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## Vendor Owned Inventory Partner Program Details

### What is CANEX?

CANEX is a retail operation, established in 1968, made up of 35 stores across Canada and online through CANEX.ca, offering goods and services designed specifically to meet the needs of the Canadian Armed Forces community. CANEX is part of Canadian Forces Morale and Welfare Services. As a Social Enterprise, we reinvest our profits back into programs and services that support our Members' well-being, in local community programming tailored to the unique needs of CAF members and their families.

### What is the CANEX No Interest Credit Plan?

The CANEX No Interest Credit Plan (NICP) offers CF One members the opportunity to make purchases from both CANEX stores and Local Businesses in their community and finance their purchases from their payroll deductions.

### Who can use the CANEX No Interest Credit Plan?

The CANEX No Interest Credit Plan is available to the following members On Approved Credit (OAC):

- Members of the Regular Force
- Members of the Reserve Force (Class A/B/C)
- Veterans (Former Members of the CF) – in receipt or not in receipt of a pension
- Extended Security & Defence Team, including:
  - DND – Department of National Defence Public Servants
  - CSE – Communications Security Establishment
  - DCC – Defence Construction Canada
  - DRDC - Defence Research and Development Canada
  - MFRC's – staff of Military Family Resource Centres
  - NPF – Staff of the Non-Public Funds (CFMWS Employees)
  - Members of the Coast Guard
  - Members of the RCMP (includes serving uniformed and civilian RCMP members).
- Members of Foreign Military currently serving with the CF
- Former Staff of the NPF in receipt of a pension
- Former DND, DRDC, DCC, CSE Public Servants in receipt of a pension
- Former RCMP in receipt of a pension
- Former members of the Canadian Coast Guard in receipt of a pension
- Canadian Rangers
- Cadet Organization Administration and Training Service (COATS)

## **What is a Vendor Owned Inventory Partner (VOI Partner)?**

A Vendor Owned Inventory partner is a business that partners with CANEX to offer CF One members the opportunity to put their purchases on the CANEX No Interest Credit Plan.

## **Why would I, the VOI Partner, want to sell product through the CANEX No Interest Credit Plan?**

The partnership requires an 11% commission from VOI Partners on items sold using the CANEX No Interest Credit Plan.

By partnering with CANEX to sell your product to our CF One members through the NICP, you benefit from:

- No cost new client acquisition of highly coveted, financially stable customer base
- Increased number of sales, increased spend per ticket/sale
- No financial risk, no upfront costs. CANEX accepts all the risk. CANEX pays for all credit reports costs and admin fees and accepts full responsibility for all losses and bad debts
- Effective targeted, omni-channel marketing online, in person, and by email at no cost to you
- Help when and where you need it, for you and your staff.
- Customer escalation support, flexible approach to product offering

## **How do CF One Members benefit from the VOI Partner program?**

The CANEX No Interest Credit Plan is valuable for CF One Members who want to break down their purchases into manageable, bi-weekly or monthly no interest payments while avoiding credit card or loan interest rates. Payments are deducted directly off a military or civilian payroll, or as a pre-authorized debit from their bank account. The NICP is especially useful for newly recruited CAF members who have not yet established a credit history and are looking to build good credit for their future opportunities.

## **How does it work? What is the end-to-end process for me (the VOI Partner), a customer, and for the CANEX store?**

- The CF One Member visits the VOI Partner to enquire about purchasing products/services.
- The VOI Partner provides a quote, which the CF One member then takes to their local CANEX store or contacts a CANEX store virtually.
- The CANEX store checks the CF One member's credit rating, and based on the results, the CANEX store approves and creates a CANEX No Interest Credit Plan.
- The CANEX store creates a PO# for the purchase.
- The CANEX store contacts the VOI Partner to let them know they can release the merchandise/service to the customer and provides the PO# for the purchase.
- The VOI Partner proceeds with purchase/services for CF One member.

- Once purchase/services are complete, the VOI Partner creates an invoice for the full amount **minus** the 11% commission (before taxes) and submits to the CANEX Store.
- **Please Note** – The invoice provided to the customer cannot show the 11% commission to CANEX, you must provide separate invoices to the customer and to CANEX
- CANEX Store Manager approves the invoice and sends to their local accounting department for payment.
- Payment is made to the VOI Partner electronically in 7 – 15 days

## **What if the quote that I (the VOI Partner) supplied to the CF One Member changes after we perform the work – auto repairs/services for example?**

If a quote changes after the CANEX No Interest Credit Plan has been created (for additional auto services for example), the CANEX store performs a complete refund and creates a new, updated credit plan reflecting the new, updated amount.

## **I know other stores who want to participate, how can they join the program?**

We are happy to have new businesses join the program. Have the store who would like more information or would like to participate in the program contact the CANEX Store Manager in their community for further details. If the store/company is not located near a CANEX store but they want to participate (in the case of vendors who complete and ship orders online) they can contact [CANEXMarketplace@CFMWS.com](mailto:CANEXMarketplace@CFMWS.com)

## **Financials**

### **What kind of sales volume can I expect from this partnership?**

To forecast sales volume is difficult, as there are many variables. However, word-of-mouth among the CAF community is legendary and unparalleled. As soon as you (the VOI Partner) and CANEX jointly market your brand, member awareness will develop and you can expect to see an increase in sales. To that end, we supply you with material that you can display in your shop or post on your social media to let members know that you are now partnered with CANEX. CANEX also has various marketing channels where your store will be promoted, including Canadian Forces internal websites, locally targeted eNewsletters, and on base advertising including digital screens, and posters in CANEX stores.

## **How much can the CF One member put on their No Interest Credit Plan?**

Members may spend up to \$5,000 (on approved credit) with their No Interest Credit Plan. If the item the members wishes to purchase is more than \$5,000, you can choose to allow the customer to portion their spend with up to \$5,000 on their credit plan and the member paying the remaining difference with cash/credit.

## **How and when do I (the VOI Partner) get paid?**

Once you provide an invoice to the appropriate CANEX Store, you will be paid in full by electronic funds transfer within 7 - 15 days.

## **Can the 11% commission be lowered?**

In instances when a business offers products with a very low margin, CANEX will consider lowering the commission on a case-by-case basis. Alternatively, you can curate and limit the selection of products that you offer for the CANEX No Interest Credit Plan. We realize that certain items have a very low margin to begin with, and it is reasonable for you to offer the products that make financial sense to your business.

## **Do I have to offer the military discount already in place on top of the 11%?**

No. If you already offer a military discount, you are not obligated to offer both. It is reasonable for you to offer the military discount with cash/credit purchases or offer the member the option to put their purchase on the CANEX No Interest Credit Plan.

## **What do I tell the CF One member when they want both the military discount and to use their credit plan?**

You can explain that there are administrative fees when they use their CANEX No Interest Credit Plan and that you are unable to offer both. We suggest that you help the customer decide which option is in their best interest, which in turn will help to build your relationship and trust among the military community.

## **Can I charge the CF One member a higher price and to cover the 11% commission to CANEX?**

No. The agreement you have in place with CANEX requires that you do not raise the retail price if a CF One member is paying with their CANEX No Interest Credit Plan. The CF One member will pay the same retail price as any other customer. If you are experiencing challenges because you have to cover costs, please reach out to your CANEX contact so that we can understand your challenges and work with you to find solutions.

## **What if an item is discounted?**

If an item is a regular sale item, then the sale price should be available for CF One members to purchase. If it is a deep discount or clearance item, you can limit the No Interest Credit Plan to exclude deep discount/clearance items. If you are not sure how to approach this, please reach out to your CANEX contact for support.

## **Marketing**

### **How does CANEX advertise your business to our 200,000+ members?**

At no cost to you, we deploy an omni-channel marketing approach that includes web, social, email, in-person communications. We (CANEX):

- Feature your business on CFAppreciation.ca, the official military discount website
- Feature your business on the highly trafficked CAFConnection.ca/Marketplace website. This website features military base-specific pages, and lists all the shops & services available in their community. This site is particularly useful as members move throughout the country – what we call Posting Season or Relocation Season (May through September)
- Share posts on our social channels, both Facebook and Instagram
- Email our members using targeted messaging relevant to their location, age, and interests; and
- Display signage in every CANEX store, and we educate our store staff to ensure customers are referred directly to you.

In addition to this list, we ensure that every VOI partner receives the digital files necessary to cross promote the partnership on their own websites, social, email, and in store. We provide you with the files, suggested taglines and hashtags to ensure you reach our members where they are, when they want to hear from you, and in ways that are meaningful to them.

## **What is available to me to promote my involvement in this, to create more walk-in traffic on my own?**

CANEX supplies you with signage that you can display in your shop window, by the cash, online, and through your own customer lists, to spread the word that you are a valued CANEX partner.

## **What if we want to participate in events on the base?**

If you want to participate on events on base, contact the CANEX Store Manager in your community. There are many opportunities to set up a tent, booth or kiosk during events on base. There are also opportunities to rent space in a CANEX mall or a CANEX store for short-term rentals (seasonal pop-up shop) or on a more permanent basis. Again, contact the CANEX Store Manager and they will put you in touch with someone who can provide more information.

## **Escalation**

### **Who do I call or email when I have a question or need help dealing with a customer?**

Your first contact is always the CANEX Store Manager of the location that is preparing the customer's Credit Plan. The CANEX Store Managers are very adept in dealing with any concerns or issues that arise.

### **Who do I call or email when I have a question or need help dealing with the CANEX store staff/store manager?**

If you are having issues with the CANEX location and you would like to speak to someone at the CANEX Head Office, please send any enquiries to: [CANEXMarketplace@cfmws.com](mailto:CANEXMarketplace@cfmws.com)

## **Customer Service**

### **How to resolve a CF One member/customer complaint.**

As with any incentive partnership, some customers are unaware of the process despite best efforts of having signage visible and advertising the partnership. If you have the CANEX partnership signage displayed in-store and yet a CF One member negotiates a lower price and then identifies that they will pay using their No Interest Credit Plan, you are fully within your right to require the pre-negotiated price

be charged through the No Interest Credit Plan (NICP). If the customer wishes to move ahead with the negotiated lower price, they may do so without paying using the NICP. If you or your staff experience a challenge in serving a customer this way, please notify your CANEX Store Manager for escalation support.

We do ask that you provide exceptional customer service; join us in Serving those who Serve, and in creating more value for more members. We put our people first – we care for our members, our community and one another – and hope you also share that vision.