



GS1 Standards

A Warehouse Perspective

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Melbourne , Australia
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New Zealand Hardware Training Forum

- Errol Kennedy
- John Danks & Son
- National Vendor Relations Manager-
Melbourne
- 37 Years Service
- Logistics' Background- 31 Years
- Chairperson N&BC Group GS1
- Chairperson HGAG Steering Committee



Who Is Danks?

- ❑ Danks were a 150 yr Old Family owned company serving the Home , Thrifty Link & Plants Plus Nursery Chains in Australia (Over 750 group stores)
- ❑ Recently bought by the Lowes -2nd Largest American Hardware Group of 1700 stores & Woolworths, Largest Grocery chain in Aust plus interest in Dick Smith Electronics, Dan Murphy Liquor, Big W variety stores, BWS and many more



Woolworth's Plans for Danks

- ❑ Woolworths / Lowes plans to open 150 warehouse size Home Improvement centers in Australia
- ❑ Continue Danks as a support to the Independent market place similar to the BWS market (Woolworths Liquor vs Dan Murphy vs BWS)



Who is the HGAG?

- HGAG is Hardware/ GS1 action Group
- New Zealand & Australia Based
- Members from GS1 (NZ & Aus)
- Hardware retailers (M10 NZ, M10 Aus, Danks, Bunning's, ITM, Placemakers etc)
- Hardware Suppliers such as ITW, Dulux Group, St Gobain, Hills, Carter Holt , Boral, Hyne Timber, Steel & Tube etc



GS1 & HGAG

Why did Danks join into the HGAG?

- Barcoding accuracy
- Data Sync
- Ecommerce
- All @ “Global Industry Standard”



Barcode & Data Difficulties

- ❑ SKU range of 25000 lines plus 30000+ direct to stores
- ❑ Barcodes at Retail 99% OK
- ❑ Barcodes on inner/ outer packaging = less than 50%
- ❑ Barcodes on inner / outer packaging that were known? <40%
- ❑ Inner / Outer Pack qtys correct approx 85%
- ❑ Order Qtys matching multiples of Pallet or layer, very few



Dank's Warehouse Problems

- ❑ We had mixed pallets & cartons
- ❑ Opening of cartons to scan retail barcodes
- ❑ Vendors were changing pack & order qty's
- ❑ Claims against Vendors because of the changing of qtys
- ❑ Multiple receiving's of same product
- ❑ Backlog of product rec'ing because of sorting function
- ❑ Low to Mid 90 service level's
- ❑ Wrong UOM for order qtys, Ordering Each , suppliers sending packs etc



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Bar-coding Problems & Challenges

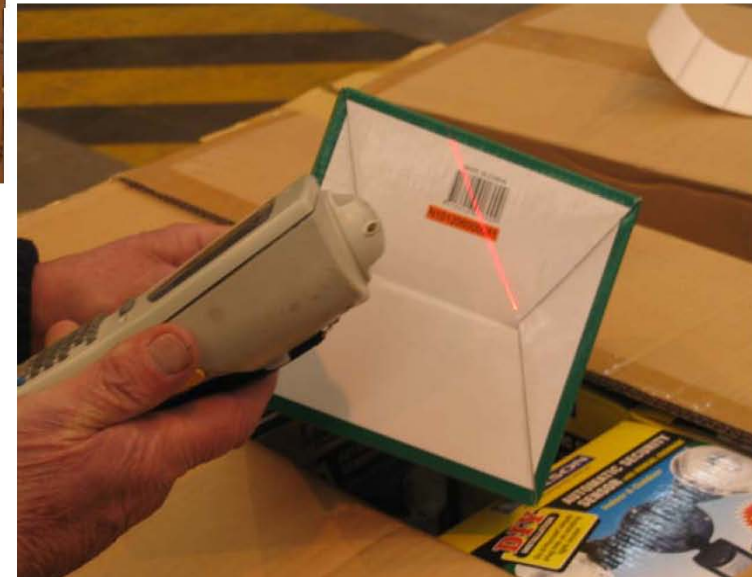


No Outer Barcode



Outers not Barcoded

Have to cut open carton ,
lift item from carton to scan
barcode on the bottom of package
This causes staff to assume
and take chances = MISTAKES





Inconsistent Bar-coding





Inconsistency of Barcodes



Bundles of Products like brooms etc
Wrapping barcodes around a product or Bundle



Spot the Correct barcode



Which is the Barcode?
Multiple Barcodes on the same packaging



Unreadable Barcodes





Remind me again did you want to scan this Barcode?





GS1 & HGAG has Helped Us..

- ❑ All levels of Bar-coding has risen from <50% to 94%+
- ❑ Knowledge of a Barcode on a package is now 94%+
- ❑ Quality of Barcodes (size, positioning, colour, etc) is 75%+
- ❑ Pack Qty's are now more accurate because of Bar-coding



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Data Synchronization Problems



Data Problems

- ❑ Bad Pack Qty's = Mixed packs & pallets
- ❑ Bad Pallets Qty = Mixed pallets, restacking
- ❑ Bad UOM = ordering Ea but supplying Outers
- ❑ Bad internal Measurement Data = Excessive replenishment
- ❑ Bad Dangerous Goods data = Violating Government rules & regulations
- ❑ Wrong Buy Qty's = Suppliers changing inv qty, claims etc, RTV of product



What's Bad Data Cost

- ❑ Danks have average of 200 claims per month/ per site within 3 DC's and drop shipments
- ❑ Pricing
- ❑ Shortages
- ❑ Damaged products
- ❑ Incorrect product
- ❑ Non Barcoded product
- ❑ Incorrectly received
- ❑ Return product



Time to Raise a Claim

- ❑ Storemans time to raise
- ❑ Accounts to process claim
- ❑ Your accounts to process claim at your end
- ❑ They pass it on to someone to check out
- ❑ They deny it, account come back to my accounts who refer it to our DC managers
- ❑ They send Johnny to check stock but he doesn't find it
- ❑ They go back to accounts to say no
- ❑ Your accounts spend more time and come to me
- ❑ I ask for someone to check or do it my self
- ❑ I find it and reverse claim
- ❑ Notify your person of reversal
- ❑ My accounts do a reversal and pay on next cheque.
 - ❑ **This is if we are lucky and find it!**



What's Bad Data Cost

- ❑ What Does incorrect Data cost the Industry at the moment?
- ❑ Average person = \$80,000 per year
- ❑ 52 x 40 hr per week = \$38.00 per hour.
- ❑ Average Claim Time = 3 hours
- ❑ Average claim cost = **\$114.00**
- ❑ Some are less but some are more
- ❑ **But we had Excess of 200 claims per month per site = \$820K annually**



Time to Raise a Claim

This is not including

- ❑ Pick & repack
- ❑ Re delivery
- ❑ Loss of sales due to stock outs
- ❑ Telephone time & cost
- ❑ Revenue tied up for months whilst claim is being processed
- ❑ Cost of actual credit in the end



Question To You?

- ❑ Collect & Maintain Data for 5 sites
- ❑ 25000+ SKU's
- ❑ 350 Warehouse users
- ❑ 2500+ customers using this Data
- ❑ From 500+ Vendors, Most of all who don't understand the need for accurate data



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Why is it in my interest to do Data Sync?

- Improved Supply Chain efficiency, less replenishment movements
- Better Service Levels, more sales
- Less Claims management
- Less repick, cost saving
- Less Space requirements
- Less Stock discrepancies
- Less Handling, less product damage



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What's in it for Vendor?

- ❑ Less Labour cost in Picking
- ❑ Less Transport costs
- ❑ Less Damages
- ❑ Less Claims management
- ❑ Quicker payment through better processing
- ❑ Better Service Levels in turn More Sales



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Dulux Deliveries Pre Data Sync

We did not have accurate carton, pallet & pallet layer qty's in our system causing -

- ❑ Replenishing took up 2 to 3 days to complete
- ❑ Mixed Cartons
- ❑ Mixed Pallets
- ❑ Multiple Claims for wrong/ short sends
- ❑ Re ordering before last order putaway



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Dulux Delivery after Data Sync

- ❑ All deliveries put away within 2 hours-permanent delivery day
- ❑ Less replenishment by expanding pick slot
- ❑ Less "Claims"
- ❑ Better stock accuracy
- ❑ Increase service levels, current Melb
Dulux 98.55%, Selley's 98.75%





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Why do we need accurate Data?

- ❑ Our Buy Qty's
- ❑ Forecasting
- ❑ Our Sell Min's & pricing to our customers
- ❑ Slotting, Replenishment & OH&S purposes
- ❑ Stocktaking purposes
- ❑ Our Customers for on selling purposes
- ❑ Government Acts DGoods, Haz, Poisons etc



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When is Danks taking Data from Vendors?

- ❑ Danks started taking Data from Warehouse Based Vendors as of March/ April 2010
- ❑ We plan to begin the journey with 12 Vendors as of May 2011
- ❑ Will begin to proceed talks to at least 20 Vendors every Qtr with the aim of bring at least 10 of them on within 6 months
- ❑ We hope to be Data Sync with 24 By end of 2011



Recent Audits on Barcodes & Data

At the Danks Warehouse in Braeside we did a Audit, some of the results.

- ❑ 2 hours time slot
- ❑ 48 vendors were checked
- ❑ 20 Barcode problems
- ❑ 11 Data Sync Problems



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What if I do nothing?

- ❑ You will start receiving on a regular bases a spreadsheet from Danks requesting you update your Data
- ❑ You will still have to do “New Product Forms” as we currently do, this process will go behind suppliers that feed us electronically
- ❑ You will still have wrong purchase qty’s, resulting in repack labour in your DC’s
- ❑ Human intervention for receiving processes at DC’s which cause unnecessary claims & hold up payments (How much does a claim cost you?)
- ❑ Slower receiving's through DC’s thus effecting service levels hence reflecting in sales
- ❑ I ask you this question



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“Can you afford not to do Data Sync, continue doing the same old, same old, and give your competitors the upper edge in today’s market?”

I think “NOT”



E Commerce

- ❑ Currently we do Electronic Purchase Orders
- ❑ We send & receive our customers orders and Invoices by ecommerce
- ❑ We send our Price Book by Ecommerce
- ❑ We send & receive vendor/ customers payments by ecommerce



E Commerce

- ❑ We would like to receive ASN by ecommerce
- ❑ We would like to hold a electronic price book for our customers for Direct to store shipments
- ❑ Online customer stock holding to give us the ability for more rapid stock replenishment & forecasting



The Future for Danks Data

- ❑ To Reach our dreams and make them become reality we need.....
- ❑ E Commerce
- ❑ To Get E Commerce we need accurate Data
- ❑ To Get Accurate Data we need to have a Barcoded world.



GS1 New Zealand

GS1 NZ has helped in many ways such as..

- ❑ Data Sync with M10 NZ
- ❑ Active members in the GS1 HGAG group
- ❑ Experience with the Data sync journey already had.
- ❑ New Zealand based suppliers
- ❑ Sharing Knowledge & experiences in all area's both ways
- ❑ **WE THANK THEM FOR GETTING US STARTED!**



Thank You

&

Questions?????