four digits are the country code, the next eight digits are the company identification code and the last five digits can be used to identify each warehouse. The last five digits can be omitted, if it is not required to identify multiple warehouses and added later when required. If a virtual warehouse is E-retailer's own warehouse or a store there should be used E-retailer's EDI Code where last five digits are used to identify unique warehouse or a store. Suppliers are identified using their EDI Codes.

3.1.1   Authorize supplier to sell products in a webshop

E-retailer can authorize suppliers to sell their products in its webshop by adding a suppliers to list of virtual warehouses using the Warehouses API. Once the supplier has been added to the list of available warehouses, E-retailer's webshop can see products in supplier's public or private catalog (see chapter 3.2.). E-retailer can set the warehouse priority to control from which warehouse the goods will be delivered. For instance, there could be higher priority to e-retailer's own warehouses if the goods have already been purchased to a stock.

For more detailed information refer to Warehouses API in api.posti.fi.

3.2   Retrieve catalog

Public catalog contains products that a supplier has published to many webhops. The supplier provides stock balance for these products as best-effort. The product information and pricing is the same for all webshops.

Private catalog contains products that a supplier has published only for a webshop. The supplier provides stock balance for these products.

Once an E-retailer has authorized a Supplier to sell products in its' webshop (please refer to Section "Authorize supplier to sell products"), webshop can retrieve the suppliers public or private catalog with several methods (all, all private catalogs etc.).

Supplier manages its catalog with Product API.

For more detailed information refer to Products API.

3.3   Create orders

An E-retailer can place an order from the webshop using Orders API. Orders will be routed to Posti's warehouse system or external warehouse systems for

shipping. Separate order lines can be routed to different warehouses based on warehouse balance and prioritization. As an additional service E-retailer can set warehouse prioritization and certain splitting details with Posti. In cases where order could not be routed to any warehouse, an email will be sent to the E-retailer's support email address.

For more detailed information refer to Orders API.

3.4 Get order shipment information

Once Supplier's or E-retailer's warehouse (or store) has received a notification about the new order, they will pick and collect requested items. The warehouse will register a new shipment and create a tracking code and a parcel label. The shipping information will automatically be copied to the E-retailer's order as a status information. E-retailer can retrieve the information about the original order and related shipments by Orders API.

If E-retailer's shipment is delivered by Posti, it can track the shipment with Posti's tracking ID. For more detailed information refer to Parcel tracking API.

3.5 Retrieve shipments from a webshop

Supplier can retrieve shipments from webshops using Shipments API. Shipments are generated from webstore's orders where from order lines can be routed to different warehouses based on warehouse specific stock balance and prioritization set by the E-retailer in virtual warehouses.

For more detailed information refer to Shipments API.

3.6 Authentication

In order to get started with Posti services, Customer needs to receive credentials from Posti for the authorized access.

For more detailed information refer to Authentication API.

3.7 Networking and data transfer

Customer is active party in data transfer both in sending and getting data to and from the System depending on the message type.

Data transfer is based on SFTP or HTTP protocols.

Networking and data transfer technical description are defined in Posti web pages at api.posti.fi.

3.8 Premium service

Customer business may require specific features to the Service. These customizations are agreed and implemented in a separate project delivery. Customer specific features require also continuous service which are agreed

as well in a project delivery. Premium service may include as an example following features:

- Customer project management

- Customer specific data conversions

- Changes to Service networking or data transfer logic e.g. Service is active in sending messages

- Customer dedicated SaaS instances in production

- Customer specific functionalities e.g. reporting

- Customer test environment for customer's continuous development

4 Value-added services

There can be additional services which can be built on top of the Service with separate contracts. Value-added services are for example in-store picking or click & collect which can be used in omnichannel commerce.

For more detailed information contact Posti.

5 Service use

Service is available using Service provider's application programming interfaces. Both E-retailer and Supplier must have an agreement with Posti for using the service and needed logistic service to fulfill sales orders.

Service provider, E-retailer and Supplier have responsibility for their IT systems.

6 Service set-up

Service set-up process is defined in Posti web pages at api.posti.fi. Service use requires that both the E-retailer and the Supplier are using the Service. The E-retailer and the Supplier needs to make commercial agreements to start selling Supplier's products in the E-retailer's webshop with drop shipping model.

Service set-up process does not include changes to Customer's IT systems.

6.1 Main steps in service set-up

Set-up process has following main phases:

- Posti delivers programming interface description to the Customer

- Posti and the Customer opens network connections including firewalls and authentication IDs

- Customer implement the integration from Customer's systems to the Service

- Posti and the Customer tests the connection

- E-retailer runs end to end testing with its Supplier

6.1.1 Premium set-up

Premium set-up is agreed separately. The service is based on consulting work.

6.1.2 Additional information to be noted in service set-up

E-retailer needs to agree with its suppliers the layout of the delivery notice used in shipments. Printing delivery notes are typically done in the warehouse where shipments are sent.

If E-retailer has specific requirements for packing the shipments it should be agreed between the E-retailer and its Supplier.

If a Supplier is using specific software for printing the address labels it has to be authorized by the E-retailer to Posti before Posti can give the Supplier an access to print address labels using E-retailer's agreement. Supplier's printing solution needs to support consumer delivery services

- Buyer chosen delivery method is selected in webshop and delivered to a Supplier in Shipment message (see Shipment API)

Supplier needs to transport shipments to Posti terminal for E-retailer's consumer deliveries (see also Posti pickup service from posti.fi).

6.1.2.1 Returns processing

The Service does not process returns but it needs to be implemented when starting drop shipping.

When there is an undelivered shipment they are returned to address set to sender information by the Supplier when printing the address labels. If undelivered shipments should be delivered to another address this should be noted when implementing printing address labels.

Customer returns are delivered to E-retailers return address agreed in Customer returns service agreement between Posti and the E-Retailer.

7 Service availability and incident management

Service storages data when it is necessary to produce the Service. It is recommended that customer implements data backups and buffering to its own systems to recover from possible incidents in data transfer e.g. networking.

The Service is generally available 24/7 during the year. Service provider is supporting service availability during the business hours from 8.00 to 16.00 Helsinki time.

Incident management will be started based on the incident classification where critical incidents are prioritized. Fixing critical incidents are started immediately without an unnecessary delays.

Critical incident means an error that prevents message deliveries from Customer's systems.

8   Service Desk

If there will be error in the Service functionality user should report this immediately to Service provider's Service Desk.

- Posti Service Desk is open during working days from 08:00 to 16:00

- Primary contact point is via email to servicedesk.glue@posti.com, if error is critical we hope to get notification also via phone to +358(0) 6000 4113.

Email notification are taken into processing in 4 business hours from notification.

For best performance we would like to have following syntax used in email: Subject: "Glue/<Customer>:incident description".

Service provider has the right to change Service Desk –service location and other similar details to produce the service after reasonability time from informing Customers.