![GS1 logo]

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GS1 Case Studies on EDI Implementation

Anders Grangard, GS1

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Order to Cash
Business Processes

Order to Cash Deployment Project

O2C: Steps for Deployment

1. **Survey the Market**

2. **Identify strategic retailers with whom you set up implementation objectives**

3. **Identify target group of companies with biggest potential (lowest implementation and importance to retailers)**

4. **Develop action plan with retailers**

5. **Support implementation**

6. **Measure implementation**

O2C: Use Case
GS1 Belgium & Carrefour

Understand the market

Yearly questionnaires

- Sent to **FMCG retailers** to have an overview of the EDI repartition in the FMCG sector in Belgium & Luxembourg

- Sent to our **5000 members**

NEW Sent to **multi sectoral** merchants

(Electronics, DIY & garden, furniture, textile, sports, toys, drugstores, ...)

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In general...

- about **1 out of 3** suppliers do EDI
with their retailer in Belgium & Luxembourg,
i.e. receiving ORDERS via EDI.

- **Only half** of them (= 1 out of 6 suppliers)
send back DESADV & INVOIC via EDI.

ORDERS are by far the most exchanged EDI message in Belgium &
Luxembourg.

31% 18%

17%

■ ORDERS ■ DESADV ■ INVOIC

Actions taken by Carrefour and GS1 Belgium & Luxembourg

- Carrefour organized a **seminar** for 350 suppliers in collaboration with GS1
- Carrefour explaining the **need** for an improved logistic flow
- GS1 informed how to create SSCC and GS1 logistic label and how to get started with the EDI DESADV
- GS1 **verifies** suppliers' logistic labels
- GS1 helps suppliers finding their way in EDI by:
  - providing **trainings**,
  - publishing EDI message **guidelines**
  - Providing **helpdesk**
  - Offer an **EDI test tool** (Calimero)
- Newsletters and mailings

DESADV SSCC event
20th January 2011

Raise awareness

Communicate

- eNews & LINK
- Website (source of all information)
- Guidelines

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Compared to the results of 2010,

- Percentage-wise, the general results are approximately the same for 2011.

- However, in **concrete numbers**, there are **a lot more suppliers on EDI** compared to 2010.

*This increase is hardly reflected in the general results, because the 'increased number of suppliers on EDI' **represents only 3%** of the total number of suppliers.*

The number of suppliers on **EDI ORDERS and EDI DESADV** have increased by **27% and 26% respectively**, compared to 2010.

The number of suppliers on EDI **INVOIC** have more or less stayed the same.

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*When comparing the **patterns** of 'suppliers receiving ORDERS', and the 'number of suppliers sending back the DESADV & INVOIC', among the different segments, we conclude that...*

- suppliers with more than 2 orders/week, are more likely to do **Order to Cash***, as opposed to the others. In that segment, 8 out of 10 suppliers on EDI, do Order to Cash.

- **Only half** of the suppliers with 2 or less orders/week, receiving their ORDERS via EDI, send back the DESADV & INVOIC.

*Order to Cash is the exchange of the ORDERS, DESADV & INVOIC while referring one message to one another.

Cosmetics Manufacturers and Retailers Take Common Logistics Approach with GS1 Standards

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CHALLENGE

Due to its global reach, the cosmetics sector in France is especially concerned about consumer safety and has strict requirements when selling products around the world.

When **European regulation** related to cosmetics required that manufacturers and retailers establish **traceability and recall processes**, the industry organised for a common approach in logistics operations.

SOLUTION

Manufacturers and retailers created common logistics processes, common transaction messages and a common data model using a wide array of GS1 Standards. Today,

85% of participating companies are using GS1 Standards for identification and traceability.

BENEFITS

• Compliance with European cosmetic sector regulation.
• Achieved traceability for fast withdrawals.
• Improved productivity with accurate, faster transactions.
• Increased consumer safety and confidence.

DID YOU KNOW?

With GS1 Standards cosmetics companies are executing a withdrawal in less than **4 hours** enabling significant efficiencies and consumer safety.
Source : GS1 France

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Dutch Leading Food Retailer Creates a Fast Lane for Receiving Goods, and GS1 Standards Help to Gain significant Savings

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CHALLENGE

As a leading food retailer, Albert Heijn seeks to grow and improve its service to customers every day. This includes a more transparent, flexible and responsive supply chain to better serve the needs of its consumers.

SOLUTION

Teaming with suppliers, Albert Heijn streamlined the goods receipt process across its vast network of distribution centres (DCs). The company called on suppliers to start using the GS1 Serial Shipping Container Code (SSCC) embedded in the GS1 Logistics Label to uniquely identify all logistics units travelling to DCs for

unloading. The SSCC is also included in the EDI Despatch Advice that pre-announces the delivery, allowing for Albert Heijn to plan for and simply scan the Logistics Label for verification.

BENEFITS

• Significant net savings in time spent checking goods.

• Shipping errors declined to 1% of all received shipments.

• Significant time and associated cost savings per drop.

• Increased dock capacity. Greater delivery reliability for improved consumer satisfaction.

• Faster product recall process for improved consumer safety.

DID YOU KNOW?

By using GS1 Standards at Albert Heijn , **shipping errors declined to 1%** of all received shipments leading to significant time and cost savings.

Dairy Crest Uses GS1 Standards to Deliver Significant Efficiencies and Meet Tesco's Trading Requirements

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CHALLENGE

Tesco, a major supermarket chain, wanted to speed up delivery times and reduce inventory in its regional distribution centres (DCs) as well as make its goods-in processes more efficient and less costly. One of Tesco's suppliers, Dairy Crest aimed to increase the level of automation of its supply chain. The trading partners teamed to improve the accuracy and flow of information associated with the delivery of goods to the Tesco DCs while maintaining a high standard of customer service.

SOLUTION

Tesco places orders with Dairy Crest using Electronic Data Interchange (EDI) technology. As consignments are assembled, Dairy Crest identifies each pallet with a GS1 Serial Shipping Container Code (SSCC), encoded in a GS1 Logistics Label. Dairy Crest's warehouse management system issues an Advanced Ship Notice (ASN) message, which is sent to Tesco's receiving facility. When the ASN is received, Tesco knows in advance about the specific goods on the shipment and is able to verify and identify any discrepancies.

BENEFITS

• For Dairy Crest, achieved a delivery accuracy of 99.5%, in line with Tesco's target.

• Reduced manual, paper-based systems for fewer data errors and invoice queries, leading to improved cash flow.

• For Tesco, improved receipt of goods, warehouse operations and availability of Dairy Crest products for consumers across network of stores.

• Reduced time to unload trucks; e.g., for a 26-pallet truck, from 52 minutes to 11 minutes.

• Reduced errors and labour costs.

DID YOU KNOW?

By using GS1 Standards a user company in the UK achieved delivery accuracy of 99.5%.

APEC, GS1 & Global Data Standards

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- APEC area represents more than 50% of world trade and 58% of global GDP has become an increasingly important intergovernmental grouping to engage with for GS1. APEC is targeting a 10% improvement in supply chain performance based on time, cost and certainty by 2015.

- As a way to help improve APEC supply chain performance the APEC Business Advisory Council, supported by GS1, is promoting the use of Global Data Standards in cross-border Government functions.

- Global Data Standards refers to standards widely used in private sector supply chains that could be leveraged by Government to improve their product identification capabilities

- Of particular interest is the improvement of existing Government systems with private sector identifiers to enhance risk assessment, visibility and streamline border admission

Global Data Standards APEC Pilots

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- Work on Global Data Standards at forefront of APEC strategy to improve regional supply chains - funding from APEC for Global Data Standards pilot projects

- Pilot projects aim to enhance understanding about Global Data Standards and explore benefits, costs and resolutions to possible APEC Government obstacles

- Global Data Standards pilots will be applied to nine selected products and measured by researchers in terms of improvements in efficiency, innovation, integrity, visibility in international trade

Cross-Border Trade

Customs Duty Processing

GS1 Standards & Services

Entry/Exit

Counterfeit Goods Prevention

Omni-Channel

Retail from a consumer perspective: standards make it possible

Providing a **seamless consumer experience** across **physical** and **digital** channels

The problem:
A €200 billion challenge

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200 billion
Annual value in Euro of trade in fake goods globally, similar to market for illegal drugs

OECD

2,364
Recall notifications in the EU annually for dangerous non-food products

RAPEX

17
Average number of food recalls annually in Australia for undeclared allergens

FSANZ

128,000
People hospitalised each year in the U.S. for foodborne illness

CDC

The problem:
A complex problem

The problem:
A complex problem

Complex global supply chain

More products come from more suppliers and more places.

Omni-channel commerce

Industry challenges include managing, monitoring and auditing production, as well as the storage, transport and handling of inventory and information to consumers.

Laws and regulations

As challenges expand, so do the laws and regulations to ensure consumer safety and govern food and product handling.

The problem:
What do stakeholders want?

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CONSUMER

1 TRUST

Contaminations, recalls and counterfeits change **consumer perceptions** and purchasing behaviours

Want safe, genuine products and **trust** information on products they buy

INDUSTRY

2 RELIABILITY

Industry needs to **track, trace and authenticate** their products/ components from their origin

Want to make sure products they supply to consumers **are safe**

AUTHORITIES

3 COMPLIANCE

Ensure safe environment for citizens through new regulatory requirements

Products sold to consumers **must be safe**

How to solve the problem

Safer Products, Fewer Counterfeits

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- Use GS1 standards to identify products, actors and locations across the supply chain

| **Accurate Identification** |

- Develop rapid, targeted and secure communications with consumers, trading partners and government

| **Trusted Information** |

- Use GS1 standards to track products through the global supply chain and trace product histories
- Capture and share master, transactional and event data

| **Real-Time Inventory** |

- Clean up and standardise master data
- Measure and monitor data quality

| **Quality Data** |

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How to solve the problem

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| Compliance | Prevent Mislabelling | Traceability | Fight Counterfeits |

GS1 standards

Identify · Capture · Share

Top Retailers on-line rely on GS1

Better Search

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Online Audience (in millions)

- Amazon
- eBay
- Apple Sites
- Walmart
- Target
- Best Buy
- Sears
- Etsy
- The Home Depot
- Macy's

Source: comScore, Inc., March 2014

Amazon, eBay, Walmart, Apple iTunes and Google require or endorse GS1 identification for e-commerce.

The GS1 US GTIN Validation Guide is an important tool for improving the quality of product data and the relevance of online and mobile search results. — Walmart

The GTIN Validation Guide will help eBay find and resolve incorrect, duplicate and conflicting product information, improving visibility for merchant offers and enhancing the consumer search experience. — eBay

GS1 standards have been very valuable in our efforts to improve the online shopping experience by harmonising product data and eliminating inaccuracies. — Google

More efficient search

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What is the adidas ZX Flux Prism?

a) Sneakers
b) Athletic Shoes
c) Classic Running/Running Shoe

Answers:
a) Amazon.de
b) Ebay.it
c) Footlocker (UK)' AliExpress

Philips - GS1 XML Internal standard (Example Webshop)

GS1 XML

Order 3.1
OrderResponse
InventoryActivityOrInventoryStatus
DespatchAdvice
Invoice
Settlement

ERP SYSTEM (SAP)

Service

GS1 Transport Management Messages

Objective

GS1 Transport & Logistics

The Objective of GS1 regarding Transport and Logistics (T&L) is to improve efficiency and visibility of the T&L operations of supply chain stakeholders through the use of GS1 Global Standards

The five main T&L Processes

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LSPs

Warehouse Management

LSPs

Transport Management

LSCs

LSCs

Shippers

Delivery Management

Receivers

Exporters

Asset Users

Agents

Importers

T&L Asset Management

Cross Border Procedure Management

Asset Owners

Customs

MANUFACTURER · PALLET · TRANSPORT · PORT OR HARBOUR · TRANSPORT · CUSTOMS · PORT OR HARBOUR · CONTAINER · TRANSPORT · LOGISTIC SERVICE PROVIDER DISTRIBUTION CENTRE · TRANSPORT · PALLET · RETAILER · CONSUMER

WCO & GS1 COOPERAT

- Committed to enabling secure, efficient global supply chains
- In 2007, a MoU was signed in recognition of the wide range of business interest shared by our organisations
- In 2012, a co-operative agreement was signed to focus on anti-counterfeit interventions

2005	2005 - 2006	2007	2006 - 2009	2010	TODAY
Unique Consignment Reference (UCR)	SSCC as UCR Pilot Project	Memorandum of Understanding (MoU)	EPCglobal pilot initiatives	Global Shipment Identification Number (GSIN)	Cooperation Agreement on Anti-counterfeiting

LIM: Logistics Interoperability Model

- Published by GS1 in 2007
- Defines business process interfaces and required information exchanges
- Covers transport as well as warehousing
- Foundational for GS1 XML T&L message standards

http://www.gs1.org/sites/default/files/docs/sectors/transportlogistics/LIM_Foundation_Report.pdf

Contact Details

GS1 Global Office

Avenue Louise 326, bte 10

B-1050 Brussels, Belgium

T + 32 2 788 78 00

W www.gs1.org