ServiceMaster

Overview

We are **establishing our own product supply infrastructure** – including end-to-end procurement, independent of Terminix as part of our commitment to *Become a World-Class Franchisor.* This will **evolve how we operate today**, including modifying how product is ordered and enhancing the experience in between ordering and receiving. **We're introducing two new capabilities to improve your user experience.**

- First, we'll have a **new warehouse management and system** to reduce order fulfillment time and enhance order accuracy.
- **Second, we are launching a new order portal**, featuring enhanced searchability through data improvements, SKU simplification and simplified login management for multi-location businesses.

This will result in a **two-week period, between April 17 and May 2, where products will not be available for ordering**. This is necessary to allow the physical transition of our inventory from Memphis to Nashville. The **new dedicated Product Supply team**, led by Nuno Lima, Chief Franchise Services Officer, will oversee these new systems and processes and will continue to optimize our capabilities and services to enable franchisee success. Our IT, Finance and Product Supply teams are currently stress testing these systems to help us anticipate and get ahead of any potential issues before we launch on May 3.

Please see below for a few frequently asked questions. If you have a question that is not addressed below, **please submit it here**. Your BDCs remain available to answer questions as well.

Frequently Asked Questions

Franchisees/BDCs

What's changing as of May 3?
For all brands (Restore, Clean, Merry Maids, Furniture Medic)
Beginning May 3, Franchisees should begin adding invoice numbers to checks on all check payments in order to help us apply payments correctly in the new ERP system. If franchisees are paying multiple invoices on one check, then all invoice numbers should be included in that check.

For Restore, Clean, Furniture Medic
Beginning May 3, we will continue to accept payments via credit card, ACH and check. What's changing as of May 3 is that we will only accept partial payments on product orders via check, and credit card payments will continue to be accepted in the order system (no credit card transactions will take place via phone). The process for making payments on royalties or the NAF will remain the same. For questions related to invoices and payments, please contact smbarfinance@servicemaster.com.

For Merry Maids only
Beginning May 3, product orders will be placed in a new order portal [link]. To make a payment on a product invoice, Dispatch Me or MM360 that was placed before May 3, either pay online or mail a check to the existing lockbox (PO Box 1000, Department 283, Memphis, TN 38148-0282) as you normally would. Beginning May 3, we will accept payment via credit card or debit from account on product orders. Pay later product order invoices will need to be paid via check or paid in full in the new order portal. Partial payments will need to be paid via check. No credit card transactions will take place via phone. The process for making payments on royalties or the NAF will remain the same. For questions about invoices and payments, please contact Merry Maids Accounts Receivable at mmarfinance@merrymaids.com.

Why are we changing our order portal after we just changed within the last two years?
Our former order portal was incompatible with our new enterprise resource planning (ERP) software; therefore, we decided to move to a cloud-based system that we can scale as we grow our business.

Why are we changing our payment system?
Our former payment system (JD Edwards) was not compatible with more modern systems; therefore, we decided to transition to WorkDay which is more compatible with other systems available today and will help us be able to adapt over time.

Who do I contact if I have a question or experience an issue?
Your BDCs remain available to answer any questions you may have. For questions about product orders beginning May 3, please call 1-800-756-5656, Option 2 or email: svmdistribution@servicemaster.com.

For Restore, Clean, Furniture Medic
For support related to the order portal itself beginning May 3, please contact our Franchise Application Support Team (FAST) via fastengage@servicemaster.com or 1-800-937-9372.

For Merry Maids
For support related to the order portal itself beginning May 3, please contact our Franchise Application Support Team (FAST) via fastengage@servicemaster.com or 1-800-798-8000, Option 3.

What if I need to place a product order between April 17 and May 2?
Between April 17 and May 2, products will not be available for ordering. We will continue accepting orders in the current order portal through April 16 and then again in our new system beginning May 3. We recommend you review your inventory, and if you have a normally planned order during the last two weeks of the month or if you're running low, consider increasing your inventory because there will be two weeks where you're not able to order products.

How will this impact my current payment policy?

For Restore, Clean and Furniture Medic
Beginning May 3, we will continue to accept payments via credit card, ACH and check. What's changing as of May 3 is that we will no longer accept partial payments on product orders, and no credit card transactions will take place via phone. The process for making payments on royalties or the NAF will remain the same.

How does this impact my invoices?
When invoices for May orders come due on June 1, franchisees will receive two different consolidated invoice statements – one from JD Edwards and one from WorkDay.

Can we expect any disruptions to service?
These changes will result in a two-week period, between April 17 and May 2, where products will not be available for ordering. While we recognize this presents an inconvenience, it is a necessary step to allow the physical transition of our inventory from Memphis to Nashville. We will continue accepting orders in the current order portal through April 16 and then again in our new system beginning May 3. We recommend you review your inventory, and if you're running low, consider increasing your inventory because there will be two weeks where you're not able to order products.

(For Restore only) We have a contingency plan for CAT events.

What are the biggest changes to features within the new order portal?
The new order portal will feature enhanced searchability through data improvements (e.g. more consistent product naming principles), SKU simplification and simplified login management for multi-location businesses to improve the user experience. Additionally, SMB employees will lose the ability to login as a franchisee / have the same view as a franchisee.

What happens if I place an order before May 3 that is backordered?
All open orders that cannot be fulfilled at the time of cutover will be transferred to the new order system and fulfilled out of the new warehouse in Nashville.

Employees – Finance, Product Supply, IT

How do these changes impact order and invoice receipt?
Beginning May 1, product receipt will be entered into Workday for non-dropship orders. As a workaround for May 1, order receipts will need to be manually uploaded into Workday for non-dropship orders.

How do these changes impact payment issuance?
Beginning May 1, we will need to create a settlement run in Workday and export to excel to manually process payments in the bank portal on an exception basis. Supply tax calculations will be manually estimated by the supplier. There are a few workarounds needed in preparation for the May 1 go-live:

- We will need to clear Accounts Payable no later than April 30.
- For one-time requirements, processing payments in the bank portal will need to be done manually based on the settlement run file.
- The vendor will provide the estimated tax amount for each supplier.

How do these changes impact month-end close?
We will need a manual workaround for May 1 related to month-end closing. Finance teams will need to leverage Workday supporting documentation to load into BlackLine / JD Edwards instance as reconciliation balances are identified.

Suppliers

What's changing about our invoicing and delivery location?
Beginning May 3, we need you send our product deliveries and our invoices to new locations. Please update our product delivery address to: ServiceMaster Brands / The Fidelitone Warehouse, 300 Oakbluff Lane, Goodlettsville, TN 37072.
Please update our invoice delivery address to: SMBsupplierinvoices@servicemaster.com

Who do I contact with questions related to POs?
For questions related to purchase orders, please reach out to your existing ServiceMaster Procurement contact.

Does this announcement mean there are changes to our existing contract?
There are no changes to our existing contracts as a result of this announcement.

Will my point of contact change?
No. Your point of contact will not change as a result of this announcement. You can continue to reach out to your regular relationship manager as you normally would.