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Waitrose to introduce GFR system to suppliers

22 Aug 2018 | Ian Quinn



The introduction of the so-called Good Faith Receiving system has been pivotal in reducing the huge sums of money deducted from suppliers

Waitrose is to become the latest retailer to introduce sweeping changes to its drop and drive procedures, as new figures show a massive fall in claims by supermarkets against suppliers.

The retailer is due to reboot its system for receiving supplier deliveries across its fresh food offer, bringing in a system of so-called Good Faith Receiving (GFR) in the next few weeks following successful trials, The Grocer has learnt.

The introduction of the system across a raft of retailers has been pivotal in reducing the huge sums of money deducted from suppliers due to alleged drop and drive issues, which saw some retailers narrowly avoid a GSCOP investigation last year.

In 2017, Groceries Code Adjudicator Christine Tacon warned Morrisons, Asda and the Co-op they were "drinking in the last chance saloon" after figures from a group of 20 leading suppliers showed they were being deducted £15m a year between them by supermarkets for alleged discrepancies in their deliveries, the equivalent of 40 cases in every 10,000 being questioned.

Although Waitrose was not among those facing possible investigation, its move is the latest significant breakthrough in the row.

The Co-op moved to a system of GFR in April, with Morrisons and Asda having done so last year, alongside Sainsbury's.

Jonathan Kittow, director of Simply Supply Chain which oversees the group which produced Tacon's damning dossier, said that since 2014, claims by supermarkets against 20 or so chilled manufacturers which had been at the heart of the problem had fallen by over 50%. This was largely due to the uptake of GFR.

"It's great news that Waitrose is becoming the latest supplier to introduce this," Kittow said. "There has been really significant progress on this issue since we produced the figures showing the huge sums that were being deducted from suppliers.

"What's important now is that we get as many small suppliers as possible signed up to GFR as well because the take-up is still relatively low."

Under GSCOP rules suppliers have to agree to sign up to GFR, which involves retailers using third party auditors to check samples of around 5%-10% of deliveries, with an error rate then used for final deductions.

Under the old system supermarkets could question any load being delivered, with suppliers claiming there were often spurious claims as well as delays in payment. Under GFR, discrepancies are dealt with in one hit after orders have been delivered based on the sample.

"There is a great opportunity for suppliers to almost eliminate claims," said Kittow. "But retailers can't force suppliers to sign up and there is a fundamental ignorance out there about what it means for claims. There is still a large degree of looking a gift horse in the mouth."

Simply Supply Chain is holding a workshop at Innocent's London headquarters on 4 October, to try to encourage smaller suppliers to sign up to GFR schemes.

A spokeswoman for Waitrose said: "We're pleased to confirm that we're planning to introduce a new good faith receiving process in our fresh areas and will be contacting our suppliers to share more information."

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