

# SCAN

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## Supply Chain Management

Australia & New Zealand grocery guidelines simplified

When 99% isn't good enough – interview with Daniel Kochanowicz, Supply Chain Strategy Manager, Woolworths Supermarkets Australia

### Healthy investment

Accreditation provides benefits up and down the supply chain

### MEMBER PROFILE

#### Old Fashioned Success

Pudding manufacturer steaming along thanks to quality focus

### Service to make you smile

New consultancy services from EAN

### Whoops – when barcodes go bad!

A real case study – lessons to be learned



SCAN Magazine Aug 01





Margaret  
Fitzgerald  
CHIEF EXECUTIVE

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EAN New Zealand is part of a global network spanning 97 countries. EAN•UCC is the only universally accepted system worldwide.



## FROM THE Chief Executive's DESK

You will see from this bumper issue of our new-look magazine that much has been happening at EAN New Zealand.

First, our quarterly newsletter has become a magazine – SCAN – and we have added some new regular features. We are introducing a "letters to the editor" and a "frequently asked questions" column to cover inquiries that are likely to be of general interest to EAN members.

We are also allowing for paid advertising to be part of our magazine. Our members' need for products and services has become more evident with the early success of the Accreditation Programme, which has led to some acquiring equipment to complete the programme. Suppliers out there: please take advantage of this forum to go direct to EAN members with your advertisements.

It has been great to see the way companies are embracing the Accreditation Programme. We have over 30 organisations at various stages of accreditation, from discussing proposals to near completion. These organisations have indicated a very keen desire to ensure the performance and quality of their barcoding is right up to scratch.

Nothing slows down customer service more than a poor barcode. I saw this for myself only a few days ago, when I participated in an EAN scanning audit in a couple of supermarkets. I saw operators presenting items to the scanner numerous times with various twists and turns. After about five or six goes the number was keyed-in. When the number didn't bring up the file, the operator entered it again – after all, they assumed they had made a mistake. Finally, a supervisor was called and the product manually keyed into a broad category.

Forget about the waste of staff time and the loss of product information for re-ordering and marketing purposes. Think about the consumer's perception of the retailer, who neither knows nor cares whether the delay at checkout is the problem of the manufacturer or the store.

Eliminating these sorts of delays is one of the goals of the new joint Grocery Industry Guidelines that have been completed for the New Zealand and Australian markets. I am thrilled that on 7 August two of the large retailers from across the Tasman will join major New Zealand retailers in a seminar on the Guidelines. The benefits of the Guidelines put into perspective things like the

verification reports required for Australia.

I highly recommend you send a delegate to the seminar on the guidelines. We are running it twice on one day in order to suit as many people as possible. This is our first joint Australasian seminar, and provides an opportunity for manufacturers to hear directly from the retailers their barcoding requirements.

On that note, all members should be aware by now that EAN New Zealand can provide you with the verification reports you require. This will **cost you less** and **save you time**. If you have your distributors in Australia telling you otherwise, have them contact EAN Australia directly or I can forward them the confirmation e-mail I have received from both Woolworths and Coles. All you need to do is to let me know their e-mail address.

Continuing our focus on better service for our members we have made our second appointment in Auckland, with Glenn Powell joining the team as a Senior Consultant. He is wonderfully qualified and experienced for his new appointment, coming from a background in supply chain management and ERP systems implementation with a multinational company. His appointment rounds out the new EAN team into an excellent combination of skills and experience that will enable the organisation to serve you better than ever before.

The only down point this last few months has been my decision to enlist Baycorp in recovering outstanding fees from members. The number and age of the defaulters left no other option. Being a "not for profit" organisation, we were already operating on tight margins. I can assure members, though, that our being firm about paying on time will make EAN New Zealand a stronger organisation. And there will be rewards: if you pay on time, you don't have to pay the \$50 increase in the annual licensing renewal fee for the financial year commencing 1 September 2001. In other words, there will effectively be no increase for members who pay their fee by 20 September.

We are committed to delivering standards that enhance your supply chain management processes. If you would like to express an opinion on our new services, our new staff, our new magazine format or the changes we are making at EAN New Zealand, I would be pleased to hear from you. You can contact me directly – or write a letter to the editor!



## New licensing fees fairer

Psssst. There's a simple way to avoid paying more under EAN's new fee structure: pay on time. From 31 August 2001, the annual licensing renewal fee increases to \$325 plus GST (previously \$274.23 plus GST).

But those who pay on or before the 20th of the month following the date of the invoice will have no fee increase as they will be entitled to a prompt payment discount of \$50 off plus GST. We recommend paying by automatic payment or direct credit to ensure that you take advantage of the discount.

The fee increase and the prompt-payment discount both arise from the fact that many EAN members have a history of not paying on time. On average, only one-third of members have paid their annual fee by the due date.

"I sincerely hope that the new fee structure leads to no increase at all in our revenue," says Margaret Fitzgerald, Chief Executive of EAN New Zealand. "We hope that everyone pays on time, so we can devote all of our resources to membership services, not chasing late payments".

"The new fee structure means simply that

members who pay on time won't be subsidising the costs of those who pay late."

Till now, half of the late payers have required a second or third invoice before they pay. In extreme cases, EAN has used Baycorp (a debt collection agency) to collect money from bad debtors, with further costs to all of EAN's members. These extra costs have had to be met by all members.

**"The new fee structure means simply that members who pay on time won't be subsidising the costs of those who pay late."**

Chasing late payments also has an opportunity cost – staff who are collecting debts are not available to help members improve their use of the EAN system throughout the supply chain.

We look forward to receiving your membership fees on time.

## Accreditation a healthy investment for PSM

Achieving EAN accreditation has had immediate benefits right up and down the supply chain, according to PSM Healthcare.

PSM is very close to becoming the first EAN-accredited company in Australia and New Zealand, and the trickle-down of benefits have already started.

On the day its PSC QC600 verifier arrived "just playing around with it, when we took it out of the box, we began to see which of our suppliers were sending us the better barcodes," says project leader Phil Morrish.

EAN Accreditation Consultant Owen Dance is delighted. "Some of PSM's suppliers began phoning EAN within days of PSM staff completing the accreditation training," he says.

"They wanted to understand why their barcodes were suddenly being scrutinised so closely and attracting so much comment, and were very interested in becoming accredited themselves."

Owen believes that the whole logistics industry will benefit from the raised awareness among label and packaging companies as a result of this one company's insistence on total compliance with EAN•UCC standards.

The final stage of PSM's preparation for accreditation will be completing their "scanning operation procedures" (SOPs) and in-house

verification manual. Both are to be completed about the time this article goes to print.

"The accreditation process requires commitment", according to Phil Morrish, but it is "a good investment". As a pharmaceutical manufacturer, the company is accustomed to complying with precisely defined procedures and systems, and the value of the disciplines is well understood.

"We know that these things are worthwhile and you get back a good return in quality and safety for what you put into them," says Phil.

Adds Owen Dance, "The barcodes on PSM products were always good. But now they're better – excellent, in fact, and totally reliable."

### FOR MORE INFORMATION...

...on becoming EAN accredited, contact Owen Dance in Wellington on 04 801 2894 or e-mail [owen.dance@ean.co.nz](mailto:owen.dance@ean.co.nz), or in Auckland contact Hayley Moon on 021 711 169... e-mail [hayley.moon@ean.co.nz](mailto:hayley.moon@ean.co.nz)



**"EAN accreditation has immediate benefits right up and down the supply chain"**

# When 99% isn't good enough!

## an Australian grocery perspective

You would probably congratulate yourself if you had a 99% success rate in a key aspect of your business.

But when it comes to barcodes, even a 1% error rate can be costly. Just ask Daniel Kochanowicz, the Supply Chain Strategy Manager for Woolworths Supermarkets Australia.

"A 99% scanning success rate might sound great, but that's also a 1% error rate. At Woolworths Australia we scan 6 billion items every year, so a 1% error rate means 60 million scanning failures," Daniel says.

He will be representing the Australian grocery industry at two seminars in Auckland on August 7. At the seminars Daniel will present a case study of how the Australian grocery industry – suppliers, distributors and wholesalers – have all benefited from applying the Australian and New Zealand Grocery Industry Guidelines adopted by industry with assistance from EAN. (See sidebar for more details on the seminars.)

The Grocery Guidelines are of benefit to manufacturers, because they standardise what retailers require of barcodes. The Guidelines equally benefit retailers, because they know manufacturers' barcodes will meet their needs.

Woolworths Australia, his own firm, has recently invested in new warehouses with state-of-the-art sorting and conveyor systems. The largest warehouse processes 1.5 million cartons per week.

The warehouses run on EAN barcodes, and Woolworths requires a barcode verification report from EAN New Zealand (or EAN Australia for Australian business) for every item it receives.

"It's all about speed and trying to get it out to the stores as quickly as possible. To do that, we have to make sure that the barcodes work," Daniel says.

When the new systems were first trialled, 70% of the barcodes didn't work. After 18 months of working with manufacturers to put the Grocery Guidelines in place, the

error rate is now down to 1% at warehouse level – all at no extra cost compared with doing it wrong.

"Getting to 99% accuracy was neither rocket science nor a quick fix", Daniel says. It was a matter of carefully identifying the problems, and then making steady improvements. "The biggest problem was printing quality" he says.

Daniel encourages suppliers to see better barcodes as a business tool, not just a compliance cost.

"If it scans wrong at the check-out, then most likely the information is wrong at every spot in the supply chain," he says. "That means our automatic re-ordering system won't replenish supplies the way it should – and then the manufacturer, the distributor and the customer all miss out."

He knows of examples where product lines were on the verge of being deleted because they weren't selling – only for it to be discovered that the barcode number was wrong.

"If we are going to let the computer do the work, then the barcodes have to be right," he says.

Good barcodes also benefit suppliers by improving the accuracy of invoicing and payment systems. When all the information is recorded accurately, there are fewer disputes and delays over payment.

Daniel adds that it's important to keep good barcoding in perspective. "Getting better barcodes is not the main focus of our business, which is to have the right products for our customers. But if it hasn't got a good barcode on it, then we can't sell it.

"The goal for the whole industry should be barcodes that scan right 'first time, every time'."

### Seminar Will Clarify Grocery Barcode Requirements

EAN New Zealand's next seminars will help members get maximum value from the barcodes they use and from the entire EAN•UCC system.

The seminars in **Auckland on 7 August** will focus on meeting the grocery barcode requirements in place in New Zealand and Australia, with special emphasis on how barcodes drive efficiency-enhancing technology and processes.

Foodstuffs New Zealand will explain the requirements for its chilled and frozen distribution centre.

Two of Australia's major industry logistics executives, Daniel Kochanowicz from Woolworths and Paul Hackett from Coles-Myer, will provide the Australian perspective on numbering, barcoding products and on EANnet, the multi-industry electronic catalogue.

Maria Palazzolo, acting CEO of EAN Australia, and Owen Dance, EAN New Zealand Accreditation Consultant, will clarify issues about the new Australian Grocery Guideline, changes to existing requirements, how to meet those requirements, and technical barcoding issues.

The seminar will be held at the Novotel Ellerslie Conference Centre 72 – 112 Greenlane East Road, Auckland on 7 August 2001. Two sessions are planned, depending on number of attendees. The proposed morning session will run from 8:30 am to 12:30 pm and the afternoon session from 1:00 pm to 5:00 pm.

EAN members pay a discounted fee of \$250 plus GST for the first participant and \$125 plus GST thereafter.

For information and registration, contact Andrea Fleming at EAN New Zealand on 04 801 0833.

**FOOTNOTE** Woolworths has around 1,400 stores across the country and employs more than 130,000 Australians. One in every 100 Australians of working age is employed by Woolworths.

“...a 1% error rate means 60 million scanning failures.”

DANIEL KOCHANOWICZ – Woolworths Australia



# Australian & New Zealand grocery guidelines

## SIMPLIFIED

New guidelines on the labelling requirements of the grocery industry on both sides of the Tasman have recently been agreed by Efficient Consumer Response (ECR) Australasia and are available from the Download Centre on EAN Australia's website at [www.ean.com.au](http://www.ean.com.au)

ECR is a council of grocery manufacturers and retailers who work together to improve supply chain management in the interests of better prices and services for consumers.

Members should obtain and read the whole guidelines document, but the following summary expresses the basic requirements.

### 1. Pallets containing homogenous items

- (a) Used as trade units: identify with an EAN-14 using AI (01).
- (b) Used as logistics units: identify with an SSCC using AI (00) and add the EAN14 of the trade units on the pallet using AI (02) and the quantity of trade units using AI (37).  
If no dates or batch numbers apply to the products, that is all that is required.  
If dates or batches apply, then regardless of shelf life or any other consideration add the batch using AI (10) and the date using (17) for "maximum durability" or (15) for "best before" as appropriate.  
But also note the following:
  - (a) If the pallet contains mixed batches do not put any batch on the label-send details by other means to the associated with the pallet on receipt.
  - (b) If the pallet contains mixed dates, use the earliest date.
  - (c) Barcode: EAN-128.
  - (d) Barcode size: The SSCC must be printed at 50% magnification (X-Dimension 0.5). Supplementary information should be printed as large as the label size allows.
  - (e) Barcode height: 32 mm minimum regardless of magnification.

### 2. Pallets containing mixed items

- (a) Identify with an SSCC only using AI (00).
- (b) Send a description of the contents by other means to be associated with the pallet on receipt.
- (c) Barcode: EAN-128.
- (d) Barcode size: 50% (X-Dimension 0.5).
- (e) Barcode height: 32 mm minimum.

### 3. Trade units (shippers)

- (a) All levels, including inners, must be labelled with either:
  - EAN-14 encoded in ITF or EAN-128 barcode.
  - EAN-13 encoded or in EAN-13<sup>1</sup>
- (b) If the product has a shelf life of 90 days or less, the highest level of packaging that will be used in distribution must also bear a maximum durability date using AI(17) or best before date using AI(15) if applicable.<sup>2</sup>  
This means that basic identification with no supplementary data will usually be acceptable on inners, but if the inner may be used as the unit of distribution then it too must bear date and batch data. Manufacturers will need to make their own enquiries with trading partners to ascertain whether this applies to their products. While EAN will assist, the organisation cannot rule on individual circumstances.
- (c) Barcode: ITF, EAN-128, EAN-13 or UPC-A.
- (d) Barcode size:
  - EAN-128: 50%-100% magnification (X-Dimension 0.5mm-1.0mm)
  - EAN-13 and UPC-A: 200% magnification (X-Dimension 0.66mm) unless units size precludes this, in which case as large as possible and in no case less than 150%

- ITF: the defined size range is 50-100% magnification but note the following: (X-Dimension 0.508 mm to 1.016 mm)
  - If printing directly on to corrugate, print at 90%-100% (X-Dimension .914 mm – 1.016 mm)
  - If printing on label stock, magnifications below 90% are acceptable but symbols should be printed as large as possible.

In all cases users should err towards the largest size possible within the range when selecting magnification. The old specification of 120% remains acceptable in the interim, but new artwork should incorporate the 100% maximum.

- (e) Bar code height:

- EAN-128 and ITF 32mm minimum
- EAN-13 and UPC-A 52.52mm minimum.<sup>3</sup>

### 4. Applicability of Guidelines

The Guidelines apply to any items (other than retail items) that may be priced or ordered or invoiced at any point in the supply chain, and for which there is a need to retrieve pre-defined information. This includes individual items as well as their different configurations in different types of packaging such as outers, inners, shippers and other storage and distribution type packages.

### 5. Time frame

Companies are encouraged to become compliant at the earliest practical opportunity, and should consider when to do so – for example, at the next packaging change, next artwork redesign, etc.

### 6. Number and location of labels

- (a) Trade units: four sides preferred, two adjacent sides minimum, one side (or top for shallow trays) as an absolute last resort.
- (b) Logistics units: two adjacent sides minimum

### 7. General information

- (a) Suppliers should strive for the best possible barcode quality as well as 100% scannability.
- (b) This can be achieved by participation in the EAN Accreditation Programme, or by regularly sending bar code samples to EAN for verification.
- (c) Companies not participating in the Accreditation Programme must provide verification reports from EAN New Zealand for all trade unit barcodes.
- (d) Companies participating in the Programme may issue their own verification reports.

### FOR MORE INFORMATION...

...about ECR Australasia visit [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au)

### FOOTNOTES

- 1 Or the United States equivalent UPC-12 encoded in UPC-A.
- 2 In Australia this does not apply to chilled and frozen products but in New Zealand it may: suppliers should consult trading partners to check.
- 3 39.39mm minimum for symbols printed at 150%. Extrapolate as appropriate between 150% – 200%.





## More big advances in **GTAG™ standards**

by Raman Chhima, EAN New Zealand, UCC.EAN GTAG™ Project Working Group

The GTAG™ team has made considerable progress in securing unlicensed access to the ideal radio frequencies around the world on the ultra-high frequency (UHF) band for radio frequency identification (RFID) systems.

### More green lights for GTAG™

GTAG™-compliant products will be on the market by early next year, according to manufacturers.

Three manufacturers (Texas Instruments RFID Systems, BiStar Technologies and SCS Corporation) see GTAG™ as "a significant step forward in unlocking the potential of the RFID market" and have recently endorsed the GTAG™ standard.

"We are confident we can collaborate to adapt chips, currently in late-stage development, to make them GTAG™-compliant and have tags in the market in less than nine months," SCS and BiStar said in a joint statement.

"Both of us expect to have compliant tags in the market before the second quarter of 2002."

Texas Instruments was the first multi-national semiconductor company to market RFID systems in 1991. It has informative websites on RFID technology at [www.ti-rfid.com](http://www.ti-rfid.com) and [www.tiris.com](http://www.tiris.com).

The endorsement of these three manufacturers follows similar moves by Philips Semiconductors, Gemplus and Intermec (as reported in May's EANZ News).

Some equipment requires licences and in other cases, such as GTAG™, official permission to use short range devices (SRD) is required, rather than a licence as such.

With EAN New Zealand acting as the secretariat, the EAN•UCC GTAG™ team is creating an open, global standard for radio frequency identification (RFID) that will enable radio tags to increase efficiency throughout the supply chain. (See EANZ News of May 2001 for a full feature on the potential of GTAG™.)

The GTAG™ team is trying for as much uniformity as possible among the allowed radio frequencies in three regulatory regions co-ordinated by the International Communication Union:

**REGION 1:** Europe and Africa

**REGION 2:** North and South America

**REGION 3:** Asia, Australia and Oceania.

### Europe (Region 1)

Currently, the allowed power level and available bandwidth are both very limited. In September 2000 the regulatory authorities decided that no RFID application should take place in the UHF band.

However, 250 KHz at 0.5 W are already allocated for non specific short range devices (SRD) in 869.4–869.65 MHz. This includes RFID. The challenge for Europe is to increase the power level to 4 W, which would enable an increase in read/write range.

EAN International is working with regulatory authorities to change these arrangements in order to ensure that the required radio frequencies are available for the GTAG™ standard in Europe. In order to increase its influence, EAN International has become a full member of the European Telecommunications and Standardisation Institute.

### North and South America (Region 2)

No action is required, because the Federal Communications Commission (FCC) foresees enough radio spectrum and power levels to accommodate GTAG™.

Many of other countries in North and South America follow the FCC rules.

### Asia, Australia, NZ and Oceania. (Region 3)

The national regulators in Region 3 sometimes follow decisions made in Europe or the USA, but no organisation co-ordinates frequency allocation in the region. The three most influential national administrations in the region are China, Japan and Australia.

In China short-range radio devices are not regulated in the relevant bandwidth, so there are no legal barriers to introducing GTAG™ in that country.

Japan imposes very strict limits for RFID usage on the UHF band. Under current rules, GTAG™ requirements could be met in Japan only on a licensed basis, or with the use of battery-powered RFID tags. The strategy for Japan is to maintain the rules in Region 1, and then encourage Japan to follow.

In Australia, current regulations allow a sufficient degree of performance for passive RFID tags. Further work will be undertaken to increase the power levels available to ensure logistic applications are not disadvantaged.

In New Zealand current regulations allow a sufficient degree of performance for short-range devices for product identification and logistics applications.

### FOR MORE INFORMATION...

...on GTAG™, contact Raman Chhima at EAN New Zealand on 04 801 2895 or e-mail [raman.chhima@ean.co.nz](mailto:raman.chhima@ean.co.nz)

## Seminar success - Printing and designing barcodes that scan every time

During our last members' survey, we received considerable feedback that members would like a seminar that dealt specifically with how to design and print barcodes, so they could save time and money by doing it right the first time.

EAN has now launched a new seminar specifically targeted to marketing and product managers, designers and printers, account managers and staff. The first seminar was held in June 2001 in Auckland and Christchurch, with a good number of participants in each area. The new seminar was run consecutively with the "Introduction to EAN•UCC System" seminar, allowing people who need to learn both about the EAN•UCC system and about the designing and printing of barcodes to attend both seminars.

Jenkins Labels' Dave Ellis attended the first seminar "Printing and Designing barcodes That Will Scan Every Time" and was enthusiastic about its focus and content. "It's good to talk with other printers and to discover how the same things come through as problems time and again for us all," he said. Leigh Smeddon from the Christchurch office of Fielding-based Lime Design attended the South Island seminar and said that she "learnt heaps."

"As a designer I learned so much that I had never come into contact with before and yet this is all so important to all designers because we're sitting on top of so much barcode production, so to speak," she said. "It's really important to be able to talk to clients about things like symbol size and bar width reduction and so on." Leigh remarked that she now saw how important it is for there to be an association between designers and EAN.

We have also made some modifications to the existing "Introduction to EAN•UCC System" seminar. As well as covering the

traditional basics of ID number allocation and barcode technical aspects this seminar now introduces participants to the miniaturised Reduced Space Symbology (RSS) barcodes now forming part of the system as well as Composite Symbology, which combines narrow strips of two-dimensional PDF 417 barcodes with standard linear symbols. This enables supplementary data such as date or batches to be added to any standard symbol type such as EAN13. Participants will also learn of the continuing development of a global standard for radio frequency identification (RFID) technology.

Both seminar's participants completed detailed assessments of the seminars and delivered "very positive and gratifying" feedback according to Margaret Fitzgerald. "The level of overall satisfaction with the seminars expressed in the assessment was very high with 94% being satisfied to extremely satisfied with the seminars and the comments on particular aspects will help us to continue improving the format and content."

The seminars were jointly presented by Margaret Fitzgerald and Owen Dance who welcome comments and suggestions.

The next seminars will be held in November.

### FOR MORE INFORMATION...

...about the seminars once the dates have been finalised, please contact Andrea Fleming on 04 801 2891 or e-mail [andrea.fleming@ean.co.nz](mailto:andrea.fleming@ean.co.nz)

## Leadership Opportunity

Each year EAN New Zealand runs a series of seminars – and each of these seminars represents a leadership opportunity for your organisation... through sponsorship.

Seminar sponsorship packages can be structured to exactly fit your needs and budget, with available benefits including branding, sales and speaking opportunities.

Whether you're already a leader in the supply chain community looking at

sponsorship to reinforce your position and support industry "best practices", or a services provider with a product or service story to tell, an association with EAN training seminars will work hard to achieve your goals.

### FOR MORE INFORMATION...

...on seminar sponsorship, contact Luciane Bryant on 04 801 2893 or in Auckland contact Hayley Moon on 021 711 169.

Welcome to our newest 74 members, who have joined EAN New Zealand from 1 May 2001 to 15 July 2001

A C Bailey  
A Line Distributors Ltd  
Air Dynamics International Limited  
Allen Trading Company  
Anarchy Enterprises Limited  
Asia Pacific Trading Trust  
Biolab Scientific Ltd  
Bliss Confectionery  
Bright Ideas  
Buljan Wines  
Canary Enterprises Limited  
Impressions Dental Limited  
Custom Concepts (1999) Ltd  
DBA Software (Asia Pacific) Ltd  
Deer Products International Limited  
Desico Samoa Limited  
Devonport Chocolates  
Eden Hydroponics  
Emporio Italia Limited  
Endeavour Marketing Limited  
GEBC ED Limited  
Glasscorp Limited  
GLG New Zealand Limited  
Green Nutrition Limited  
Harvest Foods Limited  
Himmelsfeld Estate  
Inside Art Ltd  
J W Gourmet Gifts Limited  
Jan McLean Designs  
Jaurigue Enterprises Limited  
Jurven8  
Kanzaman  
Kong's NZ Ltd  
Manor House Cruisine Ltd  
Marpet Merchants  
Max Coffee  
Michele's Organic Melas (MOM)  
Nick Hall Limited  
Nobilo Brothers Ltd T/A Waimarie  
Norwich Investements Limited  
One Stop Security Limited  
Outlands Exports  
Parachute Music  
Peter Young  
Phoenix Meat Company Limited  
Prima Technologies Limited  
Quicken  
R R Bramley & Co  
Regency Importing Ltd  
Resilience Group Ltd T/A Silvervale  
Revital Ltd  
Robyn Hand  
Rosa Limited  
Rush-Munros of New Zealand  
S E Knowles  
Saints Waterfront Brasserie  
Sara Lee Coffee and Tea New  
Schubert Wines Limited  
Sharp Serviettes Ltd  
Somerset Farm  
Springsvale Estate Limited  
The Crossings (Marlborough Ltd)  
The Evergreen Rice Company  
The Frozen Dough Company  
The Kiwi Homesick Pack Company  
The Woodward Group Ltd  
Top Cakes Limited  
UNICEF  
Urban Provisions Limited  
Vivesco Limited  
Wonder Weeders Limited  
Woolover Limited  
X-treme Waste Incorporated  
Yum Char Limited

## EANnet a step closer

by Margaret Fitzgerald, CEO

Progress has been made to ensure that the EANnet on-line catalogue becomes an essential business tool for many of our New Zealand members.

EANnet is an on-line catalogue designed specifically for the New Zealand and Australian markets. It differs from other electronic catalogues in that it can cater for many industries (with the grocery industry being the "early adopter"), and being designed to suit the high proportion of small and medium-sized businesses in this part of the world.



EANnet is potentially a great tool for New Zealand retailers and the companies who supply their products. Several of Australia's leading retailers and wholesalers

recently endorsed EANnet because it will "collectively improve our business efficiency and achieve a level of data integrity that will serve as the foundation for many of our business-to-business electronic commerce initiatives".

The New Zealand grocery industry is showing similar commitment. At a recent meeting hosted by Progressive Enterprises, 20 representatives of manufacturers and the grocery industry worked through differences between EANnet data fields and the universal buying form (UBF) of the grocery industry in New Zealand.

This "gap analysis" has found a number of compatibility issues to be resolved before EANnet "goes live" for New Zealand participants, but none appear insurmountable.

Enough progress has been made that an EANnet pilot programme can now be established in New Zealand. We need at least one New Zealand retailer and two manufacturers to trial EANnet with a limited range of products. The time commitment involved in the pilot will be offset by the participants being the first to gain the advantages of participating in EANnet.

Based on global standards, EANnet enables trading partners to gain secure, accurate access to information such as pricing, promotion, trading terms and the locations of products and services.

It facilitates e-business by providing a platform for data synchronisation among trading partners. EANnet enables firms to post and retrieve trading data on products in hundreds of different categories, and across many industries, from a single website.

EANnet makes information on their products available to all trading partners through one source, thereby removing the errors associated with paper-based purchasing and invoicing processes.

In the future, national catalogues like EANnet will be look to achieve interoperability in order to connect databases around the globe. EANnet will become the gateway to this global electronic community for Australia and New Zealand.

If your company is interested in the New Zealand pilot for EANnet, please contact Chief Executive Margaret Fitzgerald on 04 801 2890 – if you want to see a demonstration of EANnet please e-mail Andrea Fleming at [andrea.fleming@ean.co.nz](mailto:andrea.fleming@ean.co.nz)

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## New Consultancy Services from EAN

A new consultancy division is being created at EAN New Zealand to help members achieve the full benefits of the EAN systems, standards and protocols.

The consultancy services arise directly from last year's member survey, which revealed that many members want advice and assistance beyond what is covered by the core services that come with EAN membership.

### A TYPICAL RESPONSE WAS...

"The EAN product has the capability of becoming the link in the chain between the different sectors and segments of the supply chain".

In other words, members are challenging us to meet the reality that EAN ain't just barcodes anymore.

The consultancy services enable us to respond to requests that are outside our EAN core services, which are managing the numbering system and providing quick assistance to members on barcoding practices.

The services offered by EAN consultancy services are:

- Supply chain management
- Gap analysis
- Inventory control
- E-commerce, EANcom, EANXML
- Third-party facilitation management including Project Management, ERP and Translation software
- Documentation of business processes
- Assistance with becoming EAN-accredited
- In-house training

For more information on EAN consultancy services contact Glenn Powell on 021 711 070 or e-mail [glenn.powell@ean.co.nz](mailto:glenn.powell@ean.co.nz)

EAN  
NEW ZEALAND





## Old Fashioned Foods Limited

It started in the kitchen of an old homestead in the tranquil Marlborough Sounds in 1995, and has grown to a busy Auckland factory, the Exporter of the Year Award for 2000, growth of more than 100% a year for four straight years and 50% growth rates projected for the next few years.

That's the story of Old Fashioned Foods Limited, a private company established by Fred Willetts with little more than his sister Betty Cole's old family steamed pudding recipe. In spite of a severe lack of funds and no background in the food industry, Fred got "Aunt Betty's" unique single-serve, microwaveable steamed puddings on the market.

In early 1996 Ross MacKenzie became the majority shareholder and provided capital, technical expertise and experience in the food manufacturing and grocery industries – all of which were essential to the further development of the company.



Old Fashioned Foods Limited has a simple vision – "to supply the best steamed puddings in the world" – and the world is indeed its market. The company has now successfully established the "Aunt Betty's" brand in New Zealand, Australia and the UK ("Auntie's" in the latter), and supplies house brands in New Zealand, Australia, the UK and Canada.

Much of this success has been attributed to the strong relationships that have been developed with distributors and suppliers, as well as a strong focus on innovation and quality.

Old Fashion Foods' decision to become EAN-accredited is further evidence of its concern with quality. EAN's Accreditation Coordinator, Owen Dance, has pronounced the barcodes on the "Auntie Betty's"

puddings' packages to be excellent, "but the company wants to prove the point by formally completing the whole accreditation programme."

Adds Managing Director Ross MacKenzie: "Quality focus is one of our key success factors. We have checks at every stage of production and packaging, and EAN accreditation will add even more value to our existing QA systems."



## Welcome to Glenn Powell

Glenn Powell has recently joined EAN as a Senior Business Consultant specialising in Supply Chain Management. He has qualifications in both Business Management and Engineering and was most recently employed for five years as a business consultant in the IT sector.

There he was responsible for implementing supply chain management software, re-engineering business processes, configuring e-commerce software, training, gap analysis, assisting with strategic business planning and providing project management.

In two previous positions in the manufacturing sector, he has managed multiple production units and despatch operations, and been involved in product specification, costing and design, and in plant management.

"I was attracted to EAN because the system is about so much more than compliance" Glenn says. "The EAN system can play an integral role in supply chain management, efficient consumer response and e-commerce."

Glenn can advise EAN New Zealand members on how barcoding and related

technologies can help increase profits through:

- greater efficiency in supply chain management
- reduced inventory costs
- greater accuracy in internal and external systems
- reduced write-offs of expired products
- improved customer service
- retaining those customers who make barcode compliance a precondition of supply
- more effective product recall
- audit trails.

### FOR MORE INFORMATION...

To maximise the benefits that you get from the use of the EAN system in your business, contact EAN Consultancy Services senior consultant Glenn Powell on 021 711 070 or e-mail him at [glenn.powell@ean.co.nz](mailto:glenn.powell@ean.co.nz)



# GTIN Overview

GTIN is the “global trade identification number” allocated to a trade item, and it forms the base of the EAN numbering system.

A trade item can be any product or service, and can include raw materials through to end-user products. Services can also be “trade items”, so long as they have pre-defined characteristics that can be priced and ordered.

EAN/UCC-8, UCC-12, EAN/UCC-13 and EAN/UCC-14 numbering structures are used for the identification of trade items. All of these are considered to be 14-digit Global Trade Item Identification Numbers (GTIN).

The trade item may be presented on a variety of forms, such as a single retail item, a cardboard carton, a covered pallet, a crate with bottles, and so on. Trade items consisting of single units are identified with a unique GTIN. Standard groupings of identical or different units must be identified with separate GTINs.

## How are the numbers allocated?

The brand owner of the trade item normally assigns the GTIN.

The general rule is that each different trade item must be identified by a different unique number. This implies that each variant of a product must be assigned a different number. For example, each different size and colour of a garment is allocated a separate, unique GTIN.

EAN New Zealand recommend that numbers should be allocated consecutively rather than try grouping the EAN numbers into brands, family of products, or categories. Companies using their own internal SKU product numbers should have a separate translation table (ie, a software programme translating internal numbers into EAN numbers and vice versa) to track their own production numbers.

The GTIN does not carry any information except for “variable measure items” such as variable weight. All other information about the trade item must be communicated by EDI, or other means, to all business partners by the brand owner who assigned the GTIN.

An assigned GTIN must never be changed unless the item is modified to the extent that it needs to be discriminated from the initial trade item for ordering, stocking or billing. Exceptions to this rule may occur only when regulatory or legal requirements mandate a change.

Additional rules may be defined by the EAN organisation in each country in order to comply with national legislation or other regulations.

## What happens when a new product is introduced?

A new GTIN should be allocated when a product is introduced. This also applies to sample or test products if they are distributed in an open environment.

## What is the lead time before a GTIN can be re-used?

GTINs allocated to trade items that have become obsolete must not be assigned to another trade item until at least 48 months after it was last supplied by the brand owner. In the case of garments, the minimum retention period is reduced to 30 months.

A longer period may be needed for some goods. For example, steel beams may be stored for many years before entering the supply chain. The brand owner should consider what would be a reasonable period of time for the trade item to remain in the supply chain cycle before re-using GTINs.

When contemplating the re-use of a GTIN consideration should also be given to whether the data associated with the original GTIN is used by trading partners for statistical analysis or service records. This may continue long after the original trade item was last supplied.

## How does everyone keep their data aligned?

When a new GTIN is assigned to a trade item, it is essential that the party allocating the number (normally the manufacturer) provides detailed information to trading partners about the description of the new trade item with the EAN identification number. This information should be provided at least 30 days before the product is actually traded and it is normally placed in the Universal Buying Form.

### FOR MORE INFORMATION...

...about the EAN•UCC system and barcoding basics, contact EAN Customer Services on 04 801 0833 or e-mail [ean.nz@ean.co.nz](mailto:ean.nz@ean.co.nz) or visit [www.ean.co.nz](http://www.ean.co.nz)

# The Rogue Zero

This is the first in a series on common barcode errors observed by EAN. These are actual cases that have occurred recently. The problems that will be reported in this column occur regularly. They could happen to you!

## Background

A manufacturer sent a list of numbers to a label company with details of the related products and instructions to "put barcodes on the labels".

At the label company an operator keyed the numbers into the label programme after selecting ITF from the menu, and found that the system required an even number of digits before the number could be encoded. No problem: the operator put a zero in front of each of the 13-digit numbers the client had provided.

## Result

A batch of labels intended for use on retail items, but printed with ITF barcodes that are suitable only for use in distribution. Just as bad, the ITF barcodes were printed without bearer bars and at 20% magnification. The specified minimum magnification for ITF used in distribution is 62.5% and bearer bars are always required – so even if the choice of symbology had been correct the barcodes were totally out of specification.

## Moral of the story?

### FOR MANUFACTURERS

- Understand barcodes well enough to know what you want, and then specify precisely when ordering labels.

### FOR LABEL SUPPLIERS

- Understand your clients' applications and check that they are planning to use an appropriate symbology.
- If the number you've been given doesn't seem to fit, check with your client. Don't guess at how to modify it.
- Don't assume that your software recognizes the size specifications of the EAN•UCC standard. Just because you can print it doesn't mean it's correct.

- ITF barcodes without bearer bars are wrong.
- Send samples to EAN New Zealand for verification. In this case we discovered the error before the client ever saw the incorrect labels, saving face for the label supplier and helping to ensure that the customer was satisfied.

### FOR EVERYONE

- These things don't happen to accredited companies.



BARCODE AS FIRST PRODUCED



BARCODE AS REQUIRED

If you have spotted or produced a barcode that isn't right, share your experience with other EAN members, so all members can learn from the mistake. Send the bad barcode sample to The Editor – SCAN magazine, EAN New Zealand, PO Box 11-110, Wellington or e-mail [ean.nz@ean.co.nz](mailto:ean.nz@ean.co.nz)

## Frequently asked questions

Q

### How do I calculate the check digit?

The check digit is calculated from other characters in the barcode symbol, and is used by the scanner to verify it has scanned the barcode correctly. The check digit calculation, called the Modulo 10 algorithm, is the same for all EAN primary numbers.

You can calculate the check digit using the formula in EAN manuals or by using the EAN on-line check-digit program available from our web site, [www.ean.co.nz/services/check\\_f.html](http://www.ean.co.nz/services/check_f.html)

Q

### What colours are suitable for printing barcodes?

The key point is that the scanner must be able to distinguish the bars in the code from the background colour.

Black and white gives the best contrast level, but other colours may be used to complement package design.

Black, blue, green and dark brown are recommended for the bars.

Recommended background colours are white, yellow, orange and red.

Red must not be used as a bar colour. Blue, green, brown and gold should not be used as background colours.

Check with EAN New Zealand if you wish to use colour combinations other than those recommended.

Send your questions to The Editor – SCAN magazine, EAN New Zealand, PO Box 11-110, Wellington or e-mail [ean.nz@ean.co.nz](mailto:ean.nz@ean.co.nz) or visit the EAN website [www.ean.co.nz/faq\\_f.html](http://www.ean.co.nz/faq_f.html) for more questions. The Editor may edit, abridge or decline letters without explanation. Full address, phone and name details required – but will not be published without your approval.



# letters

## TO THE EDITOR

### Verifier facts

There are some errors in the article "Which Verifier Should I Buy?" in the May 2001 newsletter.

The author implies that any verifier compliant with ISO/CEN15426-1 will have the correct light source and aperture size for verifying EAN barcodes. In fact, the purchaser must buy scanning heads with the correct aperture, since the ISO/CEN standard defines the parameters the verifier must report (not the size of the scanner aperture).

Verifiers do not have the ability to vary the strength of the scanner light as stated in the article, and mouse-type scanners are not the most accurate type to use with a verifier. That distinction belongs to class "A" CCD scanners.

Lastly, I disagree with the suggestion that "traffic light" verifiers are useful to users concerned with the ISO/CEN standards. "Traffic light" verifiers use traditional reporting parameters, not those specified in ISO/CEN 15426-1.

DENNIS MERRICK (abridged)  
Disc Master Systems New Zealand

### EAN NEW ZEALAND REPLIES

Maybe we were a little ambitious trying to cover a complex subject so concisely. Thanks for the opportunity to clarify things.

A verifier compliant with ISO/CEN 15426-1 will have the capability to satisfy EAN's verification requirements. Users will have to find out which apertures they need, and then ensure that they buy equipment with the right head(s).

Some verifiers enable the user to select light sources of varying wavelengths. Our purpose in reporting that was to alert readers to the fact that wavelength is an issue in verification and needs to be taken into account when considering a purchase. We said "strength" instead of "wavelength" in the interests of easy reading, expecting that verifier suppliers

would introduce their clients to the more strictly correct terminology when discussing apertures. Since EAN•UCC barcodes are all verified with the same wavelength light source of 660 nanometers we need not discuss the other option beyond noting its existence.

Class "A" CED scanners are indeed the most precise, and also have the very desirable attribute of automatically switching to the correct aperture size for the barcode they are scanning.

It is correct that "traffic light" verifiers are limited in their usefulness to users concerned with ISO/CEN standards. The article perhaps should have read that they would be suitable for providing a check against gross errors creeping into a print run.

### Seminar thanks

Thank you for the two excellent seminars you conducted in Christchurch on 14 June.

I had two staff I wanted to send along, and the focus of each seminar in two specialised sessions meant that our product manager was able to attend the seminar about printing and designing barcodes, while our operations manager could focus on the EAN•UCC system seminar. This minimised absences and disruption to other activity in our small but busy operation.

Both of them told us that they found the sessions very relevant and interesting. Already we have identified several small but potentially important shortcomings in the barcodes on our products and we are in the process of correcting them.

A South Island EAN member

### EAN NEW ZEALAND REPLIES

EAN also offers in-house training sessions, which can be quite cost effective depending on the number of staff attending the seminar. This enables a business to save cost and time on travel, as well as have a seminar specifically targeted to its needs.

**SEND YOUR LETTER TO THE EDITOR** – SCAN magazine, EAN New Zealand, PO Box 11-110, Wellington or e-mail [ean.nz@ean.co.nz](mailto:ean.nz@ean.co.nz). The Editor may edit, abridge or decline letters without explanation. Full address, phone, e-mail and name details required – but will not be published without your approval. We will endeavour to answer all questions not published via mail or e-mail.

### New Advertising Opportunity

If you have a message for the supply chain community in New Zealand, here's an exciting new advertising opportunity – SCAN magazine.

With over 5,000 copies distributed to all EAN New Zealand members and other specialist organisations, SCAN is the reference point for professionals, strategists and practitioners involved in supply chain management and support services.

Options range from full colour advertising to bound or loose inserts (and discounts for members). You'll find there's a solution to exactly meet your needs – and grow your business in a new and uniquely targeted way.

For more information, contact Brandon Foster on 04 801 2892 or e-mail [brandon.foster@ean.co.nz](mailto:brandon.foster@ean.co.nz)

## News from around the EAN world

With more than 5 billion scanning transactions every day, agencies and industries around the world are queueing up to adopt EAN standards and protocols. Here is the latest round-up.

### UN gets fresh with EAN

The United Nations is expected to endorse the EAN•UCC system for barcoding, electronic trading, traceability and electronic certification of fruit and vegetables that are traded internationally.

The UN, OECD, the European Commission and the US Department of Agriculture are among the agencies who will work with EAN to develop international trade descriptions and classifications for fresh produce. The work gets under way in Geneva later this year.

Meanwhile, EAN International is also working with the UN's Food and Agriculture Organisation and the World Health Organisation to discuss using the EAN system to support the Codex programme that is setting international food standards among more than 100 countries.

### EAN the toast of Europe

The Confederation of the Food and Drink Industries (CIAA) in Europe is promoting EAN standards in its most recent recommendations on identification and traceability of food products.

CIAA's endorsement push the EAN standards closer to the goal of being the preferred standard in the forthcoming General European Union Food Law.

The CIAA is the official voice of the food and drink industry in the European Union and is a favoured partner of European Union institutions. Comprising national federations, sector associations and food and drink companies, CIAA has influence over the legislation of EU institutions and other international organisations.

### BahrainEAN standards

The independent state of Bahrain will later this year be the home of EAN's 96th member organisation. The Persian Gulf nation is a traditional monarchy with a population of 634,000. Its major exports are petroleum products, refined petroleum products and aluminium.

### EAN-128 rescues Red Cross

The Japanese Red Cross has specified EAN systems to integrate the physical movement of blood supplies with the associated information flows and business processes such as ordering by medical institutions.

Six million donors provide 19 million bags of blood annually through 76 donation centres across Japan.

The Japanese Red Cross requires item identification, maximum durability date and batch or serial number in EAN-128 barcodes on all materials and reagents (test drugs) supplied for use in blood collection and transfusion.

## KEY EAN NEW ZEALAND INDICATORS

1 APRIL TO 30 JUNE 2001

INDICATOR	STATISTICS
Number of new members processed	84
Number of reinstated members processed	5
Customer-service inquiries via 0800 number <sup>1</sup>	973 <sup>2</sup> (Average 13 per working day)
Hits on EAN web site	146,738 hits (Average 36,685 per month)
Verification reports issued	301
UPC numbers issued to members	9
Number of public seminars run	Introduction to EAN system: 3 Printing and designing barcodes: 2 EANnet: 2
Total number of attendees for Introduction to EAN System and Print and Designing barcodes seminars	Auckland 58 Wellington 7 <sup>3</sup> Christchurch 29
Overall level of satisfaction with the above seminars	94% "satisfied" to "very satisfied"

<sup>1</sup> 1 March to 19 June 2001

<sup>2</sup> EAN receives at least the same number of enquiries through other phone lines or e-mail

<sup>3</sup> Introduction to EAN System seminar only

## Now it's demand-chain management

From Mind to Market: Reinventing the Retail Supply Chain, by Roger D Blackwell. Harper Collins, New York, 1997. Reviewed by Glenn Powell, EAN New Zealand's Auckland-based senior consultant.

We constantly hear that for an organisation to succeed in this highly competitive, global market, we must work smarter, not harder.

Roger D Blackwell is a guru who tells us how, or at least where, to start.

"The traditional approach to retailing – beginning at the point of manufacture and ending with the sales to the consumer – is... out of date and unrealistic," writes Blackwell, a leading author on doing business in the global marketplace.

Instead, today's most successful companies adopt "mind-to-market" strategies. They first "penetrate the mind of the consumer" before deciding what to make – and then build in feedback from consumers into the next generation of products.

This is a genuine challenge to the sales-rep (sorry, "account manager") approach still taken by so many New Zealand companies. In the new marketplace, manufacturers can no longer dictate what consumers will buy.

Blackwell shows how and why reinventing the supply chain can make or break companies' profitability in the new economy. Leading USA retailer Wal-Mart – best known as a high-volume, mass-market discounter – succeeded in part by adopted active, consumer-driven marketing strategies.

The book gives the example of ordinary contact paper – the stick-down stuff used to line drawers – made by Manco. At a housewares

show in Chicago, a Wal-Mart merchandising manager took the owner of Manco aside and said that people hate contact paper because it is hard to put down and take up.

The two agreed almost on the spot to develop a non-stick, non-skid liner. Supplier, manufacturers and distributors all got involved, and the new product was released into the market three months later. It currently adds \$US10 million to Manco's gross sales figures.

This success story, when written on paper, sounds almost too simple – but the simplicity of the process is what makes it so easy for any organisation to apply.

If a huge corporation the size of Wal-Mart can adopt a "consumer is king" attitude, then why can't we?

I found this book to be entertaining and informative, whilst not pretending to be leading edge. It is intriguing that in the four years since this book was published, the supply chain has become increasingly more automated and rich with information. The challenge (and opportunity) for EAN members is how to use that information to add value to "mind-to-market" strategies.

### FOR MORE INFORMATION...

...on capturing and analysing information from your supply chain, contact EAN in Wellington or Auckland. You can reach Glenn Powell directly on 021 711 070.



## FAREWELL TO ALAN CARLSEN

EAN New Zealand lost a valuable staff member when Alan Carlsen left in June to begin a new career in the real estate industry.

In his seven years with the organisation Alan became a resident authority on industry specific applications of the EAN-UCC system. He provided important assistance to many of our members in such varied fields as the meat industry, fruit exporting and electrical cable manufacturing. From a background of mainframe computer systems in the insurance industry, Alan assisted many of EAN members through complex situations to find the simplest and best solution. He has been replaced by Glenn Powell, who has a background in the IT and manufacturing sector. For more information on Glenn, please refer to page 9.

EAN wishes Alan every success in his new field.



# ENTITLEMENTS OF EAN MEMBERSHIP

Besides the important role that EAN has to maintain the integrity of the New Zealand database of EAN numbering system, being a member of EAN New Zealand entitles you to:

- access to a global network that provides each member with unique identification numbers for retail products, trade and logistic units
- a barcode verification service that helps businesses achieve and maintain barcodes that consistently conform with international guidelines and specifications.
- the ability to measure products according to standards developed by the US Food Marketing Institute (FMI), which have gained significant acceptance in New Zealand and Australia. Members are entitled to 10 free measurements in any financial year and pay \$10 for each report thereafter. The cost for non-members is \$20 per verification report. All these prices exclude GST.
- one free set of manuals about the use and application of EAN system.
- two free vouchers for the "Introduction to the EAN•UCC System" seminar when they first register with EAN New Zealand. The seminars are run twice a year – normally in Auckland, Wellington and Christchurch.
- discounted fees to EAN seminars. For example, members typically pay \$150 plus

GST for a seminar that costs non-members \$250 plus GST.

- access to a comprehensive range of publications and other material on the EAN•UCC system, e-commerce and supply chain management. These include a quarterly newsletter with up-to-date information on EAN International's services and new initiatives.
- dedicated telephone support as a first step to solve problems on the use and application of the EAN system.
- a website at [www.ean.co.nz](http://www.ean.co.nz) for information on EAN•UCC, its systems and the latest new developments.
- discounted advertising rates in EAN magazine.
- discounted sponsorship of EAN seminars and other initiatives.

EAN members also have special access to and/or discounted rates on EAN added-value services. These include:

- Specialist consultancy services in applying the EAN•UCC standards and systems in supply chain management, logistics, marketing and e-commerce. Members pay

a cost-recovery price of \$110/hour plus disbursements. Non-members pay \$165/hour plus disbursements.

- the EAN Accreditation Programme, a quality-assurance process recognised throughout Australasia that ensures businesses use the EAN•UCC system accurately and reliably – guaranteeing that all barcodes will scan perfectly and that the data they contain are correct. This is available to members only. Costs depend on the number of sites of the organisation.
- In-house seminars or training sessions at a discounted price. The investment in these sessions depends on the length of the session. Typically members pay around \$950 plus GST and disbursements per day for an in-house training session, while non-members pay \$1,400 plus GST and disbursements.

The introduction of cost-recovery value-added services has enabled EAN to keep fee increases to a minimum. Cost recovery also ensures that some members do not get a disproportionate value from EAN, eliminating any cross subsidisation between members.

For more information about EAN products and services, please e-mail [ean.nz@ean.co.nz](mailto:ean.nz@ean.co.nz) or call (04) 801 0833. For information about becoming an EAN New Zealand member or EAN New Zealand service call Andrea Fleming on (04) 801 2891 or e-mail [andrea.fleming@ean.co.nz](mailto:andrea.fleming@ean.co.nz)

**EAN** ®  
NEW ZEALAND

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**EAN New Zealand members receive this magazine free of charge. If you are not a member and wish to subscribe to or purchase SCAN magazine, please contact Andrea Fleming on 04 801 2891 or e-mail [andrea.fleming@ean.co.nz](mailto:andrea.fleming@ean.co.nz)**

## DO YOUR VERIFICATION WITH EAN NEW ZEALAND

New Zealand producers can save time and money by having their products verified by EAN New Zealand before export to Australia.

It is no longer necessary to send the product to EAN Australia for verification.

EAN New Zealand offers 10 free verifications every financial year to members, after which they pay \$15 plus GST per report. Non-members get no free reports, and pay \$25 plus GST per report.

Verification ensures the quality of all of the barcode in every important respect:

- contrast between barcode and background
- scanability
- size and magnification
- the number structure
- location of barcode on item
- light margin.

Verification is recommended even for products that are not going to Australia, because it helps avoid delays at the retail counter. It also ensures that the barcode represents correctly the number encoded in the product.

To get your product verified, send it to EAN New Zealand, Level 2, Mainzeal House, 181 Vivian Street, PO Box 11-110, Wellington. We suggest that you send the artwork for a quick appraisal of barcode size and number structure, if it is a new product, and then send the final product for verification in the form in which it is to be retailed. With the artwork alone, EAN cannot verify the effects of the location or print quality of the barcode.

EAN-accredited manufacturers are authorised to do their own verification reports.

For inquiries on verification reports contact Raman Chhima on 04-801 2895 or e-mail [raman.chhima@ean.co.nz](mailto:raman.chhima@ean.co.nz)