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A message from the Chair

The Australian and New Zealand food and grocery industry is a highly significant commercial force. In deed it is the largest manufacturing sector; the largest employer; and touches households on a daily basis with products, stores and people.

Efficient Consumer Response Australasia (ECRA) is the only organisation in Australia and New Zealand that provides the opportunity for joint trade partners to make the grocery sector as a whole more responsive to consumer demand and promote the removal of unnecessary costs from the supply chain.

The last year has seen significant advancements in the ECR movement in Australasia and I am pleased to say that we made some very solid progress on a range of issue.

On-shelf availability is again top of mind with the completion of the largest ever on line survey of its kind in Australasia. The report *The On-Shelf Availability Challenge 2007-2008, a report into the current state of OSA in the Australian and New Zealand food and grocery industry* details the current status and outlines a roadmap for further advancement.

Retail ready packaging (RRP) continues to be under the spot light with limited in-store use and a difficult to determine business case. ECRA has adopted a focus on in-store execution, working towards a June 2009 re-release of the RRP Toolkit, which should go some way to addressing the first barrier.

Data quality continues as a central and foundational principle to effective electronic trading opportunities. Throughout 2008 ECRA partnered with GS1 Australia and GS1 New Zealand to raise industry knowledge on the importance of good quality dimensional data. The work resulted in the call to action outlined in the report *Accurate Product Measurement – item and trade units within the Australian and New Zealand Food and grocery industry*.

Against the backdrop of a global economy under stress it is essential for Australian and New Zealand consumer products companies to maintain and enhance innovation; efficiency of supply chain; removal of non value added costs; and a focus on the consumer. The principles of ECR provide an excellent foundation and I strongly encourage you to actively participate in its activities throughout 2009.

I would like to thank my Board members for their continued support, contribution and involvement and finally I wish you and your families a joyous Christmas and a prosperous New Year.

Seasons greetings

Andrew Cummings
Chairman ECRA



Thanks to Board Members

The Secretariat and current Board members would like to thank outgoing Board members (listed below) for their contribution to ECRA. The success of the ECRA organisation is due in large part to the advice, guidance and direction from its Board members to the significant and valuable work program.

The outgoing Board members should take particular satisfaction from seeing the improvements to supply chain processes and consumer outreach as a result of their input.

Thank you to

Ian McDonald, Woolworths Ltd
Michael Watt, The Wrigley Company

Jeff Strong, Procter & Gamble Ltd
Richard Brown, Coles Group

ECR Updates from Overseas

ECR Europe Forum & Marketplace 2009

The ECR Europe Forum and Marketplace will be held on 3-4 June 2009 in Barcelona, Spain.

The world is changing. So are the needs of shoppers. How can the consumer goods industry keep pace? These issues will be high on the agenda at the 14th annual ECR Europe Forum and Marketplace in Barcelona in June 2009.

Further information is available from <http://forum.ecrnet.org/>

The On-Shelf Availability Challenge 2007-2008 Launch

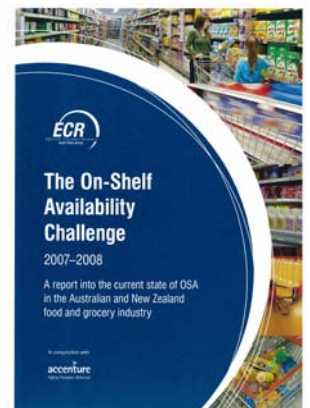
Efficient Consumer Response Australasia hosted a workshop on Wednesday 12 November in Melbourne to launch *The On-Shelf Availability Challenge 2007-2008, a report into the current state of OSA in the Australian and New Zealand food and grocery industry.*

The event was the culmination of 12 months work examining the current status and perceptions surrounding OSA in the New Zealand and Australian markets. Key insights into the complex challenges of out of stocks were garnered from senior executives in the largest on line survey of its kind conducted in the region.

Over 40 delegates explored the current status of OSA, perspectives from retailer and suppliers along with activities underway globally and locally, and most importantly the future challenge and direction of industry wide activities.

The seminar included presentations from:

- Andrew Cummings (Managing Director, Clorox) detailing the importance of OSA for his organisation;
- Paul Harker (National Merchandise Logistics Manager, Woolworths) outlined the retailers focus on OSA;
- Andrew Clarke (Managing Partner, Retail Practice, Asia Pacific, Accenture) and Marek Rucinski (Partner, Retail Practice, Asia Pacific, Accenture) offered detailed insight to the key findings and outcomes from the survey and the subsequent report; and
- A team of industry peers including Andrew Cummings, Marek Rucinski, Andrew Bowers (Unilever) and John Cawley (AFGC) concluded the event by tackling some of the more sensitive issues surrounding OSA.



The report *The On-Shelf Availability Challenge 2007-2008, a report into the current state of OSA in the Australian and New Zealand food and grocery industry* is now available by contacting Kim Riggans (kim.riggans@afgc.org.au or 02 6273 1466).

ECRA welcomes new Board members

Kevin Jackson
Chief Executive Officer
Sanitarium Health Food Company

Kevin Jackson commenced his career with Ernst Young and worked in Auditing, Insolvency, Corporate Advisory and the Performance Improvement Consulting areas. Kevin has a Bachelor of Commerce from Auckland University and is a qualified Chartered Accountant.

Kevin joined the Sanitarium team in 1996 and was appointed CEO in November 2000.



Paul Harker
National Merchandise Logistics Manager
Woolworths Ltd

Paul started with Woolworths 15 years ago whilst studying at University. After a number of store management roles came out into the support office and project managed the development and implementation of autostock, the companies new store replenishment system. Then became the first Senior Business Manager for Store Replenishment. Two years ago became the Head of Replenishment for Food and Liquor. Responsible for store and DC replenishment for Australian and NZ supermarkets and Free Standing Liquor.

Supporting Organisations

- Australian Food and Grocery Council
- New Zealand Food and Grocery Council

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

Visit us at www.ecraustralasia.org.au

Seasons Greeting

ECR Australasia would like to take this opportunity to wish all readers a joyous Christmas and a prosperous New Year.



On-Shelf Availability—The Future Challenge

The “On-Shelf Availability Challenge” project has provided great insight to the current market views regarding the extent of out-of-stocks (OOS) and the drivers behind the issue.

The next step is to understand how business partners can work together in a more collaborative, organised fashion in efforts to address OOS issues. This need was highlighted by the original OSA Challenge team, who identified the need to develop “common language” around OSA, and then to commence piloting new ideas collaboratively. Clearly improving OSA is a win/win situation for suppliers and retailers – the key is developing sound approaches to facilitate such improvement.

A project team, including many of those involved in the OSA Challenge project, has come together to drive the OSA effort forward, under the sponsorship of the ECR Australasia Board. The project team includes Supplier, Retailer and Wholesaler management personnel, and has representatives from both Australian and New Zealand based businesses.

The team had its first meeting in late October and developed an initial work plan with 3 primary components:

1. To provide a platform of common understanding to suppliers as to the ways in which retailers and wholesalers measure product availability through their supply chains to the shelf and determine root causes of issues, so that engagement can be considered by suppliers with clarity around language, measures and metrics from the retailer/ wholesaler perspective.
2. Provide industry participants with a framework for how business partners might engage collaboratively to improve OSA, thereby assisting industry participants with a “roadmap” by which to get started once agreement has been reached to undertake a collaborative effort to improve OSA.
3. To investigate opportunities to utilise OSA measurement and root cause analysis, in conjunction with technology and global best practice approaches, in local pilots. The aim being to improve OSA at the consumer point of purchase - to help close the gaps from “available in store” to “available on shelf”.

Further updates on progress will be provided in future issues of ECR Extra or alternatively contact John Cawley (john.cawley@afgc.org.au or 02 6273 1466).

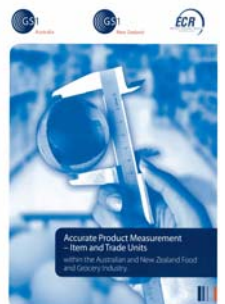
GS1 & ECRA Launch Dimensioning Details

Efficient Consumer Response Australasia, GS1 Australia and GS1 New Zealand officially released its latest report *Accurate Product Measurement – Items and Trade Units within the Australia and New Zealand Grocery Industry* at two well attended GS1 events in Melbourne and Sydney during November.

The report provides a concise summary of the key findings of an industry wide measurement audit and details the importance of accurate item and carton measurements, including the ongoing maintenance of this data in master data files. It also offers practical information on measurement rules; standard tolerances; and data quality management.

The presentation by Richard Jones (GS1 Australia) brought the topic to life with members of the audience conducting a measurement exercise on a retail salad bowl; a drinks bottle; and a packet of savoury snacks.

Further detail was provided on the opportunities for individual companies and trading partners to improve the business critical processes of dimensioning data alignment. GS1 announced a range of new services to be introduced in 2009 to support dimensioning. Further details are available by contacting GS1 Australia www.gs1au.org or 1300 366 033. Or contact the ECRA Secretariat Samantha Blake (samantha.blake@afgc.org.au or 02 6273 1466).



A new study reveals 10 year vision for the consumer goods

A new report *Succeeding in a Volatile Market—2018: The Future Value Chain* brings together insights and analysis of 130 of the industry's leading figures from Europe, North America, China, India, Japan and across Asia and examines the changing trends and dynamics that will impact the industry in the coming decade. The report also identifies how the industry can continue to meet the needs of consumers around the world, despite the current challenging market conditions.

The report is published by Global Commerce Initiative (GCI), Capgemini, HP and SAP AG; it can be downloaded from www.gci-net.org or www.capgemini.com/retail.

Publications

ECR Australasia publications are freely available to all AFGC, NZFGC, Board member companies and participating organisations.

A list of available publications can be found at the end of this newsletter.

On-line learning and development program for Supply Chain Professionals

The Supply Chain Capability Development (SCCD) program is an on-line learning opportunity for Supply Chain professionals. The program is particularly focussed around forecasting and inventory management skills, and is primarily targeted towards those with roles in:

- Demand Planning
- Replenishment Management
- Retail Merchandising Management

The SCCD program has been developed by Accenture, and is designed as a set curriculum to be completed over a 12 month period. Passing an optional on-line exam after this study offers students a chance to gain certification in recognition of their efforts.

To learn more about the SCCD program, and to take advantage of a FREE TRIAL please use the following link to a simple guide <http://www.ecraustralasia.org.au/files/file/How%20to%20check%20out%20the%20SCCD.pdf>

Mirror, mirror on the wall....

GS1 Australia and NEC Australia have developed a unique application that could change the face of retailing in Australia. And retailers and manufacturers can see it in action at GS1 Australia's office in Mt Waverley, Melbourne.

RFID technology enables the mirror to interact with shoppers in a retail environment to assist them in their choices and to provide them with recommendations on other possible purchases.

The EPCmagic Mirror combines specially designed antennas with an integrated RFID reader to read RFID tags on clothing. As the shopper chooses a shirt and tries it in front of the mirror, the intelligent mirror will read the information on the tag and send the ID number to the central database of the store. Details of the garment along with the available sizes and colors are sent back to the mirror which will also offer the shopper a suggestion about various accessories.

"Shoppers are bombarded with hundreds of advertising messages and tons of information every time they go shopping. We wanted to develop a way of providing the information they need and want, when they need it," David Iacovitti, Applications and Content, NEC Australia, said.

"With the intelligent mirror, we're revolutionising the way we deliver this by displaying it inside the mirror as they are trying on their clothes. Retailers can tailor the content they wish to display on the mirror. For example, shoppers can see instantly what sizes and colours are available as well as pricing information and tips and advice on which accessory will go best with what they are wearing," he said.

To see the mirror visit GS1 Australia, Axxess Corporate Park - Unit 100/45 Gilby Road - Mt Waverley, Melbourne.

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
(Chair)
Clorox Australia Pty Ltd

Steve Anderson
Foodstuffs (South Island) Ltd

Gary Tempany
Metcash Trading Ltd

Peter McClure
Fonterra Brands (NZ) Ltd

Jeff Strong
Procter & Gamble Australia Pty Ltd

Paul Harker
Woolworths Ltd

Sarah Kennedy
Healtheries of NZ

Murray Johnston
Progressive Enterprises Ltd

Tristram Wilkinson
Kimberly-Clark NZ

Matt Swindells
Coles Group

Kevin Jackson
Sanitarium Health Food Co

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

GCI Compliance Survey

The Global Commerce Initiative (GCI) Scorecard survey will provide Australian and New Zealand suppliers and retailers the opportunity to benchmark their electronic trading operations against global best practice. (www.globalscorecard.net)

The survey is best completed by personnel within your organisation working closely with the GS1 standards as this year the focus is on 'enablers', including product identification, data management, quality and processing capability; critical fundamentals for accurate and timely communication and registration of goods flow between trading partners.

Participating in the web based survey should take less than 60 minutes and is free of charge. All participating companies will receive a full report detailing local and global maturity and company benchmarks.

For further information contact Samantha Blake at the Secretariat. (02 6273 1466 or samantha.blake@afgc.org.au)

ECRA Publications

Available publications are listed below:

- The On-Shelf Availability Challenge 2007-2008
- Accurate Product Measurement – Items and Trade Units within the Australia and New Zealand Grocery Industry
- A Guide to Collaborative Loss Prevention
- 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
- Product Introduction and Delisting, improving the supply chain efficiency and effectiveness.
- 2006 Food and Grocery Industry Tracking Study
- Retail Ready Packaging – A focus on shelf ready packaging an industry toolkit.

Contact ECR Australasia

Samantha Blake
Manager
samantha.blake@afgc.org.au

John Cawley
Assistant Manager
john.cawley@afgc.org.au

ECRA Secretariat
Locked Bag 1, Kingston ACT 2604
Ph: (61 2) 6273 1466
Fax: (61 2) 6273 1477

Lindsay Davidson
Commercial Director
New Zealand Food & Grocery Council
lindsayd@fgc.org.nz

PO Box 1925, Wellington NZ
Ph: (64 9) 415 2096
Fax: (64 9) 415 8714