



Efficient Consumer Response Australasia
Information Pack



one voice - adding value

INDUSTRY APPROACH

The Australian and New Zealand grocery industry is a highly significant commercial force. Indeed it is the largest manufacturing sector; the largest retail sector; the largest employer; and touches households on a daily basis with its products, its stores and its people. It is vital to both nation's future prosperity that we remain a driving force for the economy. Our products are found in every household and used by over 20 million Australians and New Zealanders every day, year round.

Efficient Consumer Response Australasia (ECRA) is the only industry body that brings together suppliers and retailers/wholesalers to promote industry-wide initiatives in the supply chain that deliver benefits to the industry and the shopper.

*“ The meeting place for
retailers and suppliers
focusing on supply
chain efficiency. ”*

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BENEFITS

ECR provides a framework so that fmcg and retail participants can work together to fulfill consumer wishes better, faster and at less cost, thereby leading to improvements in business performance.

Implementing ECR means dramatic change in current business practices. ECR is about redesigning the processes, altering paradigms, changing attitudes and increasing co-operation. ECR challenges many existing approaches, which can often lead to inefficiency. Trading partners are asked to work together in order to increase value to the consumer. The intensifying competition amongst trading partners often presents an apparent barrier to achieving this. However, just the opposite is true, ECR allows companies to seek a competitive advantage by demonstrating their ability in working with trading partners to add value for the consumer.

It is estimated that there are \$1 billion in cost savings and \$750 million in inventory reductions available to the Australasian grocery industry from the implementation of ECR principles. (*Australasian Grocery Tracking Study, 2002*)

Since its inception in 1999 ECR Australasia progress has included:

- Top tier ECR adopters enjoy 6% better service levels, 3% higher on shelf availability and better (lower) finished goods inventories than non adopters of ECR practices.
- Top tier ECR adopters clearly demonstrate better, stronger and faster progress against business (B2B) enablers. Adopters implementation rates can be 70% better for manufacturers and 20% better for retailers.
- Focus on delivering improved on-shelf availability, a +\$3.2B issue annually, by bringing the industry together to increase linked knowledge; become more responsive and flexible; and show greater commitment to joint problem solving. A 3 to 5% service level improvement resulted from Winning in January 2010.
- Development of industry standards, best practice and tools aimed at delivering joint solutions that positively impact the shopper, the supplier, and the retailer. Shrink costs the industry 1.73% of turnover annually, by delivering practical approaches the industry is fast reducing this figure.
- Nearly 70% of the industry using ECRA reports, toolkits and collateral report a direct benefit to their business.

OUR STRUCTURE

ECRA is an industry body positioned within the Australian Food and Grocery Council (AFGC) for administrative convenience. ECRA is directed by a Board of senior industry executives chaired by an AFGC nominee, comprising representatives from Australian and New Zealand suppliers, manufacturers, retailers and wholesalers.

HOW TO ENGAGE

Members of the AFGC, New Zealand Food and Grocery Council (NZFGC) and participating retailers are automatically provided membership to ECRA. Non members can participate in activities and receive ECRA collateral for a nominal charge.

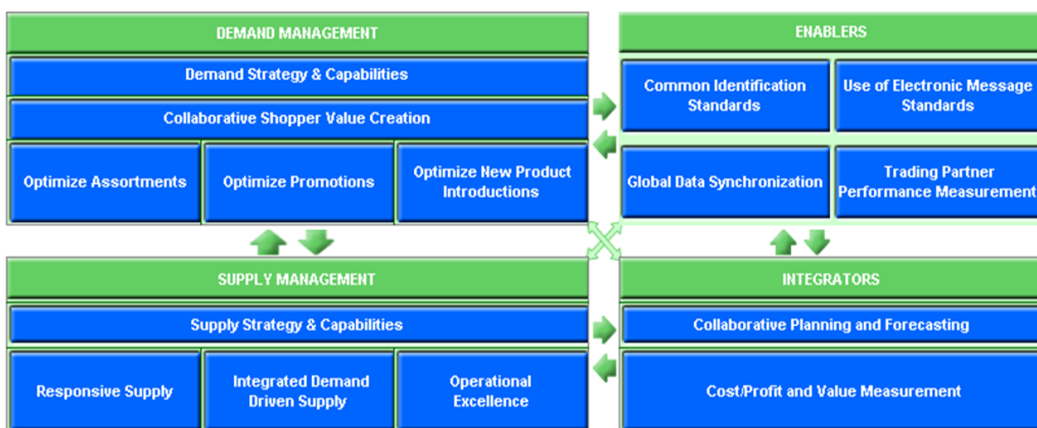
HOW WE WORK

ECRA works on behalf of the food and grocery industry through collaborative projects and programs, ensuring that together we deliver effective, efficient and timely outcomes, and remain abreast of international best practice.

The Board of ECR Australasia follows established criteria for determining the work program and priorities. Programs and projects must promote industry-wide initiatives that deliver benefits to the industry and the shopper.

Programs and projects are selected by consensus by the Board based on emerging and current local and global industry issues and in consideration of ECR Core Concepts.

ECR CORE CONCEPTS



WHAT WE DO FOR INDUSTRY

Supply Chain Initiatives and Issues Management

Identify key issues impacting the supply chain and facilitate initiatives that bring the industry together to drive mutually beneficial outcomes.

- On-shelf Availability
 - Winning in January
 - Winning with Promotions
- Loss Prevention (Shrink)

Best Practice and Industry Standards

Industry level coordination for best practice development and standardisation.

- Industry liaison with GS1 for supply chain standards
- Product Recall/Withdrawal
- Retail Ready Packaging

Education and Communication

Provide and support avenues to disseminate information to support ECR principles.

Annual ECRA Conference

Workshops

Newsletters

Publications

ECR Europe liaison

PARTICIPATION

As an ECRA constituent, your support will ensure our industry is better placed to deliver efficiency improvements and cost reductions along the value chain, whilst ensuring your sector, be it retail, wholesale, manufacture or supply, is represented effectively.

To help achieve this, ECRA provides opportunities to get involved with the many issues and challenges facing the industry.

ECRA constituents actively contribute to the development of industry projects, guidelines and toolkits, and receive up-to-date information on industry-specific issues and trends.

Benefits include:

- Opportunities to work with trading partners
- Access to publications, tools and guides
- Opportunity to participate in specific issue based workshops and working groups
- Events and Conferences
- e-Newsletters
- Information rich websites

By participating in ECRA, you can access a wide range of information to help your company stay competitive and well-informed in today's ever-changing trading environment.

“ ECRA provides my business the opportunity to work with key trading partners outside of commercial discussions. ”

“ No other organisation has a focus on bringing retailers and suppliers together to work on improving product availability . ”

“ Shelf ready packaging remains a contentious issue in the industry, at least with the ECRA Toolkit we can start to have a balanced discussion. ”

“ Managing shrink needs a whole of chain approach, the ECRA working group is an excellent opportunity to work on this issue. ”

CONFIDENTIALITY

ECRA will not enter into any discussion, activity or conduct that may infringe, on its part or on the part of its members and participants, any applicable competition laws. By way of example, members and participants shall not discuss, communicate or exchange any commercially sensitive information, including non-public information relating to prices, marketing and advertisement strategy, costs and revenues, trading terms and conditions and conditions with third parties, including purchasing strategy, terms of supply, trade programmes or distribution strategy. This applies not only to discussion in formal meetings but also to informal discussions before, during or after meetings.

THE 7 C's

Confidentiality

The activities, information and discussions remain commercial in confidence until collectively decide otherwise. It is essential to maintain individual company privacy at all times.

Consumer

Activities must deliver combined value to the shopper, the supplier and the retailer .

Competition

Activities are not to be used to restrict competition between retailers and/or suppliers. All information exchanged between trading partners and/or competitors should be in strict accordance with the applicable competition laws.

Communication

Communication and education should strive to effect broad scale dissemination of the issues, complexities, impacts and where appropriate the development of industry standards, best practice and guidance.

Collaboration

ECRA collaborates on developing, where appropriate, industry solutions without impeding business framework with trading partners.

Commitment

ECR practice requires trading partners to work together in determining and developing industry policy and guidance.

Consensus

Decisions are by consensus and reflect an industry position, not an individual company preference. Industry fragmentation and complexity should be avoided.

COMMUNICATIONS

ECRA provides up-to-date information on industry specific issues.

Newsletter

- **ECR Extra** – quarterly e-newsletter detailing ECRA actions, project updates, and events.



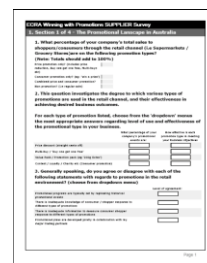
Reports and Publications

- A range of Australasian specific reports, available free of charge to AFGC and NZFGC member companies, and at a reasonable charge to non-members .



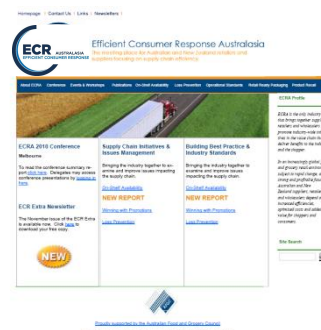
Surveys

- Participate in local and global surveys to voice your views and help influence industry direction, benchmark your business operations and better understand your trading partners.



Website

- Promotes ECRA projects, priorities, action and achievements to industry.



EVENTS, WORKSHOPS AND CONFERENCES

Discuss Major Issues,
Network with Peers and
Trading Partners



ECRA Conference

The annual ECRA Conference provides an opportunity for lively debate in regards to collaborating on key issues associated with meeting shopper demand – a must attend event for all supply chain, sales, and operational professionals.

Events and Workshops

Over the course of the year ECRA holds a number of other events, seminars, and workshops to provide information and seek your input into a range of key issues affecting the industry. ECRA holds events at various locations and engages with the industry via teleconferences and webinars.

Recent events have included:

- Winning in January Workshops
- Loss Prevention Working Group
- Product Recall webinars and pilots
- Winning with Promotions industry and trading partner engagement at workshops and meetings.

GLOBAL CONNECTIONS

ECR is truly global - be part of the ECR Community

- ECR National Initiatives in Europe, USA, UK.

The ECR movement effectively began in the mid-nineties and was characterised by the emergence of new principles of collaborative management along the supply chain. To find out about global activities visit:

<http://ecr-all.org>

- The Consumer Goods Forum

TCGF unites not only the world's leading consumer goods retailers and manufacturers, but also many 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.

<http://www.theconsumergoodsforum.com>



Efficient Consumer Response Australasia

CONTACT DETAILS

Membership to ECRA is free of charge for all AFGC, NZFGC members and participating retail and wholesale organisations.

Membership Enquiries

Please direct all AFGC membership enquiries to:

David Hall
Business Development
Australian Food and Grocery Council

Office: Level 2, 2 -4 Brisbane Avenue, Barton ACT 2600
Post: Locked Bag 1, Kingston ACT 2604
Tel: 02 6273 1466
Fax:: 02 6273 1477
Email: david.hall@afgc.org.au

Please direct all NZFGC membership enquiries to:

Katherine Rich
CEO
New Zealand Food and Grocery Council

Office: Level 6, Lumley House, 3-11 Hunter Street, Wellington New Zealand
Post: PO Box 1925 Wellington, New Zealand
Tel: +64 4 473 9223
Fax: +64 4 496 6550
Email: admin@fgc.org.nz