

SEARS, LEVI STRAUSS CHOOSE 820 FORMAT FOR EFT LINKUP

NEW YORK — Electronic funds transfer between retailer and supplier has taken a step forward.

Levi Strauss & Co. now is receiving payments from Sears Merchandise Group through electronic funds transfer using the ANSI X.12 820 format.

Sears had been paying Levi Strauss electronically using a more basic banking industry standard, but expanded its program as of last month to use the 820 format, a financial electronic data interchange system developed for retailing.

EFT — as electronic funds transfer is commonly known — allows speed and accuracy of payments and permits trading partners to plan cash flow better because they will know exactly when payment funds will be transferred. A retailer sends an electronic message to its bank asking to take money out of its account and electronically send the payment to a supplier's bank, where the supplier's account is credited.

By using the 820 format in EFT, Levi's receivables can be updated automatically, said Jim Wilson, manager of LeviLink Systems in San Francisco. LeviLink is a package of computerized services set up by Levi Strauss for retailers to speed and simplify the entire process of ordering, stocking, receiving, analyzing sales and invoicing. Making payments for Levi's products was the final link in this system.

"Before, Sears paid their bills through corporate trade payments, and this did not provide us with invoice details. Funds had to be manually adjusted to pay specific invoices. Now, through the use of the X.12 820 format, they tell us electronically the specific invoices for the funds, and we flag them," said Wilson.

"The retail industry in the U.S. has adopted the X.12 standards for all of its electronic communications," said Wilson. "The X.12 820 format is specifically for funds transfer for any supplier or retailer. There is nothing unique or specific to the apparel industry. If you program your computer to accept 820 from a customer, you can get it from all of your customers."

The benefit for Sears in using EFT, Wilson said, is that they save some money on paying bills electronically but, "most of the benefit probably goes to the supplier."

"Since we receive all their orders electronically, this was just part of the whole link."

Sara Coffou, EFT product manager for Sears

Communications Co., Chicago, said: "We are developing more sophisticated electronic technology that will insure more efficient partnerships between suppliers and retailers. Implementing this new banking component completes the business cycle."

Sears' adoption of the format is expected to have a favorable impact on the cause of Quick Response.

"We are very excited," said Thomas Ritten-

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— Jim Wilson, LeviLink

house, corporate vice president and controller of Strawbridge & Clothier, Philadelphia, and one of the most active members of the Voluntary Interindustry Communications Standards committee. "Sears' use of the ANSI X.12 820 format is another step forward in the whole Quick Response chain."

Although Levi Strauss has been receiving electronic payments using the ANSI format from Denver-based KG Retail since August 1989, Sears' use of EFT is on a larger scale, explained Rittenhouse. KG Retail is a men's specialty operation, but Sears is a full-line chain store operation dealing with many vendors, he said.

Strawbridge & Clothier is not yet using EFT with its vendors but does use it in cash management — transferring funds between accounts and direct deposit.

"We will definitely use it in the future," Rittenhouse said.

— EVE TAHMINCIOGLU

NILO D'NARD OWNER SAYS ASPEN STORE COULD BE HIS BEST

By HASSELL BRADLEY

DENVER (FNS) — "I can do more business in Aspen than in any other place," says retail furrier Leonard Finkel, who has backed up his theory by opening Aspen's newest fur salon, Nilo D'Nard.

"The people who go to Aspen want to buy fur. You'll see more furs per capita in Aspen than anywhere else in the world," said Finkel, reflecting on this town that has become one of the country's foremost battlegrounds in the clash between animal rights activists and the fur industry.

Finkel's store, which opened April 1, is just two blocks from City Hall, where Mayor William Stirling in February lost his battle to ban fur sales within city limits. Aspen citizens voted the proposal down by a ratio of 2 to 1.

However, on March 14, the Mayor survived a recall election, raising questions about selling fur in the future. In addition, local furriers have been kept under pressure this month, as assistant city attorney Fred Gannett and members of the Aspen Society for Animal Rights searched stores without notice for fur made from pelts of animals caught with leghold traps. Selling those types of fur would violate a 1986 city ordinance, making furriers subject to fines and inventory seizure.

Finkel's store was one of those visited by Gannett and a representative of the ASAR, but the furrier says he

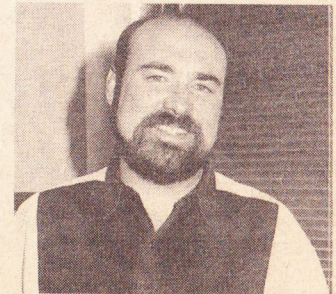
three years.

"I do things very differently. I have some basic items, but I dye fur red, blue, yellow, green and gold, and sometimes I add tassels or metal chains," he explained.

He also operates a Nilo D'Nard salon in Salt Lake City and Park City, Utah. In addition, Finkel runs the fur departments in a number of specialty stores. Among them are 20 SportStalker stores, which are in Colorado and Utah; Nanmar, Inc., four specialty stores in Michigan; and several Aspen Leaf stores in Colorado.

In May and June, Finkel will enter into a joint venture with Nanmar to open stores in Harbor Springs and Traverse City, Mich. He is also a partner in the Breckenridge, Colo., SportStalker store.

There are also plans to open a Nilo D'Nard salon in



Leonard Finkel

Keystone, Colo., in November, and at the Hyatt Regency in Beaver Creek, Colo., and negotiations are under way to open a store in Vail.

Finkel now lives part-time in Playa del Rey, Calif., Breckenridge and Aspen.