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ECRA Board - New Chair

Martin Drinkrow. (General Manager Australia, Clorox) will replace Andrew Cummings (VP & GM, ANZA Middle East & Asia, Clorox) as the Chair of Efficient Consumer Response Australasia.

Martin Drinkrow commenced his career within Clorox Australia as the Australian Marketing Director, before expanding his role to Regional Marketing Director for Australia, New Zealand and South Africa. In March 2009, Martin was promoted to the position of General Manager, Australia.

Before joining Clorox, Martin had a successful career with Unilever. Over his 14 years with the company, Martin held a variety of roles such as Marketing Director: Homecare, Global Brand Manager: Fabric Conditioners, European Brand Manager: Comfort and European Brand Manager: OMO, working in South Africa, Europe, globally and within Australia.



Martin is married with two children and has a huge passion for golf!!

Martin thanked Andrew for his drive, enthusiasm and energy in re-defining ECR in the Australian and New Zealand markets. "Andrew has been instrumental in building a solid foundation and I very much look forward to continuing this important industry work. ECR is the only organisation that brings retailers, wholesalers and suppliers together to discuss and resolve critical industry issues focused specifically on the value chain in a non-competitive way."

The ECRA Board also extended their thanks to Andrew: the success of the ECRA organisation is due in large part to the advice, guidance and direction from Andrew to the significant and valuable work program.

ECRA 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

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.



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ECRA Board endorsed work program

The ECRA Board has endorsed the 2009-2010 work plan.

Vision	Working together in the Supply Chain for total customer satisfaction.		
Mission	To drive the adoption of cost effective, efficient and consumer focused value chains through industry wide collaboration.		
Unique Purpose	A centre of excellence for retailers, wholesalers, manufacturers and suppliers to work together to deliver innovation, thought leadership and strategy on non-competitive issues.		
Industry Track	Collaborate on the five pillars (initiatives; best practice and industry standards; issues management; education and communication; benchmarking) and share results.		
Trading Partner Track	Areas of competitive advantage – strategic issues between trading partners; specific measures and priorities fall outside ECRA activities.		
Key Focus Areas	ECRA Initiatives <i>Undertake projects and initiatives that bring Suppliers and Retailers together to drive mutually beneficial outcomes against ECR related matters.</i>	On-shelf availability project Optimise inventory levels and improve on-shelf availability through ongoing industry focus.	Shrink/Loss Prevention Project: Identify and share better practices that could reduce stock losses and increase on-shelf availability to the consumers.
	Benchmarking <i>Undertake a range of activities to measure the effectiveness and adoption of ECRA principles and to benchmark Australia / New Zealand against global standards.</i>	Measure effectiveness of adoption and knowledge of ECRA principles. Measure the impact of completed ECRA activities to determine the adoption and effectiveness of work streams on the industry.	Benchmark Develop capability to complete local and global benchmarking for specific ECRA initiatives.
	Best Practice and Industry Standards <i>Industry level coordinators for best practice development and standardisation relating to ECR.</i>	Shelf Ready Packaging. Provide guidance to the industry on the adoption of sustainable shelf ready packaging solutions that deliver benefit to the consumer without negatively impacting the supply chain in a cost effective manner.	
	Issues Management <i>Identify key issues ECRA constituents are experiencing due to lack of industry standard practices and facilitate solutions.</i>	Winning in January Develop a range of tools and measures to drive improvements in service levels and product availability in the month of January 2010. Review results and identify next steps.	
	Education and communication <i>Provide and support avenues for dissemination of relevant information to the Grocery Industry on ECR related matters.</i>	ECRA Conference. Focus on raising awareness of ECR principles and provide the opportunity for retailers, wholesalers, suppliers and manufacturers to collectively examine issues.	SCCD Facilitate and manage Australian and New Zealand enrolments in the Accenture driven Supply Chain Capability Development program aimed at driving industry improvements in inventory management.

If you would like any further detail about any of the activities listed in the plan please contact Samantha Blake (samantha.blake@afgc.org.au or 02 6273 1466).

Working Together for the Shopper - ECRA Conference



Major
Event
October
22-23

As part of the inaugural 1½ day ECRA conference, delegates will have an opportunity to spend an afternoon with Australian retailers. In an industry first, Coles Group, Metcash Trading and Woolworths Ltd will join forces at the ECRA inaugural conference – **Working TOGETHER for the Shopper, 22-23 October 2009.**

In a joint appearance, senior retail executives will provide insight into the issues surrounding product availability over the summer period and how a collective industry focus can result in gains for all, targeting January 2010.

The program will also include each retailer presenting in concert with trading partners, demonstrating successful joint work programs on top-of-mind issues impacting the value chain. Hear first-hand how your organisation can drive winning engagement programs and deliver success.

An industry panel of senior executives from Australian/New Zealand retail and supply organisations will round out your afternoon with a lively discussion on how we move the agenda forward. This is your chance to connect and influence the debate on issues where collectively we can eliminate disruptions and waste and enable growth.

This is a must-attend event for **decision-makers** within your organisations across the disciplines of logistics and supply chain; sales and accounts; demand planning and senior analysts.

If you have a passion for delivering real benefit to your organisations – this event is for you.

Great Reasons to Attend

- ➔ Hear directly from leading retailers and suppliers on industry critical directions.
- ➔ Identify top-of-mind issues facing the industry and learn how companies are responding both locally and globally.
- ➔ Examine case studies detailing best in class practices employed by leading consumer goods organisations.
- ➔ Explore new ways of working together.

To review the remainder of the program or to register please visit the ECRA website www.ecraustralasia.org.au.

If you have any queries please do not hesitate to contact Samantha Blake. (samantha.blake@afgc.org.au or 02 6273 1466)

Conference Sponsors are:



Winning in January - Improving Product Availability

What should you be doing TODAY to drive product availability for January 2010?

To deliver an improved product availability performance for January 2010 trading partners should by now have:

- ➔ Read and disseminated the best practice guide *How to Win in January – Improving service levels*.
- ➔ Commenced discussions with trading partners.
- ➔ Aligned internal departments (Sales, Planning, Operations, Supply Chain etc) and focus on developing **one agreed number**.
- ➔ Examined timeframes and commenced plans for long lead time raw materials, packaging and consumables.
- ➔ Started a dialogue with third party transport providers including primary freight.

ECRA's *Winning in January* seminar was in Sydney during April. This unique workshop brought together Australia's key retailers and their trading partners to examine the issue of poor product availability throughout the month of January.

Presentations by Metcash, Coles Group, Woolworths and Sanitarium set the scene for an afternoon of interactive discussion in specific retail breakout groups.

The outcome of these discussions formed the basis for the latest ECRA report *How to Win in January – Improving service levels*. The report provides details of the key outcomes from the workshop and provides insights into improving availability throughout the supply chain during the month of January. The report also identifies seven key focus areas and provides information and suggestions against each.

Key Focus Area

1. Plan, plan, plan and plan again
2. Focus on one number
3. Daily responsiveness
4. Understand your trading partner
5. Operational flexibility
6. Communication plan
7. Contingency planning



Use the following link to download your free copy <http://www.ecraustralasia.org.au/node/78>.

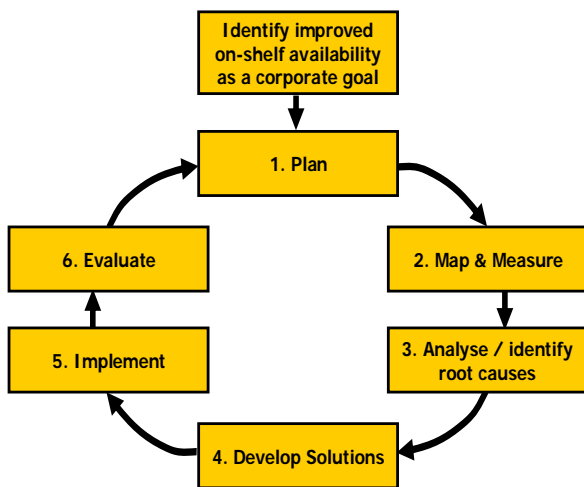
Further information is available from Samantha Blake. (samantha.blake@afgc.org.au or 02 6273 1466).

On-Shelf Availability - The Next Steps

On-Shelf Availability (OSA) improvement effort is a continuum for ECRA following initial work in 2001 which resulted in the “Blue Book” – “A Guide to Efficient Replenishment and Reducing Stock Outs within the Grocery Industry”.

Last year ECRA released the report “The On-Shelf Availability Challenge 2007-2008”, which reviewed the results of a major survey focused on understanding current issues, progress to-date, and future plans impacting OSA in the Australasian grocery industry. (Available now – see details on the ECRA Website).

The ECR OSA Improvement Roadmap



In 2009 a working group, including representatives from Australasian retailer and supplier companies, has been building on this previous work through the development of an “On-Shelf Availability Improvement Road Map”. This document proposes a framework for engagement for business partners wishing to improve OSA (see diagram). It also provides business partners a common language for availability measurement and root causes of out-of-stocks.

Publication is targeted in time for the ECRA Conference in October, with the Road Map to be complemented by Case Studies from industry pilot projects which are currently underway.

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

Industry Compliance and the use of Enablers

The Global Commerce Initiative (GCI) Compliance Survey recently completed provides an examination of the adoption of enablers such as common identification and electronic messaging standards in the Australian and New Zealand market.

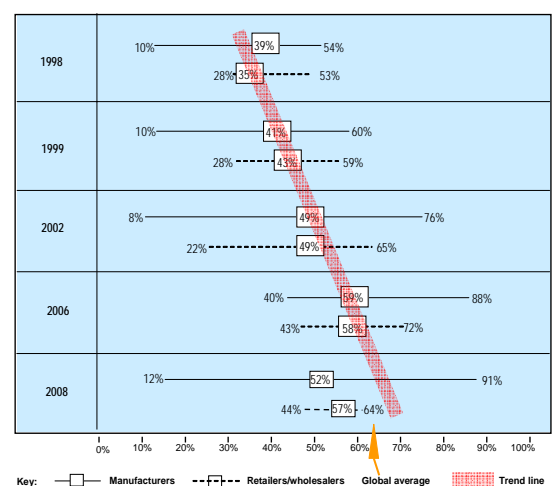
Results highlight the need for the industry to maintain its focus on driving adoption and integration of the standards within their own organisations and with trading partners. Delay in implementation coupled with a fragmented approach to data maintenance is adding significant, but often unrecognised, cost to the industry. However it is not all bad news. Leading manufacturers and retailers / wholesalers are now fully implemented in most enabler concepts.

Use the following link to download this free report <http://www.ecraustralasia.org.au/node/79>.

The ECRA Board would like to extend thanks to GS1 Australia, GS1 New Zealand, New Zealand Food and Grocery Council, Australian Food and Grocery Council and IBM for their invaluable support.

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

ECR progress in Enablers



Metcash Announces 1 January 2010 Mandate

At the recent GS1net User Group meetings in Melbourne and Sydney, Michael Haire (General Manager eData Administration, Metcash Trading Limited Australasia) expressed his continued disappointment at the gap between the number of grocery suppliers who are GS1net Live™ but have not yet commenced their engagement with Metcash to become GS1net Live™.

Whilst over 500 grocery companies are currently GS1net Live™ thereby removing the need for provision of paper UBF / Price Change forms, to-date only 110 companies have achieved this position with Metcash, despite a continued focus particularly in the past 6 months.

Michael Haire reported Metcash have done everything to avoid issuing a mandate, but to help encourage the focus and intent of grocery suppliers who are already GS1net Live™, but not with Metcash to meet their requirements to become GS1net Live™, it was announced that from 1 January 2010 Metcash would not be accepting any paper-based UBF / Price Change forms from any grocery suppliers who are already GS1net Live but not engaged with Metcash for new item submission or price changes. All such transactions will be required to be maintained via GS1net.

To engage Metcash in the GS1net "live" process please contact Metcash at: gs1net@metcash.com.



GS1net Validator

The GS1net Validator is a tool that validates data sent by suppliers against attribute requirements and business rules. The Validator acts as a gateway to GS1net with the core responsibility to authenticate all item and price data uploaded to GS1net. This ensures that legitimate information is sent to GS1net and synchronised with data recipients.

All data being uploaded onto GS1net will go through the GS1net Validator, (excluding online users), to be validated against agreed industry requirements.

The Validator produces easy-to-read messages for users to determine if errors or warnings exist. Reports are processed in near real time and responses are sent directly back to the user's nominated email address for action. Some errors are significant enough to 'block' the whole load file; they are known as 'Red Block Errors' and require immediate attention.

The Validator Activity Log is a simple, on screen layout giving users an at-a-glance view of all data loads they have performed. This allows the user to drill into report details and identify issue.



The Validator is the first of two key steps in loading data onto GS1net. Once successfully through the Validator, users will receive a matching Data Load Status Report, that focuses on loading issues (unrelated to Business Rules) and may additionally need actioning. For further information contact GS1Net Australia. (gs1net@gs1au.org or 1300 366 033).

GS1net Update

- ➔ 1,409 companies currently participating
 - 53 retailers/buyers
 - 1,333 vendors/suppliers
- ➔ 192k vendor maintained GTIN's.
- ➔ 943 vendors have loaded data in GS1Net.
- ➔ 769 vendors are ready on GS1Net.
- ➔ 527 vendors are live with at least one trading partner.

Supporting Organisations

ECR Australasia would like to thank the following organisations for their ongoing support, along with all major Australian and New Zealand retailers and wholesalers.

- ➔ **Australian Food and Grocery Council**
www.afgc.org.au
- ➔ **New Zealand Food and Grocery Council**
www.fgc.org.nz

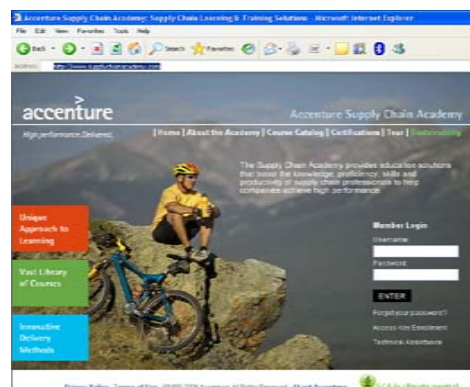
On-line Learning and Development Program for Supply Chain Professionals

The Supply Chain Capability Development (SCCD) program is an on-line learning opportunity for Supply Chain professionals. The program focused 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>

Overseas Spotlight

New European based Industry Body—Retailers and Manufacturers unite in a new Consumer Goods Forum

Global food and non-food consumer goods retailers and manufacturers have joined forces in a new global, joint trade and industry body, named **The Consumer Goods Forum**. The forum was created by the merger of CIES, the pre-eminent food and consumer goods industry body, with the Global CEO Forum and the Global Commerce Initiative (GCI), two global retailer and manufacturer collaborative platforms.

The new association unites leading consumer goods retailers and manufacturers, regional specialists and independents. It has a mandate to develop common positions on key strategic and practical issues affecting the consumer goods industry, to focus on non-competitive collaborative process improvement and to provide a network for thought leadership and knowledge exchange. The organisation will be co-chaired by retailer Pierre-Olivier Beckers, President & CEO, Delhaize Group and by manufacturer AG Lafley, CEO President & Chairman, Procter & Gamble.

ECR Europe Forum & Marketplace 2009

ECR Europe held its annual Forum and Marketplace conference in Barcelona, Spain on June 3-5.

A broad range of content was covered, encompassing all key aspects of business relating to the Food and Grocery Industry.



This included presentations focusing on: Sustainability, Category Management, Shrinkage, On-Shelf Availability, Shopper Insights, Packaging, Data Integrity, Inventory Management and Responsible Sourcing, among many other topics addressed.

Many of the presentations hold significant relevance for the Australasian market, and these can be freely downloaded at the following link:

<http://forum.ecrnet.org/PublicPages/Archive/Barcelona/Download.aspx>

Progressive Management Programme

Progressive Management Programme (PMP) is the unique consumer goods industry leadership program – building the Consumer Goods Leaders of the future. PMP is managed by ECR Europe.

The PMP works with four of the most esteemed Business Schools in the world, attracting many of the top Academics in different fields of expertise relevant to the Consumer Goods Business.

Module 1: Understanding Consumers, at London Business School (UK) on 22-26 February 2010

Module 2: Generating Demand, at Wharton Business School (USA) on 12-16 April 2010

Module 3: Executing Supply at WHU Otto Beisheim School (Germany) on 21-25 June 2010

Module 4: INSEAD (France) on 20-24 September 2010

The program itself comprises a balance of

- ➔ Innovative and research-led content delivered by Academic personnel
- ➔ Content delivered by Industry speakers, including:
 - ‘View from the Bridge’ sessions from current C-level Executives
 - Pioneering collaborative projects between trading partner companies
 - Updates on Industry initiatives, e.g., New Ways of Working, Jointly-Agreed Growth and The Supply Chain of 2018
- ➔ Field trips to local companies carefully designed to illustrate delivered content of the programme
- ➔ Facilitated discussion sessions for the participants to decide on their own actions towards developing the industry of the future



Further information on this unique program can be attained at www.ecraustralasia.org.au or through Stephanie Penning, Manager, Progressive Management Programme, ECR Institute (stephanie.penning@ecreurope.com or www.ecr-institute.org).

Two New Reports released by Global Commerce Initiative

Global Commerce Initiative (GCI) New **Ways of Working Together** white paper offers a new capability model for eliminating supply chain disruptions and enabling long-term growth.

The white paper lays out a clear case for why changes are needed in the way trading partners interact with one another and how refocusing attention on consumer needs and expectations and rewarding people on the basis of shopper satisfaction rather than outdated, inwardly focused measures of success will be essential to their long-term success.



Despite years of concerted efforts, the white paper says, the consumer goods value chain remains plagued by waste. Among the problems are an overabundance of SKUs, unnecessarily high inventories, persistent out-of-stock situations, irrelevant promotions, frustrating shopping experiences for consumers, inconsistent category growth and poor buying/selling productivity.

While the white paper points to numerous reasons for these continued problems, underlying them all are fundamental issues of goal misalignment, lack of trust and poor information sharing between vertical trading partners, and the cascading effects they have for both manufacturers and retailers.

More information about the Global Commerce Initiative or to download the paper visit www.gci-net.org.



The Global Commerce Initiative (GCI), in collaboration with IBM, have also released a new report focussed on information sharing between business partners. The report examines current practices and the need for change.

The Global Commerce Initiative Information Sharing Report can be downloaded from the ECR Europe website at www.ecrnet.org by scrolling down to the bottom of the homepage and clicking on the link.

Welcome to New Board Members

Mark Payne

**General Manager, Customer Strategy & Development
Coca Cola Amatil Ltd**

Mark Payne is the General Manager, Customer Strategy and Development at Coca Cola Amatil Ltd, based in Sydney. Mark joined the ECRA Board in March 2009.

Dale Jordan

**Group Executive, Grocery Sales
National Foods Ltd**

Dale has worked in the Fast Moving Consumer Goods sector in Australia for over 28 years, gaining experience in both Sales and Field Operations. Dale joined National foods in late 2007 as Group General Manager National Accounts and has recently been promoted to Group Executive Grocery Sales on 1 July.

Prior to joining NFL, Dale worked for Nestle as National Business Manager for Coles on behalf of the Nestle group of companies, a position that he held for 6 years. Dale's Nestle experience spans some 17 years in a range of Divisions from Frozen Foods, Culinary and Dairy Foods, holding various Senior Sales roles in both a National and State-based capacity.



**Bevan Hillen
General Manager, Retail
Patties Foods Ltd**

Bevan has over 30 years experience in the FMCG arena with particular knowledge in Operations, Buying, Marketing, Manufacture, Logistics, Merchandising and Sales.

Bevan previously worked for Woolworths for 15 years in a variety of positions including National Senior Business Manager Deli/Bakery and National Buying in Seafood and Perishables Business units. He was also involved in the initial "Project Refresh" team which was charged with setting up Woolworths national Buying Offices

at the time. Special projects have also included time in Primary Freight and Business Divestments. "I have managed Supermarkets so I have a solid understanding of our industry from a unique perspective in both Retail and Supply".

Bevan has been with Patties Foods Ltd for 4 years and says "Patties is a progressive and exciting company and we have a great team and culture".

Thanks to Outgoing Board Member

The Secretariat and current Board members would like to thank outgoing Board member Pete McClure (Managing Director, Fonterra Brands (NZ) Ltd) for his contribution to ECRA.

ECR Australasia Board

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

Martin Drinkrow (Chair) Clorox Australia Pty Ltd
Gary Tempany Metcash Trading Ltd
Matthew Foster Procter & Gamble Australia Pty Ltd
Sarah Kennedy Vitaco Health Ltd
Steve Anderson Foodstuffs (South Island) Ltd
Mark Payne Coca Cola Amatil Ltd
Paul Harker Woolworths Ltd
Murray Johnston Progressive Enterprises Ltd
Tristram Wilkinson Kimberly-Clark NZ
Matt Swindells Coles Group
Kevin Jackson Sanitarium Health Food Co
Dale Jordan National Foods Ltd
Bevan Hillen Patties Foods Ltd
Katherine Rich, NZ Food & Grocery Council



ECRA Publications

If you have any ideas as to how the resources of ECRA could be improved please email samantha.blake@afgc.org.au with your comments. Please also forward this email to your colleagues and trade partners so they too can benefit from these resources. Available publications are:

- The On-Shelf Availability Challenge 2007-2008
- How to Win in January - Improving service levels
- 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.

