

Consumer Electronics GS1 Action Group

CONSUMER ELECTRONICS WORKING ACTION GROUP (CEWAG) SUPPORTED BY



Breville



Harvey Norman



Panasonic



SONY.



GS1net Industry Pilot Project

Findings and Learnings Document

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
Background & Scope.....	4
FINDINGS SUMMARY.....	4
Data Preparation	4
Key Success Factors.....	6
Sustainability	6
BEST PRACTICE FOUNDATION.....	7
Business Processes	7
Data Alignment.....	7
BUSINESS CASE FOR A MASTER DATA SYNCHRONISATION PROGRAMME	8
Suppliers	8
Data Recipients	8
GS1NET CHECK LIST	9
APPENDIX A.....	10

Executive Summary

Background & Scope

The Consumer Electronics Industry has in recent years commenced using elements of e-commerce and, along with the introduction of online retailing the organisations within the industry agree that data quality remains a major issue for every organisation. In recognition of this, key industry representatives joined together to form an Industry Group to look at driving efficiencies in the merchandising processes of new line introductions and product information updates between buyers and sellers leveraging and utilizing the Global GS1 Supply Chain system of standards. In July 2009, the Consumer Electronics Action Working Group (CEWAG) was set up to provide Industry leadership to this end.

CEWAG is overseen by a representative leadership group (Steering Committee) made up of key retailers and suppliers across Australia and New Zealand. CEWAG's mission is to drive efficiencies and remove cost from the Consumer Electronics Industry's supply chain through the adoption and implementation of GS1 Supply Chain Standard to be led and directed by the Consumer Electronics Industry.

The group has been working for the past 6 months to develop an Industry standard for Item Master Data and in March 2011, a pilot project commenced to test the feasibility of a standard set of data attributes for the sharing and exchange of item master information between trade partners and also to confirm the feasibility of GS1 Australia's GS1net Data Synchronisation platform as a new way to facilitate the electronic exchange of item master data.

The project was concluded at the end of June 2011 with the publication of an industry-wide model that all retailers, wholesalers and suppliers in the Consumer Electronics Industry can adopt, comfortable in the knowledge that it is based on open global standards.

Findings Summary

Data Preparation

In developing the Industry data model, the CEWAG project team was very conscious to minimise the effort required of suppliers to prepare their data while still meeting the requirements of the Consumer Electronics Industry overall. It should be noted that suppliers who have multiple channels in addition to Consumer Electronics supplies, eg. Grocery, Hardware and Office etc will need to check the data requirements for that Industry to ensure compliance with Data Recipients in other sectors.

Data Fields to Note

The following data fields need further, specific explanation so please refer to Appendix 'A' at the end of this document for more information and examples on how to complete their requirements:

- Trade Item Description
- Warranty Description
- Variant

Having tested the full data set compiled by CEWAG's Master Data group, the pilot identified additional fields that would be of value to the Consumer Electronics Industry. The group therefore agreed and requested that the following fields be included in the CE data set:

Additional data fields:

- Additional Trade Item Description
- Trade Item Marketing Message
- *Display Dimensions Type Code

Promotions Management

There is acknowledgement that GS1net is not a platform for managing promotions and that indeed the GS1 standards call for unique identification for all trade items where the marketing offer to the consumer changes. As such, suppliers should be aware of this when making decisions about applying Numbering & Barcoding conventions to their promotional packs.

For more information about GS1 Standards for identifying trade items, please refer to GS1 user manual at http://www.gs1au.org/information_library/user_manuals.asp

* To be included to the Consumer Electronics' Data set at a later date.

Key Success Factors

Experience in other industries has shown that the following points ought to be given due consideration and indeed are critical to ensure a successful outcome for your data synchronisation programme:

- Senior management sponsorship for this project – without this, learning's from other sectors shows that your GS1net project has a high chance of failure;
- Communication of the project to internal stakeholders – have your senior management sponsor support this communication. GS1 Australia will gladly assist in this process if required;
- Identification of who in your organisation is going to be required to assist with the data gathering process – this will likely be your virtual project team;
- Implementation of a sustainable process for the ongoing maintenance of your GS1net catalogue.

Sustainability

A critical process to consider is the long term maintenance of your GS1net catalogue. Once you are live and electronically uploading product information to your trade partners, it is important that sustainable internal processes are implemented to ensure ongoing integrity of your catalogue data.

Succession planning for your GS1net champion is also critical to cover periods of scheduled and unscheduled leave. Ensuring there is more than one person in the organisation that can manage your GS1net processes is strongly recommended.

Best Practice Foundation

Business Processes

Best in Class supply chain processes are predicated on having accurate and timely information flowing across the supply chain, from procurement to payment. Data exchanges that are based on inaccurate information add cost to the entire supply chain and to each supply chain participant as non value added tasks need to be deployed to “fix” the errors caused by poor quality data.

The update of item master data between trade partners is fundamental to the order fulfilment cycle; however in many industries still today, the fulfilment process is fraught with error due to inaccurate information.

The Consumer Electronics Industry is moving to improve this process so that errors and cost can be minimised or eliminated. Using a central data repository for item master data that is based on open global standards will make this everyday business process much simpler and more accurate for the entire sector.

Data Alignment

The main requirements for handling products within and across the supply chain is having reliable data and enhancing the ability to exchange the data as part of best practice supply chain principles.

The reason for using GS1 Standards is to overcome the barriers to commerce that national, industry and company specific standards create when they are used in place of international multi-industry standards. Trading, tracking and tracing goods become more expensive because of the need to fulfil different identification and communication requirements of each trading country or company.

Companies that implement collaborative best practices and GS1 Standards need to encourage their trade partners to do the same. The alignment of data between trading partners is critical to facilitate error free transactions.

Business Case for a Master Data Synchronisation Programme

Taking a strategic programme approach to Master Data Synchronisation rather than a “one off” Project will better enable company wide buy in and understanding of the importance of good quality item master data and the impact it has on multi functional business processes.

Suppliers

As custodians of item master data, brand owners have a responsibility to ensure that information that flows through the supply chain about their products is accurate, up to date and timely. The flow on benefits that trading with good quality data has includes:

- Less credit claims;
- Improved customer satisfaction;
- More rapid speed to market;
- Shorter payment cycle – improved cash flow;
- Less administration costs;
- Good foundation of more enhanced collaborative processes

Data Recipients

As recipients of item master data, retailers and wholesalers have the opportunity to promote the requirement that information that flows through the supply chain about products they sell to be standards based, accurate, up to date and timely. The flow on benefits for data recipients that trading with good quality data brings includes:

- Less invoice claims;
- Improved customer satisfaction;
- Faster speed to market;
- Reduced merchandising administration;
- Less out of stocks;
- Faster goods receiving;
- Reduced costs of reconciliation errors;
- Good foundation for more enhanced collaborative processes



Source: AT Kearney

GS1net Checklist

The checklist below provides an overview of the steps required to adopt Item Master Data Synchronisation via GS1net.

1. Register with GS1 Australia
<ul style="list-style-type: none">• Ensure your company has full membership with GS1 Australia – this is a prerequisite for GS1net registration;• Register with GS1net
2. Data Gathering Process
<ul style="list-style-type: none">• Download GS1net Documentation from http://www.gs1au.org/services/gs1net/technical/• Prepare your data as per the Consumer Electronics Industry data model• Contact your GS1net Client Service Advisor² to gain GS1net Ready Status
3. Synchronise your Catalogue
<ul style="list-style-type: none">• Contact your Trade Partner/s (Data Recipient/s)• Publish your catalogue to nominated data recipient/s
4. Ongoing Data Maintenance
<ul style="list-style-type: none">• Ensure your internal processes support the ongoing maintenance of your GS1net catalogue

² A GS1net Client Service Advisor (CSA) will be appointed to your company upon completion of GS1net registration process.

Appendix A

Trade Item Description Field

This attribute is required for the Australian community. This field is the “long” description of the trade item. This attribute should be the concatenation of attribute values from **Brand**, **Sub Brand**, **Functional Name** and **Variant**. GS1 recommends including the **Net Content** and **Net Content UOM** as part of the product description.

Please refer to the following example:

Attribute	Attributes	Example
Trade Item Description	Brand	Sony
	Sub Brand	Bravia
	Functional Name	LCD TV
	Variant	32 inch EX500
	Net Content	1
	Net Content UOM	EA

Warranty Description Field

The group reviewed the concept of utilising the supplier’s warranty enquiry phone number within this field as some consumer electronic items e.g. whitegoods, have various warranty numbers pertaining to individual components that make up the overall product.

It was concluded that the Consumer Electronics sector would align with other industry verticals and apply the warranty details of the sell item as first preference.

There is provision within the “Warranty Description” filed for a maximum of 1000 characters in alphanumeric format should a supplier wish to include additional warranty details relating to components of the sell item.

Variant Field (mandatory within the Trade Item Description Field)

The data recipients within the group agreed that whilst this field is not mandatory the field is very useful for distinguishing between items e.g.

- Toasters: 2 – slices, 4 – slices
- Microwaves: 1200W, 2400W
- Washing Machines: 5.0 kg, 10.0 kg
- Fridges: 50 lts, 128 lts

The group strongly recommends that Consumer Electronics suppliers adopt the use of the “Variant” field to describe distinguishing features.