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## Shelf Ready Packaging Toolkit

To obtain your copy of the toolkit simply visit [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au) and follow the links to SRP Toolkit.

For further information contact Samantha Blake at the Australian Food and Grocery Council [samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au)

## ECRA publishes an industry guide for shelf ready packaging

Shelf Ready Packaging is a reality today.

In June 2006 the ECR Australasia Board recognised the need to develop common industry standards and guidelines to assist retailers, suppliers, wholesalers and packaging companies implement sustainable Shelf Ready Packaging (SRP) solutions. Unlike other ECR concepts SRP is not a stand-alone best practice and it can impact numerous elements of the supply chain. If not implemented with due consideration to these impacts it has the potential to increase costs and reduce efficiencies.

ECRA has recently launched a clear and comprehensive set of guidelines for SRP **Retail Ready Packaging - A Focus on Shelf Ready Packaging an Industry Toolkit**.

The toolkit aims to facilitate efficient shelf replenishment processes whilst recognising that standardisation can evolve into commoditisation and erode competitive difference. Therefore this document acts as a guide to ensuring SRP implementation follows a case-by-case iterative process.

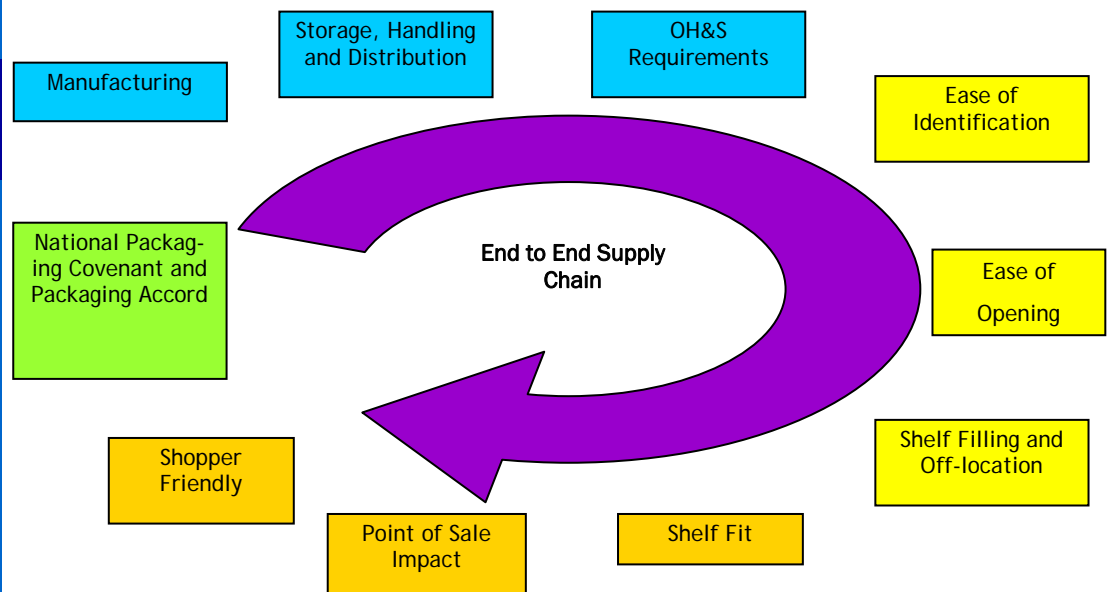
The toolkit is the culmination of seven

months of work by the ECR Retail Ready Packaging Working Group, where manufacturers, retailers, packaging companies and industry bodies worked jointly to develop this toolkit. The practical approach of the toolkit will benefit trading partners and provide a framework for open dialogue, avoiding prescribed solutions or technical specifications.

The toolkit provides:

- a set of guiding principles,
- functional requirements to ensure a certain degree of harmonisation of SRP across the industry
- a business case methodology for trading partner consideration
- key considerations for retailers and manufacturers
- retailer prioritisation approach and in-store execution
- a set of packaging options and guidelines
- suggested checklists for use internally or with trading partners

### End-to-End Supply Chain Considerations



## Publications

ECR Australasia publications are freely available to all AFGC, NZFGC, ECRA Board member companies and participating organisations. A list of available publications can be found at [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au)

## 2006 Australasian Grocery Industry Tracking Study—Released

The pace of change in the grocery industry continues unabated and the pressure on supply chains to be responsive and to deliver both service and costs reductions continues to grow. Once again ECRA and IBM Business Consulting provided the grocery industry the opportunity to analyse performance and ECR maturity for each of

the ECR core improvement concepts. The results of which are available in the recently released report - *The 2006 Australasian Grocery Industry Tracking Study*.



The results are qualified by the lower than expected participation rate which was approximately a third of the previous study completed in 2002. However this still represents 20% of total ex-factory industry sales for the categories covered and 80% of total grocery retail industry sales. The disproportional participation from large food and grocery manufacturers should also be noted.

The 2006 Tracking Study contains analysis of the industry's performance and ECR maturity for each of the global ECR scorecard concepts and KPIs, including a summary of industry leading practices. It reports that leading Australian and New Zealand companies are comparable with global ECR benchmarks and are now reaping the benefits and positioning themselves for future success; lagging companies are in danger of losing relevance to both consumers and trading partners; and for leaders collaboration is now an established way of working in some areas.

Although progress has been made, the industry as a whole is substantially behind targets that were set by participants in the 2002 Tracking Study. IBM Business Consulting estimate operating cost reductions greater than A\$1.1billion, and reductions in finished goods inventory of an additional A\$950 million remain available to the Australasian grocery industry.



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

The Tracking Study is a valuable benchmarking tool to assess where you fit in the performance spectrum. Is your business one of the leaders or one of the laggards?

If you have not already received your copy of the *2006 Australasian Grocery Industry Tracking Study* contact Samantha Blake at AFGC Secretariat ([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)).

## 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 [ecraustralia.org.au](http://ecraustralia.org.au)

## Data Quality Dimensioning Work Progresses

GS1 Australia and GS1 New Zealand have partnered with ECRA to drive the adoption of data quality across the Australian and New Zealand food and grocery industry, with particular emphasis on product dimensions.

Good quality data will improve internal business processes for manufacturers, retailers and wholesalers. For trading partners it will assist in reducing costs, improving productivity and accelerate product speed to market.

A foundation to data quality is the physical products characteristics. Products identified with the same GTIN can have some inherent variability in gross weights and dimensions due to manufacturing variability, environmental factors, transportation impacts etc. Acceptable variances and tolerances are an essential element to appropriate dimensioning. Inaccurate data results in unnecessary costs associated with order inaccuracies, invoice deductions, transport/

storage under or over utilisation, planogram errors and material handling equipment problems.

*Can you help? Initial audit work completed by the working group indicated an error rate of 16.5% against a tolerance of 4%. To verify this result the working group invites member companies of the AFGC to participate in a free audit of their carton / shippers as received at a retail distribution centre. All data collected (weight, height, width, and depth) will be treated confidentially and participants will have the opportunity to review their data.*

For further information or to participate in this work stream please contact Samantha Blake ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au)) or 02 6273 1466).

## New Work Stream for 2007—Upstream Supply Chain

Supply chain management is one of the most significant strategic links for any business. Decisions must be made about how to co-ordinate the production of goods and services, how and where to store inventory, from whom to purchase materials and how to distribute in the most cost-effective and timely way.

Due to an historical focus on consumer demand, less attention has been paid to upstream (suppliers of inputs to manufacturers) integration and efforts to win new efficiencies.

ECRA with GS1-Australia convened a scoping study on 27 February to assess pathways for new work to evaluate and report on the capability for upstream consumer packaged goods (CPG) in Australia. This work will promote industry adoption of a common language for the processes and data interchanges within

electronic integration relationships.

From this discussion, expressions of interest are being sought from five manufacturers and five suppliers of inputs, to take part in further studies. The work will draw on an Upstream Integration Model (UIM) developed internationally by the Global Upstream Supply Initiative.

Further information is available from Russ Neal on 02 6273 1466 or [russ.neal@afgc.org.au](mailto:russ.neal@afgc.org.au) or Mark Fuller at GS1 on 03 9558 9559 or [mfuller@gs1.org](mailto:mfuller@gs1.org).

The upstream CPG supply chain has a focus on raw and packaging materials used by the manufacturer in the production process. Substantial benefits are expected from this work, and are likely to include practical outcomes and cost efficiencies for suppliers and manufacturers with flow-on benefits to retailers.

## ECR Update from Overseas

### ECR Europe

The annual ECR Europe conference is scheduled for 8 -10 May 2007 in Milan - Passion for Growth, Innovation and Execution in a Changing World.

Information, program and registration details are available from the following link [www.ecrnet.org](http://www.ecrnet.org).

### ECR Asia

The 10th ECR Asia Pacific Conference and Exhibition is scheduled for 22-24 October in Singapore. Further details are available at [www.ecrasia.net](http://www.ecrasia.net).

## ECR AUSTRALASIA BOARD

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

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

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

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

**Peter Tedesco**  
Chief Executive Officer,  
Green's Foods

**Andrew Reitzer**  
Chief Executive Officer  
Metcash Trading

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

**Peter McClure**  
Managing Director, Fonterra  
Brands (NZ) Ltd

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

**Lindsay Mouat**  
Director New Zealand, Unilever  
(NZ) Australasia

**Ian McDonald**  
General Manager, Global  
Sourcing, Woolworths Ltd

## Supply Chain Capability Development Program

A new online program is satisfying a long-time gap in supply chain capability training resources. For many years, retail and supply chain management professionals have lacked access to consistent ways of managing, forecasting and planning inventory. This has been addressed by the new Supply Chain Capability Development (SCCD) Program.

Accenture and ECRA have teamed to develop the program, working with the University of Wollongong. The program can be completed online in just 50 hours. It is available through any computer with internet access, which means participation is flexible according to the individual's other work demands and priorities.

To learn more or to sign up, please contact either Accenture's Lisa Tepper [Lisa.Tepper@accenture.com](mailto:Lisa.Tepper@accenture.com) or ECRA's Samantha Blake [samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au)

SCCD seeks to raise participants' decision-making capabilities by providing skills sets in a format that is convenient, easy to access and self-paced. Participants can demonstrate their professionalism in the area of inventory management and forecasting after completing the program, by passing the certification test from ECRA – a nationally recognised certification in inventory management and forecasting capacity.

## RFID Code of Privacy

The Radio Frequency Identification (RFID) in Retail Consumer Privacy Code of Practice has been developed to ensure the interests of consumers are protected in the operation of EPCglobal Network.

The Code is administered by GS1 Australia, supported by the retail sector, and provides the mechanism for the industry to self regulate in the context of general legislation such as Trade Practices Act, Privacy Act and various state surveillance laws.

Under the Code, RFID enabled stores are required to ensure the privacy of consumers is protected by:

- Giving consumers clear **notice** of the presence of RFID tags on products which are actively used at retail point of sale.
- Providing details of the **retention, use and protection of specific data**

gathered on purchased items by the use of the RFID technology.

- 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 during or after purchase of RFID labelled products.

A second public consultation period is currently underway. You can access your copy of the DRAFT code from the following web locations:

[http://www.gs1au.org/products/epcglobal/privacy\\_code\\_practice/public\\_review.asp](http://www.gs1au.org/products/epcglobal/privacy_code_practice/public_review.asp)

For further information contact Samantha Blake at the secretariat. ([samantha.blake@afgc.org.au](mailto:samantha.blake@afgc.org.au) or 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)