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Early Release at Retail

Target Process

Target Asset

Impact

DISTRIBUTION

FINISHED GOODS

MODERATE

EXAMPLES

- Retail clerk confuses embargoed stock at a store location with replenishment stock when restocking shelves.
- Licensor changes an embargo date after product has already shipped to retail - retailer's systems are never updated to reflect that change and product is set at the original date.
- Large distributor receives and comingles embargoed and unembargoed products while fulfilling orders for small retail locations, and never passes through the embargo notification - independent retailer photographs product as new stock ready for sale and posts to social media.
- Manager for a retail location fails to check new stock against embargo dates and fills empty space on shelf as soon as product arrives.

PREVENTATIVE CONTROLS

- Licensee regularly communicates embargo dates to retail customers and account managers, and requires distributors to pass through embargo date communications to their retail customers.
- Licensee requires written confirmation of ability to abide by embargo dates from all customers.
- Licensee accurately prints embargo dates on master cartons, and retail partners are trained to identify and observe these dates.
- Licensee holds product in a distribution center until last possible moment before embargo release date.
- Retailer shrink wraps embargoed product held at distribution centers with clear embargo notification.
- Embargoed product is segregated in a locked area of a distribution center pending embargo release date.

BEST PRACTICES

- Retailer corporate offices implement leak incident investigation procedures and actively monitor for deviations from policy.
- Standardized master carton markings are used for all embargoed product. [Link to Master Carton Marking best practices.](#)
- Standardized communications are sent to all parties holding or receiving embargoed stock. [Link to Standardized Communication best practices.](#)

DETECTIVE CONTROLS

- Retailers configure POS system to link to an active monitoring system that can highlight early sales or attempted early sales of embargoed product; Licensee also monitors if data can be provided through API.
- Embargoed stock shrink-wrapped or segregated at distribution centers or retail locations is inspected regularly to ensure no tampering or early set.
- Licensee uses active monitoring service to alert for key words related to embargoed product, and targets social media and person-to-person sales apps (Craigslist, OfferUp) to discover leaked product quickly.