

CANADIAN SAMPLE GUIDE 2018

The following information highlights the fundamental aspects of maintaining your sample consignment.

We urge you to review this information and share it with your key staff in charge of your office's sample consignment inventory.

SAMPLE LEVELS: A Sample Level is the number of kits that you should be holding in your office at one time. Home Office monitors the sample activity within your office to determine when you need kits (according to that level) and ships accordingly. Sample activity includes everything from launching new reps, returning kits back to Home Office, reps returning kits to your office, reissuing kits, and Home Office shipping new kits. It's vital that you communicate with Home Office promptly and accurately so that we are aware when you need more kits. **See the attached charts (on pages 8 & 9) for details on sample levels for the summer of 2018.**

SAMPLE SHIPMENTS:

1. **Automatic Shipments** Sample shipments are done daily in Home Office.
 - a. Kits are sent in boxes of 8. Sample kits are automatically shipped when your consignment falls at least 8 kits below your set level.
 - b. Kit shipments are based on the number of reps you launch in VectorLive.
2. **Need extra kits?** If you have a large training class expected or are running dual sessions, you may need additional kits beyond what is automatically sent to you. It's important that you plan your sample kit needs in advance to assure that you have enough kits at all times. If additional kits are needed, go to VectorConnect: My Office-Contracts/Sample Kits-Sample Kit Request. Please note the following:

We require notification by **12 pm ET, Tuesday** to guarantee delivery by Friday of the same week. **If the deadline is missed and expedited shipping is needed, the manager is charged the cost difference for express.**

Please plan ahead, as these services are very costly.

The following shipment schedule estimates shipping times/charges:

3. **Receiving kit shipments into your office: 5 easy steps!**
 - a. Assign one key person in your office to sign for packages, if you are unable to sign for them yourself.
 - b. Count the number of boxes UPS is asking you to sign for. As a manager, you are responsible for all shipments in which UPS can provide a signature of receipt, therefore only sign for what you receive!
 - c. Upon receipt of your packages, record the receipt of your samples into your consignment log (see pages 6 & 7) and save the packing slips as proof of receipt.
 - d. Break down and then keep the boxes that your kits came in (this will be helpful when returning them later).
 - e. **LOCK UP YOUR KITS IMMEDIATELY.**

4. **Borrowing Kits from Other Offices**

We **DO NOT RECOMMEND** that you borrow kits from other offices; however we do realize that circumstances do occasionally come up when an exception would be necessary. If you must borrow kits from another office, **you must complete one of the following steps** to protect you and the manager that you are borrowing kits from. Once Home Office receives notification of the transfer, Home Office will confirm the transfer and will adjust the consignment for your office and the office that you received kits from.

Do not give kits back to the original office. Immediately follow one of these steps:

- a. Email dpcan@cutco.com and copy the other manager. Be clear with the number of kits that were transferred, and when they were transferred.
- OR-
- b. Complete a consignment transfer form and send to Home Office. Copies can be printed from the Admin Manual on VectorConnect by going to: Library-Admin Manual-Sample Kits-Transferring Kits-Consignment Transfer Form

FREE LOANER PROGRAM

MONITORING FREE LOANER KITS

Since the Free Loaner Program allows a representative to borrow a kit, the kit remains part of the manager's sample consignment. Therefore, while the rep is borrowing the kit, you, the manager, **are responsible/liable for it.**

Home Office assists you in following up and monitoring reps that are loaning kits from your office. The below program has been designed to work alongside with the program that you have in place in your office to retrieve kits back, and is NOT a replacement for it. The outline for this communication program is as follows:

1. **Representatives are considered active when they have either received CPO, or are working as a paid assistant in your office.** If a rep goes one week without activity, a gentle reminder email is sent to the rep reminding them that the kit belongs to Vector and that they need to either become active, or they need to return or purchase the sample kit. This process continues for 3 weeks of inactivity and is discontinued once the rep becomes active again. Likewise, the emails will restart if the rep does not have activity at a later date.
 - In each email the representative is encouraged to follow up with you. Again, they are encouraged to sell, and are also given the option to return or purchase their kit. They can purchase the kit online with a credit card payment, return the kit to your office, or they can print a free UPS ARS (return shipping) tag to return the kit to Home Office. (See RETURNING KITS section on page 4 for further details.)
2. If the rep fails to become reactivated or to return or purchase the kit for 3 consecutive weeks, you are then charged for the kit (\$50 + tax) on the 4th week and the rep account goes on hold. The kit is then subtracted from your consignment. (See CHARGEBACKS section for details.)

There are tools available which assist you in monitoring your representative's activity to give you and your office staff resources to determine who needs to be followed up with.

1. You will receive a weekly email that lists all reps that have gone at least 1 week without activity. The report will list each rep, and how long they have gone without activity.
2. There is also a report on VectorConnect which lists each rep in your office, and can be sorted upon level of activity. The report is located in My Office-Contracts/Sample Kits-Sample Consignment-Loaner Report.
3. **Watch the video for help with understanding your Loaner Report.** VectorConnect: My Office-Running Your Office-Office Training Videos. Click on the link 'Sample Kits-Loaner Report'.



RETURNING FREE LOANERS

When a rep returns their kit to your office, notify Home Office immediately. This can be done on VectorConnect: My Office-Contracts/Sample Kits-Sample Kit Returns Entry. You can also email dpcan@cutco.com with that information. Update your Sample Log. (See RETURNING KITS section on page 4 for further details.)

CONVERSION (Purchasing)

A rep may purchase their free loaner kit at any time. As mentioned, an inactive rep will receive weekly emails with the options on how to purchase their kit. The conversion price is \$89 plus tax. The options they have to purchase are:

- The rep can purchase the kit on VectorConnect: My Account-Buy/Return Sample Kit (click on the link to purchase the kit) or can pay online through the link in the email.
- The rep can call DP at 800-361-8800 and purchase the sample kit using a credit card.
- The rep can use their commission account if they have enough money to fully cover the charge.
- The rep can mail the payment directly to our Administrative Headquarters in Home Office.
- You can accept the payment from the rep and send it to Home Office, clearly marked as a purchase/conversion. If you accept cash, please send a personal cheque or money order with the rep name and number included on the payment, or email dpcan@cutco.com to charge your commission account. Upon purchase, the sample kit will then be subtracted from your consignment since it is now a purchased kit that you are no longer responsible for. Remember to update your Sample Log.

RE-ISSUING KITS

This process is used if a rep has returned their kit and later would like another kit from you. The first step is that the rep must go to VectorConnect and request a new kit from your office. They find the option by going to My Account-Sample Kit Reissue. They simply click "Request A Sample Kit". Once the rep has requested the kit, you will see a banner on VectorConnect when you sign on that indicates a rep has requested a kit. You can click on the link, or you can navigate to: My Office-Contracts/Sample Kits-Sample Consignment-Reissue Requests. Once you approve the re-issue request, Home Office's records will be updated and will show the rep is now loaning a kit again. Remember to update your Sample Log.

CHARGEBACKS

As mentioned previously, after 4 weeks of no activity, you are charged \$65 plus tax for the rep's kit and the kit is subtracted from your consignment and the rep's account goes on hold. If you recover the kit at a later date, the return must be reported to Home Office. To assist you in tracking which reps' kits you have been charged back for, you can review a report on VectorConnect: My Office-Contracts/Sample Kits-Chargeback Summary. You will be credited for the chargeback fee and the rep account will be removed from hold if:

1. The rep becomes active again within 3 weeks of the charge. (An order with a minimum CPO of \$20.)
2. If the rep returns or purchases their kit at any time (\$99 +tax). Remember to update your Sample Log.

Note: If you acquired reps from a closed office, you may have reps showing in the Chargeback Summary that you were not actually charged for.

REP TRANSFERS (Impact on Sample Consignment)

When a rep is transferred, the loaned sample kit transfers with the rep to the new office. The new manager is responsible for the sample kit and the rep starts over in the loaner cycle like a newly launched rep. If the transferring rep has returned their kit to the previous office, it will be assumed that the new office will be giving the rep a sample kit and the new manager's consignment will be affected accordingly. The new manager has the normal 4 weeks before a chargeback will occur. Use the comment box on the rep transfer form on VectorConnect to let us know if a kit is (or is not) being issued from your office. Additional information regarding the impact that a rep transfer has on your sample consignment can be found at the bottom of the rep transfer form.

RETURNING KITS

1. Rep Wants to Return Their Borrowed Kit

If a rep chooses to return their kit, you have 2 options to give to the rep for their kit return. Remember that an inactive rep will receive weekly emails that give them the option to print an Waybill to return the kit, and also gives the option to purchase their kit.

Choice A: Accept the kit **back to your office.** **If the rep prefers to hand their kit in directly to the office, you must accept the kit back.** Remember to update your Sample Log.

- Mark the kit as returned by going to VectorConnect: My Office-Contracts/Sample Kits-Sample Kit Returns Entry. Check the box for any reps that have returned their kits and click the 'Submit Kit Returns' button. (This will automatically process the return of the kit back into your sample consignment.)
- Have the rep sign the Sample Return Receipt .Be sure you give the rep the top copy. ***Only send the 2nd copy to Home Office if the return was not entered on VectorConnect.***

Choice B: Rep may return their kit directly back to Home Office in one of the following ways. By using one of these options, the kit will come back to Home Office and will be subtracted from your consignment upon arrival. The rep can:

- Go to VectorConnect: My Account-Buy/Return Sample Kit (Option 3) to print a UPS Waybill.
- Email dpcan@cutco.com to request a tag.
- Call Field Service at 800-361-8800 to request a waybill.

2. You Must Return Kits Back to Home Office Regularly:

You can return kits from your consignment to Home Office (extra or used) by using an Waybill. Waybills are free to you and will be assigned to your office. The tags are clearly marked and should only be used for their intended purpose. If you need Waybills, you can order them on VectorConnect: My Office-Contracts/Sample Kits-Sample Kit Returns Entry-Request Waybill, by sending an email to dpcan@cutco.com, or by calling DP at 800-361-8800. Simply affix the waybill to the box of kits and give it to UPS. The following are a few important reminders when returning kits:

- a. We will accept a maximum of 8 kits back per Waybill, per box.
- b. All knives in returned packages **must be sheathed** to protect UPS and Home Office employees that handle your boxes.
- c. **Send complete kits back to Home Office to receive full credit**, or you could be charged 1/3 retail for any missing product. Include a note in the box of how many are being returned.
- d. Save and use the boxes that came with your kit shipments if possible. Otherwise, you may use any sturdy box to return the kits (obtain from grocery store, literature shipments, etc....).
- e. Do not borrow Waybills from another office. The tags are specifically assigned to your office and are only intended for the return of your office's sample kits, and are marked "**MGR RETURN**".
- f. Update your Sample Log. Be sure to record the number of boxes being returned, the number of kits in each box, and the tracking numbers from the Waybills.



REUSE YOUR SAMPLE KITS!

Reuse your sample kits as many times as possible. In some cases, you may be able to use a sample kit 2 or 3 times, depending on the usage from the previous reps. Since the non-CUTCO pieces in the kit will become worn faster than the knives; we have created a Sample Refurbishing kit. This kit (**item #1876**) is free to you and can be ordered by emailing dpcan@cutco.com. In this kit there are 5 of the following pieces: polishing cloths, cutting boards, sheaths for each knife, and red felt.

Watch the video on how to reuse your sample kits.

VectorConnect: My Office-Running Your Office-Office Training Videos.

Click the link 'Sample Kits - Refurbishing Kits'

SPECIAL REMINDERS:

(Be sure your office staff is aware of these)



SAMPLES ARE YOUR RESPONSIBILITY

- **Always keep them locked up in a cabinet or closet.** Insurance companies will not cover theft of your kits unless you have done your part to secure them.
- **Watch the video to see the benefits of purchasing a sample cabinet.** VectorConnect: My Office-Running Your Office-Office Training Videos. Click on the link 'Sample Cabinet'.
- To protect your business, **obtain office insurance** in amounts to include coverage for sample kits in your possession. Insurance will **not** cover sample kit loss involving inventory reductions or discrepancies simply caused by misplaced kits. In order to file a claim for sample kit loss, the insurance company will likely **require that a police report be submitted**, documenting the break-in or fire that has caused the loss. (More information on office insurance can be found on VectorConnect: Library-Admin.)

KEEP TRACK OF YOUR KITS



- We recommend counting the kits in your office after each training class.
You can check your total consignment and all sample transactions on VectorConnect: My Office-Contracts/Sample Kits-Sample Consignment-Sample Kit Consignment Log
- **Watch the video for help on using the consignment log.** Click on the button that says 'View Video'.
- **Keep a log of all sample kit activity that occurs within your office.** See the next page as an example of how you might do this. We recommend printing several blank pages of a log similar to this and placing it on the inside of the locked storage closet that you keep your samples in. EACH time a sample kit comes in or out of this cabinet, it should be logged.

COUNT YOUR KITS WEEKLY

- **It is mandated that you verify your counted kits with Home Office monthly.**
 - Conduct a physical inventory of all kits in your office, new, used, demo and display.
 - Submit your physical count to Home Office via the Sample Verification Page on VectorConnect: My Office-Contracts/Sample Kits-Sample Consignment-Kit Summary/Verify Count.
 - You can also email dpcan@cutco.com.
 - If your count differs from ours, we will contact you to review the consignment reports to assist you in finding the discrepancy.
- **Watch the video on how to verify your kits.** Click on the button that says 'Sample Kits'.



Sample Log

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2018 Sample Dates CANADA

Branch Managers

As branches open, they will be sent 40 kits, and be kept at a sample level of 32.

June 20 BMs will stop receiving auto shipments of kits

After your last week of recruiting:

Return ALL sample kits to Home Office that are IN YOUR OFFICE.

Fill out closing form

(VectorConnect: Library-Admin Manual-Managerial-Office Closing Procedures-click on Office Closing Form)

Continue to follow up with the reps that have loaned kits and return kits to Home Office as they come back to you from reps.

Aug 20 BM commission accounts will go on hold if the office has samples outstanding (in office or out on loan).

Sept 24 BMs will be charged for any outstanding sample kits, at \$68 plus tax. This includes a BM's personal kit if it has not been purchased. BM accounts will then be taken off hold. Note: your account could go back on hold for reasons other than samples.

District/Division Managers

Prior to Campaign 2 DM/DVM office's sample level will be increased to 48

June 20 DM/DVM office's sample level will be reduced to 40 kits, by not shipping replacement samples

Aug 20 DM & DVM sample level will be lowered to 32 kits in office