Throughout 2019, Macy's/Bloomingdale's is implementing a number of inventory strategies to increase overall sales and margin. One of the initiatives we are very excited to announce is Hold & Flow. This program will initially be implemented in fashion apparel departments only. It will allow Macy's/Bloomingdale's to quickly replenish inventory levels at stores from pool stock, aka "hold", locations.

Benefits of this program are:

- Higher overall sales and natural margin through improved full price selling.
    - Locations selling more merchandise will be sent additional inventory from the "hold" facility.
    - Locations experiencing slower sales will receive lower inventory, benefitting markdown ratios.
- Store inventory restocking will occur in 5-7 days.
- Potential implementation to .com, based on demand.

As a valued vendor partner, you may see unexpected increases in allocations to existing pool stock locations. You may also see a corresponding decrease in store allocations. You may see these changes as quickly as April, 2019.

NO VENDOR SYSTEM CHANGES ARE NECESSARY.

- Continue to follow the purchase order distribution transmitted in your EDI 850 Purchase Order
- Ship merchandise to the appropriate distribution center based on the Store to DC Listing for Small Ticket Merchandise (Macysnet sign on required to access this document)
- Merchandise should be prepared based on CFC guidelines detailed in the Vendor Standards

Thank you for your support with this initiative. Questions regarding this program should be addressed with your Macy's/Bloomingdale's merchant.