

Highlands 2005

The AFGC 2005 Highlands Senior Executive Forum for members and invited retailers and other guests will be held at the Royal Pines Resort on the Gold Coast in Queensland from 4 - 7 May, with the theme *Competing Collaboratively to Serve Consumers*. Further information is available on the AFGC website: www.afgc.org.au or by contacting the AFGC Secretariat by telephone on (02) 62731466.

ECR Asia Conference

The 8th Annual ECR Asia Conference will be held this year from 26-30 September at the Hong Kong Convention and Exhibition Centre. For further details visit www.ecrasia.com

ECR Asia Council

ECR Australasia will host the ECR Asia Council meeting on the 14 July 2005. Further information will be made available closer to the date.

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ECRA – Your Views Sought

Since its inception Efficient Consumer Response Australasia (ECRA) has achieved an ambitious work program, including the publication of 11 blue books and one CD which identify best practice, current industry status, recommend the adoption of industry standards and identify potential future developments. Topics addressed have included:

- E-commerce
 - The Australian and New Zealand Grocery Industry Guidelines for Numbering and Bar Coding of Trade Items Not Sold at Point of Sale.
 - E-messaging Guidelines and Standards
 - EANnet
- EANnet – The feasibility of including commercially sensitive data. (2000)
- A Guide to KPI Development with the Grocery Industry (2000)
- A Guide to Demand Forecasting within the Grocery Industry (2000)
- The Profit Impact of ECR (2000)
- A Guide to Efficient Replenishment and Reducing Stock Outs with the Grocery Industry (2001)
- Evaluation of ECR Europe report, The Essential Guide to Day to Day Category Management (2001)

- Australasian Grocery Industry Tracking Study 2002
- A Guide to Collaborative Loss Prevention (2002)
- Efficient Product Movement – Improving product transport and handling through the supply chain. (2003)
- Data Integrity and Synchronisation (2004)
From Barcode to Electronic Code (2004).

After five years, the ECRA Board considers it timely to assess the effectiveness of its work streams and their take up in the Australian and New Zealand grocery market and the opportunity to deliver future benefits to trading partners. A questionnaire has been issued which aims at measuring work effectiveness and evaluates options for future work streams. Please support this initiative by completing the questionnaire as promptly as possible. For further information or copies of the questionnaire please contact the Secretariat.

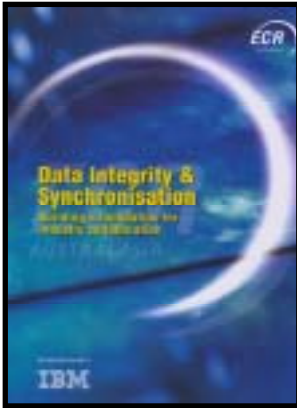
ECR Publications Widely Available

During 2004 the Efficient Consumer Response Australasia (ECRA) Board approved the recommendation of providing easily accessible industry best practice and information. In a renewed commitment to take costs out of the grocery supply chain and better satisfy consumer demands through the adoption of world's best practices the Board unanimously agreed to drop the minimal charge for its publications.

Members of the AFGC and NZFGC as well as participating suppliers, retailers and wholesalers will be able to avail themselves of ECRA publications free of charge.

Prices listed on the order form attached at the end of this newsletter will be charged to associate members and other interested companies and organisations.

Savings of A\$70 M per annum through Data Integrity and Synchronisation



The 2004 Efficient Consumer Response Australasia report, Data Integrity and Synchronisation – building a foundation for industry collaboration, identified a direct benefit to the Australasian grocery industry through the implementation of DIS to exceed A\$70 million per annum. While the direct benefit is significant, the real driver for DIS implementation is to build a robust foundation for effective, efficient, sustainable and scalable industry collaboration.

Leading Australian and New Zealand retailers and wholesalers have publicly committed themselves to the use of EANnet, as the sample quotes from Coles Myer Ltd and Foodstuffs Ltd indicate:

"Our expectation is that all manufacturers will move to synchronise their data with Coles via EANnet by the end of 2004. This coincides with the go-live of a new merchandising system, which has been de-

signed for electronic commerce. After this time the processing of Universal Buying Forms (UBF's) will start to be phased out by Coles". Coles Myer Ltd

The three Foodstuffs companies will work together to define data requirements for EANnet and promote the system. Product data will be seamlessly integrated from EANnet to Foodstuffs' back office systems. Ultimately the Universal Buying Form will be discarded in favour of EANnet". Foodstuffs

With such commitments from retailers and wholesalers the way forward for manufacturers is clear and an industry take up of DIS is likely to be faster.

To find out more about data integrity and synchronisation and fully appreciate the five key industry report recommendations you can obtain your copy of the report by completing the order form attached to the end of this newsletter.

"Australasian companies have been watching global developments with interest, they have been proactive in learning and some are already experimenting with pilots."

From Bar Code to Electronic Code

With radio frequency identification (RFID) adoption on the horizon in the USA and UK and electronic product code (EPC) standards being developed globally you can now find out what is happening in the Australasian market place.

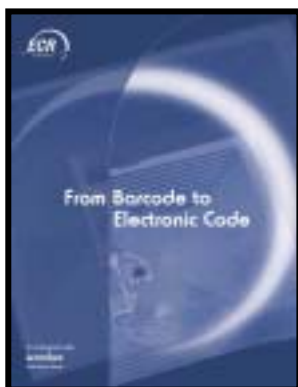
The 2004 ECR Australasia report *From Bar Code to Electronic Code* uses results of a detailed survey sent to leading retail and consumer product companies in Australia and New Zealand, to establish a benchmark of the region's current state of preparedness for RFID/EPC against which future progress can be measured.

The survey, based on the Global Commerce Initiative (GCI) EPC Roadmap, was distributed to 103 food and grocery retailers, suppliers, transport, pharmaceutical and automotive companies. *"The response rate of 51%, confirms the strong interest there is within companies in the technology and its potential impacts on the supply chain, and that is what encouraged such a healthy response rate"* says Harris Boulton, manager of ECR Australasia.

Analysis of the responses has resulted in some of the following key messages:

- Australasian companies have been watching global developments with interest, they have been proactive in learning and some are already experimenting with pilots.
- While a retail mandate is the most likely catalyst in Australasia, this is by no means a given, and manufacturers, government or another third party could emerge in the near future to add some momentum. Exporting Australasian products companies supplying RFID mandated customers overseas, for example, could be a catalyst.
- Australasian companies should be aware that there is no 'one size fits all' RFID/EPC approach, and every company will need to make their own decisions on how best to leverage the technology in their own specific contexts. They should also be aware that some Australasian companies that have led the way are already reaping benefits, despite identified issues such as the cost of RFID tags.

This definitive report on the Australasian RFID/EPC environment provides an insight into likely adoption by Australasian trading partners, Australasian and overseas case studies, up to date information on standards and a suggested industry action plan.



ECR Europe

The 2005 ECR Europe Official Conference and Marketplace will be held at the Palais des Congrès, Paris, France and will mark the tenth anniversary of ECR Europe conferences. Conference dates are confirmed as 26-28 April 2005.

The focus of the 2005 Conference and Marketplace will be on how you and your trading partners can jointly create *Better Consumer Value by Growing the Cake Together* so that both you and your consumers benefit.

Visit www.ecrnet.org for more information.

Product Recall Project Commences

In 1997, suppliers and retailers in Australia developed a collaborative *"Product Recall Guide, Packaged Food and Groceries"* to shape trading partner procedures for managing recalls and withdrawals.

The recent increases in the incidence of recalls and withdrawals following revised food regulations has highlighted that inconsistencies in the data requirements and processes for product recalls and withdrawals among suppliers and retailers and regulators are a cause of inefficiency and unnecessary cost in the food and grocery sector.

The ECRA Board has approved a project to assess current data requirements and process, consider a common downloadable template and the possible use of the industry catalogue EANnet as a source of accurate information, and examine company insurance requirements. A project team is currently being assembled with 30 June 2005 as the target date for the completion of the project. Further information on the project can be obtained from Harris Boulton at:

harris.boulton@afgc.org.au

RFID Developments

"It is anticipated that a draft Code will be available for public consultation shortly".

EAN Australia the organisation that manages Australia's barcode numbering system will also manage the allocation of Electronic Product Codes (EPC) to be used with RFID technology. It will do so through a new business unit known as EPCglobal Australia, a member of EPCglobal Inc., which has been established to maintain standards for product codes used on consumer products.

EPCglobal, a joint venture between EAN International and the Uniform Code Council, Inc., is industry's trusted partner for driving the global, multi-industry adoption and implementation of the EPC Network. Visit www.ean.com.au for additional information.

EPCglobal has released guidelines for the use of electronic product codes to provide a responsible basis for the use of EPC tags on consumer items. They address privacy concerns of consumers prompted by the current state of technology for dealing with its evolution and implementation - consumer notice; consumer choice; consumer education; record use, retention and security. In Australasia these guidelines are the basis for a Code of Privacy being developed by the Australian Retailers Association (ARA) and EPC Global Australia (via EAN Australia), with support from ECRA, retailers, supplier companies and consumer privacy groups.

Under the proposed Code, stores will need to ensure the privacy of consumers by:

- Giving consumers clear notice of the presence of RFID tags on products, which are scanned by RFID technology.
- Providing details of the retention, use and protection of specific data gathered by the use of the RFID technology for purchased items.
- Allowing ready access to information to educate consumers about the technology and its capabilities within the scope of the retailers' operation.
- Providing choice for consumers once RFID labelled products are purchased. Choice involves the ability for consumers to discard, disable or remove the tag after purchase.

It is anticipated that a draft Code will be available for public consultation shortly. In the meantime, interested groups can review the status of the Code by logging on to www.rfid.ara.com.au.

Further background information is available by visiting www.epcglobalinc.org.



Factsheets

A series of *Factsheets* has been commissioned by the ECRA Board as a toolkit of practical business advice to assist in the promotion and uptake of ECR best practice. The *Factsheets* will outline basic principles, provide ideas and show how suppliers and retailers have already embraced ECR practices in their businesses. The first *Factsheet* will address the critical practice of data integrity and synchronisation and will assist companies on their journey with their trading partners.

The Factsheet will be made available on the ECRA website and publicised by supporting organisations.



EANnet

The use of EAN as an industry tool for data synchronisation continues to grow, as does the number of companies, which have achieved "EANnet ready" status.

Suppliers registered with EANnet (449 Australia, 20 New Zealand)	469
Suppliers EANnet ready (132 Australia, 2 New Zealand)	134
Suppliers exchanging with retailer	66
Trade items in synchronisation hub	61,254
Other trade items populated	460,466

Figures quoted are accurate as at Jan 2005.

ECR Australasia Board

The ECR Australasia Board of senior executives from the food and grocery industry in Australia and New Zealand as follows::

Peter West, General Manager
Arnott's Biscuits Ltd - **ECRA Chairman**

Richard Brown, General Manager,
Food & Liquor Supply Chain, Coles Myer Ltd

Steve Anderson, Managing Director
Foodstuffs (South Island) Ltd

John Bower, Managing Director
Gillette Australia Pty Ltd

Nigel Comer, Managing Director
Heinz Watties NZ Ltd

Andrew Reitzer, Chief Executive Officer,
Metcash Trading Ltd

Peter McClure, Chief Executive Officer
NZ Dairy Foods Ltd

Mark Brosnan, General Manager
Merchandise, Progressive Enterprise Ltd

Tony Rowlinson, Chief Executive Officer
SCA Hygiene Australasia Ltd

Michael Luscombe, General Manager Supply Chain, Woolworths Ltd

ECR Australasia welcomes Mark Brosnan as the most recent Board member. This appointment ensures that all major retailers and wholesalers in Australia and New Zealand are represented in the Board.

Contact ECR Australasia

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Supporting Organisations

Australian Food & Grocery Council
Australian Retailers Association
National Association of Retail Grocers of Australian
New Zealand Food and Grocery Council
New Zealand Retailers Association

The ECRA website contains, along with this newsletter, information and presentations from ECRA projects, reports and seminars.

Visit us at: www.ecraustralsia.org.au



ECR Australasia reports are available through the AFGC. Reports are free of charge for AFGC and NZFGC members and participating organisations. Prices below are for non-contributing organisations. To receive a copy of your preferred report, complete and return the form by fax to: (61 2) 62731477 or email to Elaine Stanford: elaine.stanford@afgc.org.au



Please send me the following publications with a tax invoice including postage and handling.

Title : **2002 Grocery Industry Tracking Study (includes optional electronic copy on CD)**
 No of copies.....CD (Y/N)..... @ \$A550.00 per copy Subtotal \$

Title : **A Guide to Collaborative Loss Prevention (electronic copy on CD only)**
 No of copies.....@ \$A38.50 per copy Subtotal \$

Title : **A Guide to Demand Forecasting within the Grocery Industry**
 No of copies..... @ \$A22.00 per copy Subtotal \$

Title : **A Guide to KPI Development within the Grocery Industry**
 No of copies..... @ \$A16.50 per copy Subtotal \$

Title : **The Profit Impact of ECR**
 No of copies..... @ \$A16.50 per copy Subtotal \$

Title : **A Guide to Efficient Replenishment & Reducing "Stock Outs" Within the Grocery Industry**
 No of copies..... @ \$A25.00 per copy Subtotal \$

Title : **Efficient Product Movement**
 No of copies..... @ \$A33.00 per copy Subtotal \$

*****NEW** Title : **Data Integrity & Synchronisation**
 No of copies..... @ \$A33.00 per copy Subtotal

*****NEW** Title : **From Barcode to Electronic Code**
 No of copies.....@ \$33.00 per copy Subtotal \$.....

Title : **EANnet – The Feasibility of Including Commercially Sensitive Data**
 No of copies..... No Charge

Title : **The Australian and New Zealand Grocery Industry Guidelines for
 Numbering and Bar Coding of Trade Items Not Sold at Retail Point of Sale**
 No of copies..... No Charge

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