NZ's biggest retail supply chain:
How does The Warehouse manage?

Verification: All you need to know about verifying your products
E-Commerce: Breaking down barriers
from the Chief Executive’s Desk

As the year draws to a close, I want to take this opportunity to thank all those people who supported EAN New Zealand throughout the year.

I would like to say a special thanks to:
- the retailers Foodstuffs and Progressive, who have consistently given their time to speak at our seminars for members
- our sponsors throughout the year, who have helped to keep the cost of the seminars affordable
- others sponsors such as Kitex Labels, who have helped with the production our new size gauges, and the verification suppliers who have sponsored new equipment.

A full list of our 2002 sponsors will be published on our website, and we hope you will give them your support.

We have just begun some membership research. The qualitative sessions have been completed, and already we are able to resolve some of your concerns.

Some participants commented that their free seminar vouchers had expired before they were able to use them. Please be assured we will accept expired seminar vouchers until we have as many members as possible to attend training seminars so that everyone has the basic information they need to get their bar codes right.

There was also a comment that suppliers would like to be told by retailers about failing bar codes. We are working now to get this feedback and post the information on our website.

The qualitative research is being followed up with a quantitative survey via e-mail. If you have not received this survey, please contact Andrew Fletcher Consulting (michelle@fletcherco.com) and request a copy. We want as many of our members as possible to have their say.

It is pleasing to see that EAN-128 barcodes are making inroads in New Zealand, extending the use of the EAN system further along the supply chain. Recently two articles came across my desk that clearly demonstrated how EAN-128 can help cut costs.

On October, Wangler Foods in the USA recalled over 12 million litres of cooled sandwich meat because a strain of listeria had been found at a production plant. This was the largest meat recall in US history.

Some days later in New Zealand, Nobilo recalled 26,000 bottles of wine due to glass being found in two bottles.

As consumers become more aware of food safety issues, we can only expect more issues resulting in recalls. Using EAN-128 bar codes enables suppliers to trace and track by batch numbers or dates – often reducing the amount of product recalled in such circumstances, and giving consumers greater assurance about quality and safety.

Our consultant Glenn Powell (021 711 070 or glenn.powell@brain.co.nz) can help you with the implementation of EAN-128 for traceability.

This has been a very busy year for EAN New Zealand, and I know my colleagues here are looking forward to the Christmas break. Our offices will be closed from 24 of December 2002 to 3 January 2003.

We would like to pass on to all our members our best wishes for a profitable festive season that is filled with good cheer. We look forward to working with you in the New Year.

Margaret Fitzgerald
Chief Executive
when barcodes go bad

The following real-life stories – with the identities of the firms and products concealed – are told in the interests of better bar codes.

Missing bars...
A designer recently submitted an EAN-13 that at first sight appeared like a good bar code. But in attempting to verify it, EAN New Zealand technician Raman Chhima found that the bar code would not scan at all. This means that the vendor could provide no information at all on the item – so the bar code had to be analysed by Raman's keen eye. He managed to identify that the bar code was, completely missing.

Printing of the labels, and distribution of this product, had to be delayed while the problem was corrected. The delay could have been avoided by taking advantage of EAN's artwork verification service. Experience shows that having the artwork verified at an early stage makes final verification much more likely.

...and crooked bars
A large manufacturer recently sent us a sample from their line as they were having problems in scanning. The company had tried a couple of times to resolve the problem in-house, but without the use of the EAN New Zealand's verification service several issues would have been missed and further cost incurred.

First attempt
Looking at the sample, our technicians could see that there was a problem with the print quality (see picture below). But testing the sample revealed a number of other issues:

- The print quality problem was due to faulty print heads, leading to a number of places in the bar code where the lines had not printed.
- The carton had not been held still during printing, so the lines were not straight.
- The bar code numbers should have been printed below the symbol to avoid any occurrence of problems with bar readers – for example, if a scanner is broken and the data has to be manually keyed in.
- Barter bars are required. These are horizontal lines that cross the ends of all the bars, and are important as they prevent partial scans. 'Broken bars also help when printing directly onto a printed paper, as it requires pressure across the bar code as it is printed.'
- For general distribution, the bars should cover the distances between the bar code and margin. At this tray was less than 6mm tall; the bars should touch the top edge of the tray and extend at least 2mm down the tray (as recommended by the Australian and New Zealand Grocery Guidelines).

Second attempt
When faulty bar codes have already been printed on a container, it is common to print the new bar code onto a label and paste this over the noncompliant bar code. Luckily, this manufacturer sent the new label for verification before doing this, because not all the problems had been resolved:

- Although the print quality was much improved, the bars were still not straight.
- There were still no human-readable numbers present.
- There were still no bearer bars.

It is also recommended that labels include a product description, to help ensure the label is applied to the correct container.

EANNet

can improve health of pharmaceutical industry

The pharmaceutical industry will be the first in New Zealand to undertake a pilot programme to assess the advantages of EANNet, the data synchronisation catalogue for Australia and New Zealand.

EANNet is a secure central repository that creates data integrity among trading partners, thus providing the basis for efficient electronic trading. Chief advantages of EANNet include:

- eliminating the need for a Universal Buying Form (UBF)
- removing the need for multiple entry of data
- reducing the need to correct errors on invoices
- giving buyers one central site to obtain product details from multiple suppliers
- allowing wholesalers to verify purchases electronically, thus saving time
- improving visibility of inventory
- reducing the need to store physical catalogues
- improving response time to changes in product numbers
- improving accuracy of sales figures
- improving delivery times
- reducing the amount of paperwork
- improving working capital
- improving cash flow
- improving customer satisfaction
- improving staff morale
- reducing the need for complex and expensive IT systems

"At PSM we relish change like this and embrace it. We believe this is in the interests of our customers – it is actually of more benefit to them than to us."

"We strongly suggest that you attend one of our seminars to improve your company's production of bar codes. Contact EAN New Zealand on (04) 801 0833."
Inventive actress held RFID key

“Any girl can be glamorous,” film star Hedy Lamarr once said. “All you have to do is stand still and look stupid.”

Yet Lamarr wasn’t stupid. She is famous for the first nude scene in the history of cinema (in-EXHIBITION, 1933), but her greatest impact was an invention for which she received no royalties and which only came into its own 50 years after she patented it.

In 1942, Lamarr (under her real name Hedy Kessler Markety) and composer George Antheil patented a “Secret Communications System” designed to guide torpedoes to their targets without interference from radio jamming by the enemy.

At its core of their invention was “frequency-hopping”, now known as spread-spectrum radio systems. The technology is today a key component in wireless data systems, including radio frequency identification (RFID) systems, cell phones, wireless networking and satellite technology.

Lamarr had first conceived the idea in the 1930s, when she was married to a German arms manufacturer. When Hitler came to power, Hedy left her husband, escaped to London, and became a committed anti-Nazi.

She and Antheil then patented a system that enabled the frequencies of radio control devices to be changed quickly to avoid jamming. The device was never put into use but, in the 1940s (shortly after the patent expired) the US military began using the concept.

Frequency-hopping came into its own in the 1990s, when computer processing power made it more feasible to employ the concept. Today, spread-spectrum systems are crucial to enabling many devices (cell phones and RFID tags, for example) to operate in the same frequency range without interfering with each other.

In 1997 Lamarr and Antheil were given a special award from the Electronic Frontier Foundation to acknowledge their contribution to modern communications.

Frequently asked questions

I don’t understand why I have to get verification reports on bar codes that I already know will work. We check them with a scanner. Why isn’t that enough?

The only reliable way to predict how well a bar code will scan in “the real world” is to test the quality and technical correctness of the bar code itself using the correct type of verification equipment in conjunction with a visual inspection.

There are several reasons why scanners are unreliable indicators of how well a bar code will scan in the various environments in which they are used. Scanners are all ages and conditions, with different aperture sizes and focal lengths. They operate in differing physical situations – for example, different levels of ambient light can influence the print contrast as seen by the scanner. As well, differing decoding algorithms written into decoding software may or may not be able to tolerate errors in the width of printed bars.

Only the official verification test ensures full compliance with the EAN International General specifications, which are designed to make sure bar codes scan “first time, every time” (and everywhere) they are used.

I have been receiving verification reports that give my bar code passing grades, but with a warning that they won’t pass a new ISO test. Should I be worried about this?

Traditional verification was used as the testing method for bar codes until 2000, when EAN adopted a new ISO standard based on a new, superior test.

Traditional testing examined the accuracy of the dimensions of the printed bars, and calculated a value called Print Contrast Signal (PCS) to assess how clearly a scanner might be able to see the bar code. It was the best testing method known at the time, but it had two limitations: it was not internationally standardised, and it was not a thoroughly reliable indicator of likely scanning performance in real conditions.

The ISO standard specifies a method called Reflectance Profile Analysis which, in effect, tests the behaviour of the light reflected from the bar code, rather than the bar code itself. The ISO method is far superior. It determines whether the light reflected from the bar code, rather than the bar code itself.

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Beginning January 2003, the only standard used to determine passes or failures on EAN verification tests in New Zealand will be the ISO one.

Supply-chain management has been a key tool as, over the last 20 years, the Warehouse has changed the face of New Zealand retailing. Automated supply – plus intelligent use of the human factor – is a key to the efficiency of 82 The Warehouse stores, 36 Warehouse Stationery stores and 7000 staff.

The Warehouse distribution centre in Wellington, New Zealand, can be described in superlatives without fear of exaggeration. It’s the tallest, biggest and fastest distribution centre in New Zealand, and is in Australia’s top three.

It covers the size of seven football fields under one roof. It can handle more than 1600 inbound pallets a day, with 85% of the goods being cross-docked – that is, moved directly to dispatch without being stored in the distribution centre. The cross-docking operation moves goods from container to dispatch in as little as eight minutes.

Automation through bar codes

All incoming cartons are given a bar-coded sticker and all picking, stacking and moving is done through scanning this barcode. The only human intervention occurs when inwards containers are opened and people check that the correct product has been sent and that it is consistent with the barcode labels that have been prepared for it.

An outstanding feature of the distribution centre is the automated conveyor system that moves product from the carton-pick and cross-dock areas through a central ‘spaghetti junction’ and onto dispatch for one of the 82 shops. Its electronic sorting and flow-control capabilities create an efficient system that operates at an impressive speed.

If the goods are not cross-docked, full pallets are put away using reach-trucks. The seven stories of racking are 10.5 metres high, and reach-trucks are pre-set precisely to reach each level.

People are the key

“Sophisticated technology is important,” says Scott Kerr, logistics manager for The Warehouse, “but a successful supply chain is not so much about how many conveyors and how much technology you have as the detail and the smart people who make it work.”

“The way The Warehouse manages people and gets them involved in the business is key to our success.”

An example of this philosophy is how The Warehouse deals with the busy period from October to the end of January, when the company earns 60% of its revenue.
Supply chain expert joins EAN Board

SCOTT KERR

The logistics manager of The Warehouse, Scott Kerr, has joined the Board of Directors of EAN New Zealand. “Scott brings great skills and some fresh perspectives to the Board,” says EAN Chairman Bruce B Vick.

“The Warehouse is unique in New Zealand because of its size, and also because of its huge number of relationships with suppliers around the world,” Bruce says.

John Albertson, Chief Executive of the New Zealand Retailers Association and an EAN Board member, also welcomed Scott to the Board. “The Warehouse is one of a number of large retailers outside the grocery sector who are making increasing use of the EAN system to manage their supply chains,” John says.

“It will be valuable for the Board to have additional input from this sector, especially since there is a growing ‘blurring of the lines’ among the various traditional sectors within retail,” he says.

Scott Kerr is the General Manager Logistics for The Warehouse, which takes a broad and holistic view of supply-chain management (see accompanying article).

“Logistically, we are embarking on a programme with suppliers that includes such things as taking care of the environment. Minimising potential waste at the beginning of the supply chain and recycling at the end of it is part of the programme. This means working with the suppliers to reduce the waste that comes with the product by reducing packaging.”

At the other end of the chain we have, in three years, almost achieved our aim of zero waste to landfill. That goal means that stores no longer have a skip on site, and that everything is recycled or goes back to a recycling depot in one of the three main centres.

The sustainable business philosophy is also about purchasing product from suppliers that are ethically and morally of a standard we can accept in New Zealand. It includes reducing fossil fuel emissions. For example, this year we are working closely with Tranz Rail so that we can use trains and not trucks, when possible.

Automation is consistent with good environmental practices, because it means less waste. The Warehouse has a paperless system throughout its distribution network using two different bar codes — the POS codes and distribution codes. The manufacturers supply goods with EAN-13 bar codes on each individual item for point-of-sale use. A few of The Warehouse’s overseas suppliers are unfamiliar with the EAN system, so in these instances The Warehouse has the stickers printed in New Zealand and sends them to the supplier to put on the goods.

The Warehouse uses a non-EAN bar code to keep track of each carton until it’s opened in the store. This is a pre-printed proprietary label and barcode applied to each carton at the distribution centre as it enters the sorting system.

“Applying this label is the only point of human intervention in the system,” says Scott. “It looks forward to the day when The Warehouse can improve its system even more by taking advantage of the internationally standard EAN-128 bar codes on cartons.”

Together with EAN New Zealand we can promote global standards in those parts of the world, and expand their use in this country as well,” Scott says.

Scott has specialized in managing complicated processes throughout his career — co-ordinating the operations of the multinational peacekeeping force in Egypt, for example. He has also been the Human Resource Manager for the New Zealand Army, managed a complex manufacturing operation, and run the Auckland operations of a major courier company.
Breaking down e-commerce barriers

Are you concerned that your business is falling behind with e-commerce? You’re not alone. EAN New Zealand’s Glenn Powell explains how EAN tools can help break through some of the barriers.

Everyone knows that e-commerce enables basic business transactions to be accomplished electronically—which means quickly and accurately. Excellent. So why do so many companies still raise purchase orders and invoices and send them in the post or by fax? If e-commerce is the ladder to tomorrow’s world, what stops so many firms from climbing it?

The perceived costs and complexity of adopting e-commerce boil down to two main shortfalls in trading relationships:

- **Data integrity**
- **Data synchronisation**

If we could guarantee the integrity of data that is being sent electronically (simply, that all the data is accurate) and that this data is synchronised with all trading partners (that is, everyone describes all products and functions the same way), the need for costly and complex interfaces and integration tools would be eliminated.

This would result in seamless data interchanges between organisations and improve efficiency. It would also overcome the pessimism that some people have about the ability of their own businesses to adopt e-commerce tools. EAN’s global tools and standards can make it relatively simple to get your firms data to a high level of accuracy, and then get your trading partners’ systems synchronised with yours.

And in this part of the world, EAN Australia and EAN New Zealand have invested in EANet—a data synchronisation and cataloguing tool for use by all our members.

Data is ‘entered once, used many’

EANet is a multi-industry electronic catalogue and data alignment service that is accessible via the Internet. It is the essential foundation for trading partners to exchange standard information about product, price, promotion and place.

EANet provides a central place where manufacturers, importers or distributors enter their product information. About 250 different product fields are available, including images, dimensions, specification sheets, verification reports, pallet configurations, prices and promotional information, to name a few.

The logic is simple: the owner of the information (the supplier) enters the data once. The supplier grants access to trading partners to download the data, and EANet provides it in the correct format to populate their business systems. All of this results in a single, co-ordinated, industry-wide set of information that everyone in the supply chain can use without further data entry.

**EANet objectives**

EANet provides data integrity as the basis for a wide set of electronic commerce transactions. EANet’s objectives are:

- to provide a central point for all supply chain product information for all industries
- to facilitate total data alignment among trading partners
- to deliver the integrity of information essential for electronic commerce transactions
- to remove unnecessary costs and inefficiencies from the supply chain

Progress to date

Over 200 companies in Australia are already implementing EANet. At a recent seminar in Auckland, Neil Austen of EAN Australia outlined the experience of three large Australian firms—General Mills, Metcash and Colgate-Palmolive—with the following key points:

- Over 70,000 GTINs representing more than 35,000 SKUs are already on EANet.
- The biggest challenge for most of the firms has been ensuring the integrity of their own data before they upload it to EANet. But this is a transitional phase that most firms have accomplished on existing internal resources and without capital expenditure.
- It is proving relatively inexpensive to use EANet compared with the benefits.

To date the Australian FMCG EANet support has taken the lead in implementing EANet. The EANet community in that country has tripled over the last 12 months.

Music-maker EMI is helping to forge new radio frequency identification (RFID) standards by putting radio tags on CDs—so they can be tracked right through the supply chain.

EMI and British music retailer ASDA Stores are taking part in a pilot scheme called CD id and managed by ecentre (the trading name of EAN UK). The scheme is based on GTAG™ (the international standard for RFID developed by EAN International and the UCC), and is a global first in piloting open supply-chain standards for RFID.

A sample of EMI’s CDs will be fitted with the electronic tags so that they can be uniquely identified and tracked throughout the supply chain to the consumer. The tag technology will also be used to track and analyse returns from consumers back to the point of manufacture.

The GTAGs will potentially be able to differentiate between genuine and counterfeit merchandise, as well as recognise shrinkage and improve supply-chain efficiency.

**Combating theft**

The CD id scheme is part of the British Home Office-sponsored Chipping of Goods Initiative, which is using sophisticated technology to radically improve the tracking of goods in the retail supply chain and help prevent theft and counterfeiting.

The pilot is also expected to point up other key benefits for music suppliers, distributors and retailers. As the volume of returned goods runs into tens of millions of units each year for the phony graphics industry, RFID tags could markedly improve the accuracy and simplify the process of returning, handling and administrating those returns.

What’s more, ASDA Stores are considering replacing Electronic Article Surveillance (EAS) tags with RFID tags, as these can be used both for anti-theft and supply chain purposes. This would have the added advantage of making shopping for music a more user-friendly experience, as it would speed up the purchasing process.

For more information about EANet and its potential implementation in your organisation, please contact Glenn Powell (021 711 070 or glenn.powell@ean.co.nz).

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**Common Terms**

**E-commerce**

Carrying out business processes with automated electronic assistance—for example, raising an invoice and sending it to our trading partner electronically (without paper).

**EDI**

Electronic Data Interchange is a method of sending the electronic invoices to our trading partners. It typically uses a third party to transport the message.

**XML**

Extensible Markup Language is another method of sending the electronic invoice to our trading partners. This may not require third-party involvement.
EAN Accreditation and praise for Goodman Fielder

Goodman Fielder New Zealand Limited has won praise for its outstanding achievement in getting such a large, multi site business so quickly accredited to verify its own bar codes.

As one of the largest New Zealand companies so far to undertake the EAN Accreditation Programme (ACERT), Goodman Fielder had a large and complex programme to implement according to EAN CEO Margaret Fitzgerald.

"The company did this with real drive, focus and teamwork and its team worked closely with our accreditation consultants to ensure the technical training was delivered rapidly and effectively," Ms Fitzgerald says.

"Goodman Fielder implemented the accreditation requirements across all its sites in record time."

By receiving official approval to verify its own bar codes Goodman Fielder can ensure a faster and more effective flow of goods from supplier to customers. The company has now implemented systems and quality standards to minimise errors in bar code number allocation, design, printing and manufacturing.

"We have made a significant investment to undertake the programme as we believe it is important we take all available steps to optimise the effectiveness of the supply chain and we hope other suppliers will follow our lead and join the programme," says Goodman Fielder New Zealand Limited managing director, Ron Vela.

As an Accredited manufacturer testing can be done in house thereby avoiding significant costs and time penalties. The increased focus and knowledge developed through the Accreditation process means the company now has greater control over its bar code accuracy and quality well back in the design process.

One of the main driving forces behind Goodman Fielder’s decision to apply for accreditation was the opportunity to link in with labelling changes required as part of the new joint Food Standards Code for Australia and New Zealand which comes into effect next month (December).

As an Accredited manufacturer testing can be done in house thereby avoiding significant costs and time penalties. The increased focus and knowledge developed through the Accreditation process means the company now has greater control over its bar code accuracy and quality well back in the design process.

For further information contact Owen Dance (04 801 2894 or owen.dance@ean.co.nz).

For more information contact Jill Dryden Tel: 09 373 3786 or 021 242 0486 or Owen Dance Tel: 04 801 2894
An innovative Palmerston North firm is showing that you don’t have to be in the grocery trade to take full advantage of the EAN system—and that the benefits extend well beyond the retail counter.

Iplex Pipelines, which manufactures and imports a range of plastic pipes and fittings, is using the EAN system to enhance its inventory management.

Iplex sees good customer service—including efficient ordering, distribution and stock management—as a key advantage in a very competitive industry.

“We don’t just manufacture and distribute from Palmerston North, but also from Auckland and Christchurch,” says Graeme Spiers, Iplex Pipelines’ customer services manager. “We also import some finished goods.

“Our current system for tracking customer orders is very tidy, but we would like it to be more automated and require less manual intervention,” Graeme says. “We need to go to the next level.”

Iplex Pipelines already puts bar codes on some of its products, and has recently brought in a new inventory management system. Using this system, it expects to cut costs by reducing stock levels and also link its stock information better into production planning.

Bar coding: the next level

At the moment, some goods are delivered in cartons to the warehouse and carry bar codes from their original suppliers. Plastic pipes and coils are stored outside, and the company prints its own barcodes for these.

Earlier this year, Graeme sent samples of the new bar codes to EAN New Zealand for verification. These passed all the requirements of the EAN.UCC general specifications, but Graeme still suspected that the company wasn’t using bar codes to their full potential.

He called in EAN’s consultancy service to help. We visited the company to gain an understanding of its business and how the different items are processed, stored, moved and tracked.

The solution: using EAN-128 bar codes

For Iplex Pipelines to manage its inventory effectively and provide a prompt tracking service for customers, it needs to monitor all stock movements very closely. It can achieve this by identifying all the different units being moved as well as all the different locations.

To identify locations, we have suggested allocating Global Location Numbers (GLNs) to each stock position. For example, in the warehouse, bar codes containing these numbers could be printed on tickets and attached to the shelving, where forklift drivers can easily scan them.

In the yard, these bar codes will need to be more robust to stand up to the weather. One solution may be to use ceramic tiles with bar codes on them.

As for units, the company handles four different types: pipes, coils, cartons and pallets. To identify units, we have recommended the specific application identifiers (AIs) appropriate for using EAN-128 with each item.

“It is going to be a big project, but we think the outcome will be a winner for Iplex,” Graeme says. “We’ve finished the first phase of implementing EAN’s recommendations, and Phase Two is planned for early in the new year. We expect to be receiving all of the benefits before the end of 2003.

“We’ll have more accurate inventory control. When someone orders something, we’ll be absolutely certain where it is in the production process,” he says. “The time between receipt of an order and dispatch will be shortened, and the process will be more automated.

“One level of customer service is already good, but we expect our customers to notice an improvement in overall efficiency.”

The use of EAN-128 bar codes is nothing new to the grocery industry, but now a Palmerston North plastics firm is realising that EAN-128s can give it a competitive edge. EAN New Zealand’s Rob Turner outlines the challenge and our recommendations after the EAN Consultancy Service was called to assist Iplex Pipelines.

For further information on EAN Consultancy Services, contact Glenn Powell (021 711 070 or glenn.powell@ean.co.nz) or Rob Turner (04 801 0833 or robert.turner@ean.co.nz).
Latest news on bar code verification

Bar code requirements
In early November a second meeting was held among major retailers, grocery suppliers and EAN New Zealand to discuss the latest on verification and accreditation issues.

Highlights:
- The industry is setting up a process to identify and rectify bar codes that persistently perform badly. In many instances these are bar codes that passed verification, but where the quality has not been maintained.
- Inkjet printed barcodes on shippers are a major concern. These barcodes will be required to undergo verification where scanning difficulties continue.
- As per the ELC Australian and New Zealand grocery guidelines, ‘best before’ dates need to be applied to all products with a shelf life of less than 90 days. The best before/dates should be encoded in the bar code in order to assist the retailer to track stock. Retailers will not accept responsibility for tracking product by date or batch where this information was not provided in the barcode on the shipper or pallet.
- Falls for Progimess and Foodstuffs should not contain product with varying dates. This is a departure from the Australian standard, which allows a mixture of dates with the earliest date encoded.
- Suppliers must quote the Verification Report number or their Accreditation number on the UBF. Manufacturers cannot quote the Accreditation number of another company (such as an accredited printer).
- Retailers are targeting suppliers of products without bar codes on their pallets and applied. Much of this is overseas product.
- Barcodes on individual units need to be obscured when packaged into larger quantities, such as a 4-bottle multi-pack of beer. This is currently the cause of a number of scanning problems.

Test Standard Changes
Bar codes that have been passing the traditional verification tests but not the newer ISO-based test will be failed in EAN verification testing from January 2023.

Currently, the relevant verification reports are endorsed with the comment: “The contrast (of this bar code) meets the requirements of the traditional method. It is anticipated that the ISO testing method will soon be applied. This bar code would fail the ISO test and therefore this should be addressed as soon as possible.”

Most of the affected bar codes are on flexible packaging items such as plastic bags, but members using other materials should also check their recent verification reports to see whether they are affected. (See also our FAQ section on page 6 of this edition.)

Grocery Industry Guidelines
The table below summarises how the Grocery Industry Guidelines are applied in New Zealand and Australia.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>New Zealand</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bar codes on inners, etc.</td>
<td>Bar code all levels of packaging</td>
<td>Bar code all levels of packaging</td>
</tr>
<tr>
<td>Dates (on shipper)</td>
<td>If the shelf life of the product is 90 days or less, it must be expressed in EAN-128 on the inners. Where possible, the date in EAN-128 should be supported on the retail from the performance of retailers is that the date is expressed in EAN-128 on the shopper.</td>
<td></td>
</tr>
<tr>
<td>Batch/Serial etc (on shipper)</td>
<td>Not mandatory on shipper but recommended.*</td>
<td>Not mandatory on shipper but recommended.</td>
</tr>
<tr>
<td>Pack (or logistic unit)</td>
<td>Serial Shipping Container Code and DITR of product required.</td>
<td>Serial Shipping Container Code and DITR of product required.</td>
</tr>
<tr>
<td>Dates (on pallet)</td>
<td>Any date applicable to product is required on pallet. Mixed dates not permitted.</td>
<td>Any date applicable to product is required on pallet. If mixed dates, use the one that falls due earliest.</td>
</tr>
<tr>
<td>Batch/Serial (on pallet)</td>
<td>If used on product, required on pallet. If not, do not use in bar code.</td>
<td>If used on product, required on pallet. If not, do not use in bar code.</td>
</tr>
<tr>
<td>Date to comply</td>
<td>Immediately – signatures may be agreed by request. Suppliers are invited to discuss this with retailers if concerned.</td>
<td>As agreed between the parties.</td>
</tr>
<tr>
<td>Mixed product on same pallet</td>
<td>Not generally permitted – contact traders/grocers to discuss. Where permitted use SSCC only, omit related details by other means.</td>
<td>Use SSCC only, omit related details by other means.</td>
</tr>
</tbody>
</table>

*Retailers will not accept responsibility for any tracking completed by third-party retailers for the sole purpose of scanning the product.

Brainstorm on broadband

EAN New Zealand took part in a “brainstorm on broadband” in November at the invitation of the Telecommunications Users Association of New Zealand (TUANZ).

Glenn Powell represented EAN and its members in the core group of industry leaders at this pioneering conference to spark innovative ideas for broadband applications.

Broadband, or high-speed Internet access, has been identified as a key enabler of New Zealand’s economic and social growth. The search is now on for innovative ways in which retailers and other sectors can benefit from its use.

Ideas ranged from the practical to the highly creative to the wacky. The “killer application” that makes broadband attractive for retailers might be something as simple as video conferencing: imagine having a virtual helper to assist with a complex DIY job at home, for example.

The conference was the first stage of the National Broadband Applications Project. It is supported by the Ministry of Economic Development and Industry New Zealand, as well as private-sector groups. Conference proceedings will be published in a book next year.

See http://www.ean.co.nz/services/verification_f.html for more information.
New labelling and bar code requirements have been putting the squeeze on the wine industry – but forward planning and working with a good print supplier can help to get the vintage out on time.

Like many others in the food and beverage industry, winemakers face tight deadlines at bottling time, and no-one can afford bar code problems to slow down production. Part of the pressure has come from the fact that supermarkets are a growing outlet for local winemakers. Wine is now the highest-value category in supermarkets, with total wine sales through supermarkets of $360 million for the year to May.

The mandatory verification changes that came into effect this year (SCAN magazine, April and August 2002) means that winemakers must issue each new vintage with a new bar code – and each bar code in turn has to be verified by EAN New Zealand before it can be used.

The wine industry is also being affected by new labelling requirements for countries, some driven by Food Standards Australia New Zealand (formerly ANZFA). From December 2002, beverage labels must contain more information about a product’s ingredients and nutritional value, and also state its potential for causing allergic or other reactions, an expiry date and a local street address for the supplier.

Not just bar codes

A New Zealand label manufacturer who does a lot of work for the beverage industry also notes that wine labelling is going through changes such as labelling laws in specific export markets, for example.

All the new requirements, together with the high quality standards that wine companies are renowned for, are putting pressure on wine makers for label landscape area and supply timelines.

“Virtually every individual item of information on a wine label is either a legal or regulatory requirement,” this label manufacturer says. “So it’s important that winemakers use an excellent print supplier to ensure the right clarity, contrast and label parameters.”

But he says that bar coding requirements shouldn’t cause delays.

“The wine industry is generally very well organised, and most winemakers will normally only have one or two vintages a year, encompassing approximately 10 to 15 bottling production runs,” he says.

“The wine companies that we look after typically give us a minimum of six weeks’ notice, with many companies ordering the total year’s requirements at once. The only issue is that some winemakers reduce the height of the bar codes, and this then causes bar-code problems.”

Meanwhile, winemakers in general seem to be producing high-quality bar codes despite the time pressures. The executive director of the National Association of Retail Grocers of New Zealand, Jackie Russell-Green, says she is not aware of members having problems with scanning wine bar codes.
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