

THE SUPPLY CHAIN MAGAZINE • ISSUE 26 • SUMMER 10/11

LOGISTICS LABEL ASSESSMENT SERVICE LAUNCHED

Supply Chain Week success





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GS1 Australia is the only organisation authorised by GS1 Global to allocate and administer GS1 Bar Code numbers in Australia. GS1 Australia adds value to its members' businesses by promoting and developing the adoption of cross-sector, global supply chain standards. GS1 Australia delivers supply chain solutions and services for bar coding, electronic business messaging, global data synchronisation and Radio Frequency Identification technology (RFID).

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04



WELCOME TO *LiNK* Summer 2010 edition



CHAIRMAN'S MESSAGE

01

A champion of supply chain excellence

→ With the year drawing to a close it is timely for me to thank the GS1 Australia Board and Council members for their work and commitment. Much of what they do is behind the scenes and is volunteer work – each of them makes a significant contribution in the interests of our community.

Representing individual industry associations, they bring a great deal of industry skill, knowledge and experience to GS1 Australia, working collaboratively to keep the organisation relevant to its membership.

This year, we say farewell to David Doherty of the Supply Chain and Logistics Association of Australia (SCLAA) after four years on the GS1 Australia Council. David has been a long-standing stalwart of the SCLAA and has been a champion of supply chain excellence. In 2008 he was recognised for his significant and long-term contribution to the supply chain and logistics industry in Australia during the Queen's Birthday honours by being awarded an OAM (Medal of the Order of Australia). David has been a great ambassador for the supply chain industry over many years and we thank him for his contribution as a member of the GS1 Australia Council.

I would like to welcome our two newest Council members:

- David Rogers, National Chairman of the SCLAA and
- Penny Davison, Director Service and Supply, Baxter Healthcare, representing Medicines Australia.

We look forward to working with them as we move into 2011 and the next exciting phase of GS1 Australia's growth. We have a significant role to play in determining GS1 Australia's future course at home and on the global stage. ■



01
RUSSELL
STUCKI
CHAIRMAN
GS1 AUSTRALIA

02
MARIA
PALAZZOLO
CEO
GS1 AUSTRALIA

CEO INSIGHTS

02

Looking forward to the next decade

→ As this first decade of the 21st century draws to a close I feel very proud of what GS1 Australia has achieved in the last 12 months. The year 2010 has been one of milestones achieved through excellent team work and great partnerships with our members, industry associations and our Alliance Partners.

GS1 Australia continued its drive to develop value-added services based on our members' requirements. We launched GS1 Locatenet, a location directory service for the healthcare sector that now is available to all users of GLNs, across all industries. GS1 Recallnet also kicked off this year with GS1 Australia signing an agreement with HP to build a service to remove potentially harmful products from the supply chain. We refined the GS1net data synchronisation service, implementing usability enhancements following feedback from our users, and launched a new service to assist suppliers with logistics labelling.

This year our Industry Engagement team continued to work with sectors such as healthcare, hardware and food, grocery and liquor to implement the GS1 standards. They also engaged with the office supplies, consumer electronics and agribusiness sectors through industry workgroups.

GS1 Australia had significant results from the Extended Labelling pilots under the aegis of our Mobile Commerce initiative. This marked a significant shift in our services as for the first time we have become a trusted data source for consumers as well as industry.

In 2011 we will continue our work to ensure data accuracy and to enable product recall, traceability and extended labelling information. By working with Australian business to implement the GS1 standards throughout the value chain, we can make a real difference in establishing safer and more secure systems and processes for the benefit of all Australians. Here at GS1 Australia we enter the next decade with a sense of excitement at the opportunities and challenges that lie ahead. ■



HOT DATES

DECEMBER 2010

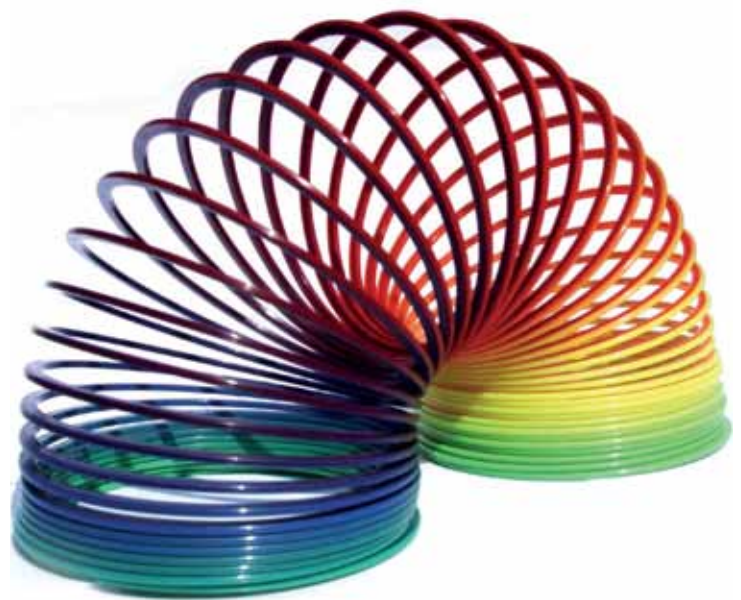
- 02 GS1 Australia Classroom training: "Numbering and bar coding" Melbourne
- 07 GS1 Australia Classroom training "Numbering and bar coding" Sydney
GS1 Webinar: "Introduction to GS1net"
- 14 GS1net Webinar: "Getting the most out of the browser template"
- 21 GS1 Webinar: "Publishing and reporting within GS1net"

FEBRUARY 2011

- 01 3pm: GS1net: "Introduction to GS1net"
- 02 3pm: GS1 Webinar: Numbering and bar coding. "How do I get started with the GS1 System?"
- 08 3pm: GS1net: "Getting the most out of the browser template"
- 09 3pm: GS1 Webinar: Numbering and bar coding. "How do I apply GS1 numbers and bar codes to my non-retail items?"
- 15 3pm: GS1net: "Publishing and reporting within GS1net"
- 16 3pm: GS1 Webinar: Numbering and bar coding: "How do I achieve optimal bar code quality?"
- 22 GS1 Australia Classroom training: "Numbering and bar coding" Sydney
- 24 GS1 Australia Classroom training: "Numbering and bar coding" Brisbane

MARCH 2011

- 17 GS1 Australia Classroom training: "Numbering and bar coding" Melbourne



TRAINING GETS FLEXIBLE IN 2011

GS1 Australia's training program has been redesigned to offer members more flexibility, convenience and relevance, according to Terry Papadis, Manager – Training Services.

"We have refined our training offer so that members no longer have to commit to a full day's training but can choose to attend for only half a day at their convenience," he said. GS1 Australia will leverage the existing structure of Learn Classroom and Knowledge 101 sessions but will organise modules so that all introductory training will be a half-day Learn morning session where members are taught the basics of bar coding and numbering, GS1net and eCom.

Our members then can opt to stay for an afternoon Knowledge session which will explore their chosen subject in more depth, or they can return to complete the Knowledge session at another time.

GS1 Australia will also run a series of two-hour Master Classes which will explore subjects in depth such as bar code quality and achieving data accuracy. "For example, we will work with retailers to develop a Master Class on using the GS1 standards to improve the supply chain inside the retail environment. We will also work with our industry groups to develop classes on the business application of the standards in their sector," Papadis said.

Details of the training program for 2011 and registration will be available at www.gs1au.org early in the New Year. For expressions of interest please email Terry Papadis at terry.papadis@gs1au.org ■





LOGISTICS LABEL ASSESSMENT SERVICE LAUNCHED

GS1 Australia has launched a new assessment service to advise suppliers and manufacturers on the correct way to label pallets.

→ According to GS1 Australia's Industry Manager – FMCG, Andrew Steele, major retailers have identified incorrect pallet labelling as an emerging supply chain headache; and it appears to be getting worse.

“A recent sample audit found that approximately 44 per cent of pallet labels are not meeting agreed upon industry requirements,” he said.

A Serial Shipping Container Code (SSCC) is like a licence plate that uniquely identifies each pallet. Retailers require logistics labels with unique SSCC numbers to be applied to pallets delivered to their distribution centres so they can be scanned on receipt. When logistics labels don't scan, data has to be keyed in manually and internal labels applied, delaying the unloading of the truck, as well as opening the way for data errors. Products end up sitting in the loading bay instead of on the supermarket shelf.

The issues retailers cited include:

- No label has been applied
- The label is in the wrong location
- Information on the label does not match what is on the pallet itself
- Multiple labels with different SSCC numbers have been applied
- Logistics label will not scan
- Stretch-wrap has been applied over the logistics label so it doesn't scan

Following feedback from three major retailers that this was a growing problem, GS1 Australia conducted an audit over 20 sites in New South Wales. “We found that the issue was with the business processes and mostly not with the logistics label itself,” Steele said. “However, a GS1 Australia Alliance Partner who provides labelling solutions, with over 1,000 installations nationally (carton and pallet online label application), found that only 50 per cent of their clients have regular maintenance servicing included in their installation contracts.

“Unlike consumer unit and carton packaging, which goes through a verification process, logistics labels are printed and applied on site, sometimes by third-party logistics providers. If label printers are not regularly serviced or maintained, this will impact on the quality of the labels.

“If the warehouse or logistics staff have not been trained on how to apply logistics labels correctly, it can lead to multiple problems. Unless the logistics label is scanned before it leaves the warehouse, the supplier will not know whether the retailer can scan it until it reaches their DC,” Steele said.

GS1 Australia now offers the onsite assessment service for suppliers to assess logistics (pallet) label quality and adherence to Australian industry requirements, to be delivered by the Professional Services team in consultation with GS1 Australia's Industry Engagement team.

The team will ensure your labels meet the technical specifications and assess the business process involved. They will record and assess:

- What type and model printer is being used, including online printer/applicator versus desktop
- If there is a service log or cleaning and maintenance procedure in place
- How the labels are applied, whether by hand or automated application
- Whether they are applied in the correct location as per industry requirements
- Whether any part of the label is scanned before despatch to the customer

GS1 Australia will also provide an ISO grade and scan rate of all labels assessed and assist businesses to improve their processes.

“Having logistics labels that scan every time means your product's time to market is optimum,” Steele said. “Also, if your pallets are scanned on leaving your business your inventory can be automatically updated, giving you better inventory control and in the event of a product withdrawal or recall, you can track and trace your product.”

For more information contact the Industry Engagement Team at GS1 Australia on 1300 366 033 or sales@gs1au.org ■



PARTNERSHIP TO OFFER DIPLOMA OF LOGISTICS

The Institute for Logistics and Supply Chain Management at Victoria University, a leader in supply chain education and training in Australia, is partnering with GS1 Australia to provide opportunities to study business logistics.

→ This course is for people wanting to learn how to manage logistics and supply chains at a strategic level. An intensive and dynamic program will enable students to study business logistics within one year through:

- Minimal time off the job
- Use of engaging learning resources
- Case studies and problem analysis
- Use of GS1 Australia's supply chain simulation facility
- Access to ongoing professional facilitators
- Work-based projects to deliver value to their employer
- Mentoring by GS1 industry leaders

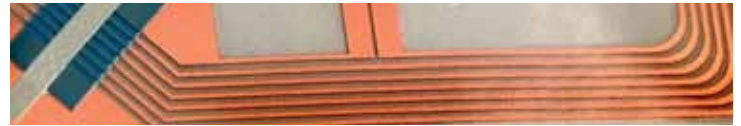
Steven Pereira, GS1 Australia's CIO, who has worked with the Institute to create the course, said investing in a quality, national qualification was the key to becoming tomorrow's supply chain professional. He said businesses should consider that by up-skilling their employees through this program, they would

improve their supply chain operations.

Students can opt to complete a full Diploma of Logistics, or study an individual study unit with the intention of completing the diploma over time. Successful completion of the Diploma will enable the student to articulate towards a Bachelor of Business degree. The course, which will be held at GS1 Australia's Melbourne office, is designed for logistics professionals with at least three years of work experience in logistics, warehousing, purchasing/procurement, manufacturing, order processing, transportation or similar activities. Eligible applicants may be able to source government assistance.

There are no formal entry requirements but applicants must be able to demonstrate to the satisfaction of the Institute that they are capable of successfully completing the course.

Please contact GS1 on 03 8581 5905 for a course prospectus. ■



GEN2 V1.2.0 TAGS NOW AVAILABLE

GS1 EPCglobal Gen2 V1.2.0 Tags are starting to become available, according to Sue Schmid, GS1 Australia's General Manager – Standards Development.

The UHF Class-1 Generation-2 air interface protocol V1.2.0, published in October 2008, extends the item-level tagging capabilities of UHF Gen2, by including three optional features.

- An indicator is now available to show when there is formatted data in user memory, User Memory Indicator (UMI).
- Addition of permalocking on a block level in user memory which can protect the contents that have already been written.
- Recommissioning of a tag after point-of-sale operations is now available. The recommissioned action is indicated through the inclusion of extended protocol control bits, XPC.

The first tag chip that uses XPC bits, a battery-assisted tag chip, is now commercially available. Unfortunately, readers that support XPC bits are in transition.

The Low-Level Reader Protocol (LLRP) v1.1, which was ratified in October 2010 (see below), will add support for XPC bits. The UHF Air Interface 1&2 Working Group is reviewing changes to the Gen2 specification to enhance backwards compatibility.

During this transition period, some readers may support XPC bits; other readers may decode these bits as part of the EPC; while yet other readers may ignore the tag entirely.

GS1 EPCglobal anticipates that readers using LLRP will be quickly upgraded to LLRP v1.1. Readers that do not use LLRP may require upgrades to their proprietary interfaces. Users of Gen2 tags should speak to their reader supplier if they are intending to use a tag that has XPC bits. ■

NEW EPC/RFID STANDARDS APPROVED

Two new standards were approved in October by the EPCglobal Board and the GS1 Board Committee for Standards (BCS), to improve the capture and exchange of data using RFID technology: Core Business Vocabulary (CBV) 1.0 and Low-Level Reader Protocol – new version 1.1 (LLRP v1.1).

Core Business Vocabulary (CBV) is an important enabler of Electronic Product Code Information Services (EPCIS), in that it provides context to an EPCIS event. EPCIS defines a standard interface to capture and share information about the physical location and movement of goods within a company and between companies, whether it carries a bar code or an RFID tag.

The Low-Level Reader Protocol (LLRP) is a GS1 EPCglobal software interface standard that is used in RFID readers. It provides control of RFID air protocol operation timing and access to air protocol command parameters to maximise reader performance to acquire tag data that is sent to client applications.

For more information on this visit www.epcglobalinc.org ■



tools for the local industry to drive improvements to pallet labelling and SSCC compliance and these would be available shortly from the GS1 Australia and ECRA websites, she said.

The consumer electronics sessions focused on management of master data and reverse logistics with members of the Consumer Electronics Working Action Group (CEWAG) reporting on the progress the group has made in these two areas.

Discussion during the hardware, automotive aftermarket and agribusiness centred on bar coding and numbering and data synchronisation with members of the Hardware GS1 Action Group (HGAG) urging the automotive aftermarket and agribusiness sectors to leverage the gains already made by the hardware sector.

Details for Futures Day will be available at www.gs1au.org in the New Year. ■



Michael Haire, Metcash



Samantha Blake, Australian Food and Grocery Council

FUTURES DAY

TO FOLLOW SUPPLY CHAIN WEEK SUCCESS

GS1 Australia will hold a Futures Day in March next year following a successful Supply Chain Week held in September.

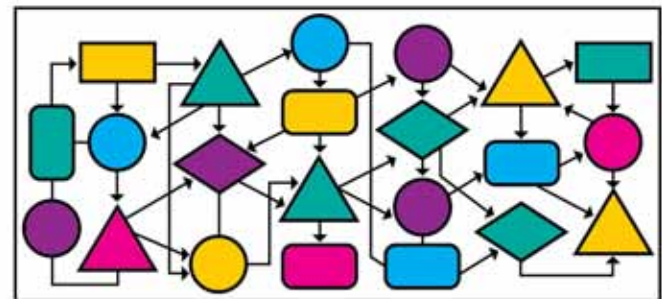
→ Richard Jones, GS1 Australia General Manager – Industry Engagement, said feedback from members after the sessions had been overwhelmingly positive. “As a result we will be holding Supply Chain Week again in September next year. We will also hold Futures Day in March next year to showcase our work with the GoScan mobile commerce application, GS1 DataBar, EPC/RFID and other emerging technologies that will bring supply chain efficiencies,” he said.

More than 380 people attended GS1 Australia’s Supply Chain Week in Brisbane, Melbourne and Sydney in September.

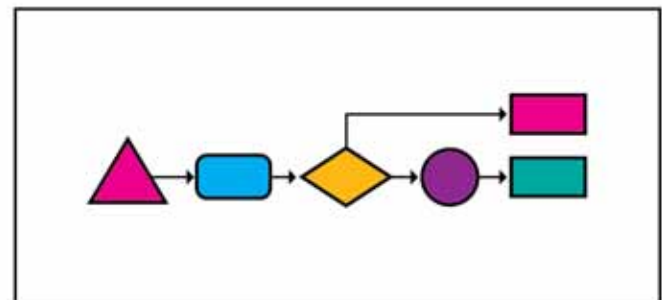
Sessions were attended by GS1 Australia members from the grocery and liquor, hardware, agribusiness and automotive aftermarket sectors as well as by third-party solution providers.

The grocery and liquor sessions focused on logistics labelling with representatives from Woolworths, Coles and Metcash discussing the issues retailers faced with incorrect pallet labelling or pallet labels that do not scan.

Samantha Blake, of the Australian Food and Grocery Council (AFGC), outlined how in 2010 a number of food and grocery manufacturers and retailers had formed a work group in partnership with GS1 Australia, Australian Food and Grocery Council and Efficient Consumer Response Australasia to address the issue of pallet labelling compliance. The work group had developed practical



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THE COST OF GOING CHEAP

The old adage “you get what you pay for” has never been more relevant in supply chain management as it is today. Global recession and the lure of cheaper brands have turned many companies away from locally supported and managed products and supplies to cheaper alternatives.

→ Label printers are often covered in warehouse dust, churning out label after label with no thought of maintenance. The solid-looking casing and industrial appearance give the impression they will last a lifetime without any financial investment. The truth is, unmaintained label printers and scanners can bring your company to its knees – without the bar-coding labelling process your production line stops, goods can't be dispatched and inventory control loses all accuracy. The cost of a breakdown can run into thousands and the long-term effects of letting your customers down can be higher.

There are four simple ways to protect your investment:

1. Buy a brand that is well recognised in Australian applications and supported locally

The company you purchase from should offer local after-sales, manufacturer-authorised service and maintenance. If not, your 12-month warranty can involve paying postage to send a printer overseas, waiting until it's serviced there and then paying the postage to get it back. Your provider should sell service contracts with your choice of on- or off-site maintenance at regular intervals.

2. Ensure you have a spare or back-up

Depending on how many printers you have, you can purchase additional equipment or arrange for your provider to keep one for you. Good quality and properly serviced label printers will last many years but can break down for a variety of reasons, many of which are not the fault of the equipment. “Our company has received many calls in the past financial year from companies that have purchased a label printer just six months ago without local after-sales service,” Neil Crump, Managing Director of Peacock Bros, said. “They are faced with sending their products overseas or paying extra to get another company to perform maintenance and repairs. Any savings on the purchase cost is now minor to the cost of reliable operation.”

3. Select the right model type

When selecting a printer, ensure the print speed will keep up with your requirements, the print language is compatible with your software and application and the printer is designed to produce the quantity of labels you need now and in the future. It's just money down the drain if you buy a printer and it won't do the job you

require, the workload wears it out in just a few months or you cannot obtain the spare parts locally.

4. Quality supplies

Label and ribbon supplies are one of the most important considerations in the operation of a printer. Cheap label or ribbon stock can burn out a printhead very quickly. Many

poor-quality labels and ribbon stock require higher printhead temperatures and printhead-to-paper pressure to achieve an acceptable print. Make sure the label and ribbon material is approved by the printer manufacturer or printer supplier to ensure you don't void your warranty. Cheaply manufactured label adhesives spread out from under the label to be picked up instantly by the printhead, halting the printer and requiring either cleaning or replacing. This will be even more commonplace if low-quality label stock has

required higher paper-pressure settings to get a readable print.

If you need to reduce your purchasing expenditure, cut costs elsewhere. The labelling system in your workplace is critical to your bottom line. What is the cost of going cheap? The answer is: your business.

Peacock Bros. is an authorised Zebra and Intermec label

“Label and ribbon supplies are one of the most important considerations in the operation of a printer. Cheap label or ribbon stock can burn out a printhead very quickly.”

printer business partner with branches across Australia and New Zealand and has over 120 years of experience in delivering smart business solutions across a host of industries. For more information on quality labelling systems and supplies, contact us on: 1300 723 282 or email: pbsales@peacocks.com.au. ■

FIVE-STEP APPROACH TO PALLET LABELLING



Step one – Get a number from GS1

Apply for your unique GS1 Company number (GS1 Company Prefix) by going to <http://www.gs1express.com.au/barcodes/>. This number is the basis for all your product bar code numbers. This number is used for all your bar codes in the retail sector e.g. Product Bar code (GTIN-13), Carton Bar code (GTIN-14), Pallet Bar code (SSCC)

Step two – Shopping list: labelling software, label printer, roll of labels

Purchase labelling software that is capable of generating GS1 Bar codes e.g. Bartender by Seagull Scientific. There are a number of label printers available for different levels of pallet labelling. These range from entry level printers through to fully automated print and apply printers.

One very critical element to pallet labelling is choosing the correct label for the pallet. The standard pallet label size is generally 105 x 148 (4" x 6"). Label stocks are not as simple as you may think. There are a range of materials (paper, synthetic, thermal direct) and adhesives (freezer grade, permanent, removable). Choose the right labels for the job.

“One very critical element to pallet labelling is choosing the correct label for the pallet. The standard pallet label size is generally 105 x 148 (4" x 6"). Label stocks are not as simple as you may think. There are a range of materials (paper, synthetic, thermal direct) and adhesives (freezer grade, permanent, removable). Choose the right labels for the job.”

Step three – Create product list

Most companies have more than one product they manufacture. The easiest way to manage your product information is to centralise the data into a single location. This may sound complicated but can be as basic as storing the product information in an Excel spreadsheet

You may already have this information stored in current database software such as Navision, SAP or other ERP software.

Step four – Design SSCC label

Using your newly purchased labelling software, it's now time to design your SSCC label to the GS1 specifications. Rather than reinvent the wheel, speak to the company that you purchased the software from, as they may have a GS1-approved SSCC label designed. This can be emailed to you or installed by a service provider.

Step five – Print the label and apply the label

After all your hard work, it is VERY important that you apply the label to the correct sides and height on the pallet. Be sure not to put pallet wrap around the label and that the label is not damaged in any way. If the pallet is labelled incorrectly, this can lead to rejection at the major retail distribution warehouses.

Finally – Maintain and Service

Now that you have your pallet labelling system in place, it is important to make sure that the system continues to run smoothly and correctly. For instance, if you add or modify your product information, be sure this is inputted correctly.

And look after your label printer by keeping it clean and having your service provider do yearly check-ups on the printer to ensure perfect pallet label printing into the future.

If you can't print your label, you can't ship your goods!

Make sure your operators are trained on how to use and maintain the software and printer.

insignia can provide you with the support and equipment to cover all of your GS1 requirements. We've worked hard to develop our reputation for top-quality products and outstanding service, and are extremely proud of the successes we've achieved.

From premium product labels and blank labels to bar code and laser labels, we've got a solution to suit every application. We also offer our clients a variety of labelling equipment, including printing and applicator systems, and provide support from installation right through to ongoing maintenance and repairs.

By developing close partnerships with our customers and by working with them to create unique solutions for their businesses, we've fostered relationships that go beyond mere sales and transactions. We've created relationships based on a rarity in many industries: trust. It's this trust that has led to the development of our brand essence and ultimately our strapline "tried & true". Tried & true represents our brand's journey over the years. Every facet of our business has been put to the test time and time again, and we've continued to remain solid, yet flexible, and true to our values.

For a tried & true supplier contact us on 1 300 467 446, sales@insignia.com.au or visit our website at www.insignia.com.au ■



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