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## ECRA Announces New Project—Retail Ready Packaging

1 The ECRA Board have endorsed a new work stream aimed at developing and publishing a clear and comprehensive set of guidelines for Retail Ready Packaging to facilitate efficient shelf replenishment processes.

1 Significant changes in packaging, particularly secondary packaging, are taking place within Australia and New Zealand. The changes are being driven by an increased focus on reducing the time taken to replenish store shelves.

2 Currently the potential exists within Australia and New Zealand for multiple sets of specifications to be developed. The probable

impact of this is increased costs, reduction in efficiencies within the supply chain and increased product complexity.

This project provides an opportunity to understand retail trading partners specific detailed needs, appreciate the complexity of the issues and to develop a common set of industry endorsed guidelines for adoption by industry.

For further details on this project contact Samantha Blake ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au)) or 02 6270 9012)

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## Product Introduction and Delisting Project - Update

2 The Product Introduction and Delisting project aims to explore the operational inefficiencies and unnecessary costs for suppliers, retailers and wholesalers through the introduction of new product lines and delisting of others. Desired outcomes for this work stream include improved efficiency and reduced costs of managing introductions and delisting for trading partners.

A total of 73 people responded to the web based survey aimed at providing information on processes and practices, and to identify opportunities for improving the effectiveness and efficiency of the supply chain in enabling new product introductions and product delisting. Respondents included leading suppliers, retailers and wholesalers in the food and grocery markets within Australia and New Zealand.

Early assessment of survey responses indicates opportunities exist within the industry to capture cost information more efficiently, advance the delisting processes, and focus on improved consumer demand.

The project outcomes and recommendations will be presented at *Highlands 2006* on Thursday 1 June, with the final report available shortly thereafter.

ECRA has partnered with Accenture for this project, further information on which is available from Samantha Blake ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au)) or Craig Hogan from Accenture ([craig.hogan@accenture.com](mailto:craig.hogan@accenture.com))

### New Look Web Site

ECR Australasia is pleased to announce the re-launch of its website.

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

We encourage you to visit us at [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au)

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## RFID Code of Privacy - Australia

A Code of Privacy is being developed to ensure the interests of consumers will be protected in the operation of the RFID/EPC network for item level tagging when introduced in Australia. The Code will be managed by GS1 and it is proposed as a retail industry program with signatory associations such as ECR Australasia.

The key elements of the Code include retailer responsibility; principles of notice, record use and retention, education and choice; complaints procedures; and Code administration. It is

currently under development which will include a public review process.

GS1 New Zealand has published "The EPC/RFID Retail Consumer Code of Practice". It is available to download at the following link <http://www.gs1nz.org/EPCglobal/DownloadEPCRFIDCodeofPractice.aspx>

For further details contact Samantha Blake ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au))

## 2006 Australasian Grocery Industry Tracking Study - Update

### ECR Publications

ECR Australasia would like to remind you that publications are now freely available to all AFGC, NZFGC, member companies and participating retail organisations.

Publications available include:

- 2002 Grocery Industry Tracking Study
- A Guide to Collaborative Loss Prevention (electronic copy on CD only)
- A Guide to Demand Forecasting within the Grocery Industry
- A Guide to KPI Development within the Grocery Industry
- The Profit Impact of ECR
- A Guide to Efficient Replenishment & Reducing "Stock Outs" within the Grocery Industry
- Efficient Product Movement
- Data Integrity & Synchronisation
- From Barcode to Electronic Code
- EANnet - The Feasibility of Including Commercially Sensitive Data
- The Australian and New Zealand Grocery Industry Guidelines for Numbering and Bar Coding of Trade Items Not Sold at Retail Point of Sale

ECR Australasia is once again facilitating the Australasian grocery industry tracking study. The study based, as in previous years, on the GCI Scorecard aims to assess industry maturity development against the 14 key ECR concepts and:

- compare them to previously set targets,
- benchmark against Europe and US maturity
- estimate potential remaining benefit of full ECR adoption
- provide participating companies with visibility of their maturity versus others in their industry.

Over 100 scorecards have been completed to date and will provide the basis for identifying significant quantifiable opportunities for improvement within the industry. Outcomes, insights and recommendations will be explored at *Highlands 2006* in June.

Background information on the tracking study is available at the following location <http://www.ecraustralasia.org.au/files/File/seminars/pdf/ECRAScorecardbriefing2.pdf>

For further information contact Samantha Blake ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au)) or Tom Sherlock from IBM Business Consulting Services ([tom.sherlock@au1.ibm.com](mailto:tom.sherlock@au1.ibm.com))

## ECR Updates From Overseas

### ECR Europe

The annual ECR Europe conference is scheduled for 29 - 31 May in Stockholm with the tag line "*Northern Lights - Inspiring Partnership Through Innovation and Style*".

The program includes retail and distribution tours, sessions on on-shelf availability, shelf-ready packaging, shrinkage, global data synchronisation and more. Further information is available from the following link: <http://conference.ecrnet.org/ecrfolder/index.cfm>

### Assessing the Contribution of ECR - Europe

At the first ECR Europe Conference held in Geneva ten years ago, the concept of ECR was introduced. It was defined as a set of improvement initiatives to help grocery retailers and their supplier to "work together to satisfy consumer wishes better, faster and at less cost."

Predictions were made that ECR initiative would allow the industry to save costs equivalent to 6.9% of consumer sales value. During 2005 the ECR Europe Executive Board asked the ECR Europe Academic Partnership, together with IBM Business Consulting Services, to investigate the effect of ECR on retail and consumer goods businesses.

The results of the research have been published in a new ECR Blue Book *The Case for ECR*. Some of the key findings are detailed below and further information is available at the following location <http://www.ecrnet.org/conference/files/presentations/BO%201.6/1%20The%20case%20for%20ECR.pdf>

Some key findings:

- ECR adoption has delivered savings of 3.6% on consumer sales since 1995, approximately half the original projections of 6.9%.
- For top-tier ECR adopting companies compared to low/non ECR adopters
  - ~ service levels are on average 5.7 percentage points higher
  - ~ finished goods cover is on average 10 days lower
  - ~ on-shelf availability is 4.9 percentage points higher
  - ~ delivery times are reducing, with some suppliers guaranteeing delivery within 48hrs
  - ~ on time delivery improved to 98-99%.
- Consumers score ECR adopting retailers higher on key criteria including store trust and loyalty.
- Levels of adoption have varied, not everyone has shared in the savings.

*“ECR principles support the belief that business success comes from delighting the consumer through meeting or exceeding their expectations”.*

## Supply Chain Capability Development Program—Update

ECR Australasia has partnered with Accenture in providing a web based training program, Supply Chain Capability Development (SCCD), aimed at supply chain professionals.

The uniquely tailored program covers approximately 50 hours of self-paced on-line learning over a twelve month period. The curriculum focuses on six core topics:

- Supply chain fundamentals
- Forecasting and planning
- Inventory management
- Performance metrics
- Statistics, probability and spreadsheet simulations
- Process integration and knowledge application.

Organisations participating in the program will build skills to assist in informed decision making, develop consistency in process and terminology, access world class content, use inventory, replenishment and forecasting competencies to drive a competitive edge whilst developing the skills of their workforce.

The course fee has been set at \$1,740.00 and the program will shortly be available. Those interested in participating are asked to register their intent by contacting Samantha Blake ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au))

### Highlands 2006

The AFGC *Highlands 2006* Senior Executive Forum for members and invited retailers and other guests will be held at the Hyatt Regency, Sanctuary Cove on the Gold Coast in Queensland from 31 May – 2 June.

The program ‘*Winning with Today’s Consumers*’ will provide a unique opportunity for AFGC Members and their retail customers to address major industry issues. It will also provide an opportunity for updates on the 2006 Grocery Industry Tracking Study and the Product Listing and Delisting projects.

Further information is available from the AFGC website: [www.afgc.org.au](http://www.afgc.org.au) or by contacting Mischelle Mehnert the AFGC Secretariat on telephone (02) 6273 1466.

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#### Supporting Organisations

Australian Food & Grocery Council  
New Zealand Food & Grocery Council

ECR Australasia is strongly supported by all major Australian and New Zealand retailers and wholesalers.

Visit us at: [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au)

## ECR Australasia Board

The ECR Australasia Board comprises senior executive representatives from food and grocery retailers, wholesalers and suppliers. The full membership of the Board is:

**Andrew Cummings** (Chairman)  
Managing Director, Clorox Australia Pty Ltd

**Andrew Reitzer**  
Chief Executive Officer, Metcash Trading Ltd

**Michael Watt**  
Managing Director, Arnott’s New Zealand

**Mark Brosnan**  
General Manager Merchandise, Progressive Enterprise Ltd

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

**Peter McClure**  
Chief Executive Officer, NZ Dairy Foods Ltd

**Steve Anderson**  
Managing Director, Foodstuffs (South Island) Ltd

**Pete Manuel**  
Managing Director, Procter & Gamble and Gillette Australia Pty Ltd

**Peter Tedesco**  
Chief Executive Officer, Green’s Foods Ltd

**Ian McDonald**  
General Manager, Grocery Woolworths Ltd