

SCAN

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www.gs1nz.org



Wish you knew more about the GS1 System?

See pages 10-13



New Zealand

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CONFIDENTIAL MEMO

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From: Production Manager
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Manager

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Would you like fries with that **GTIN**?

I would lay serious odds that any Kiwi could correctly name the organisation behind this question: "Would you like fries with that?" In fact, the question and the name are probably familiar to the citizens of virtually every country on the planet.

I am not a fast food fan but, as a business person, I've always appreciated the elegance and simplicity of those memorable six words from McDonalds Corporation. This is because by asking if you want fries with your burger (or whatever else you've ordered), McDonalds routinely invites existing customers to expand their take up of its products.

GS1 New Zealand is obviously not in the fast food business but we share with McDonalds a strong belief in the value of our offering and a desire to see people derive more benefit (even enjoyment) from it! The simple fact is that many GS1 members take only GTINs from the whole "menu" of GS1 standards. What's more, many members use GTINs only for retail point-of-sales bar coding.

I hasten to add that this is perfectly OK where it meets immediate business needs. Let's face it: GS1 standards and services are lightly used in many cases because a producer or supply is simply responding to a retailer's mandate to "make sure there's a bar code on your product". However, the truth is that so much more benefit and value can be derived from extending your use of the GS1 system (in the right

circumstances) – and opportunity for this extended use comes "free" with your GS1 membership!

We realise that, often, more knowledge and understanding are required before opportunity can be recognised and developed in any given circumstance. Accordingly, in this issue of SCAN you will find the first in a series of "GS1 for dummies" features. In each issue from now on, we will pick on one or more core standards (Serial Shipping Container Code, Global Location Number etc) and provide a quick tutorial. We aim to explain the value of our standards – and indeed, give you "the guts" of what you need to know to use them, or use them more fully, in your business.

Of course, GS1 members are not dummies (any more than the millions of people who have benefited from the famous "For Dummies" books on computer systems and software since the early 1990s). We hope that the features are informative and useful. If you want more such information or practical advice on extending the use of GS1 standards in your business, please call your nearest GS1 territory manager or our 0800 10 23 56 helpline. We can't serve you fries but we can help you to derive more value from being a GS1 member.



Dr Peter Stevens
CHIEF EXECUTIVE

SCAN magazine is produced quarterly for the benefit of GS1 New Zealand members. It has a circulation of approximately 5,700 readers throughout the country as well as 101 GS1 member organisations worldwide.

SCAN reaches decision-makers in a wide range of industry sectors including grocery, FMCG, healthcare, logistics, manufacturing, retailing, wholesaling and transport. Our readership includes chief executives, sales and marketing managers, account managers, brand and product managers, IT personnel, operations managers, production managers, logistics and supply chain personnel, bar coding staff and packaging coordinators.

For editorial or advertising enquiries:

Please contact Pauline Prince on 04 494 1067 or pauline.prince@gs1nz.org. Advertising rates are on our website at www.gs1nz.org/advertising.

For copies of SCAN:

If you are a member and would like more copies of SCAN, or if you are not a member and would like to subscribe, please contact Hannah Lepper on 04 494 1050 or hannah.lepper@gs1nz.org.



Reckitt Benckiser in shape for EANnet

Reckitt Benckiser knows about cleaning house. And the international manufacturer of brands like BAM, Finish and Airwick has proved itself very adept at sorting out its own house to become EANnet Ready™.

Reckitt Benckiser completed the process of collecting and validating data in its EANnet catalogue, and demonstrating the latter can be accurately maintained, in only four months. For a company with more than 200 SKUs across a wide range of household and personal healthcare products, it was a significant feat.

Trade Marketing Manager Jon Sweeney says success in attaining EANnet Ready status reflected total commitment within Reckitt Benckiser to getting the job done as a clearly-defined and properly-resourced project. "Like many companies, we'd been discussing EANnet for several years until we reached a point when we said, 'we just have to get on and do this.'"

In fact, Mr Sweeney says the company recognised that compliance with EANnet was becoming "business critical" given the importance of the Foodstuffs Group as a retailer-customer and the prominence of Reckitt Benckiser brands. "If our data wasn't available or wasn't actually correct, then this customer couldn't sell our product. It is as simple as that," he says.

Multinational

UK-based Reckitt Benckiser is, of course, a large multinational with a long-standing and deep commitment to New Zealand (as Reckitt and Colman prior to 1999). Today the company has around 40% market share in the household and personal healthcare product categories with combined retail sales value of NZ\$186 million annually. (Other product brands in the range include Dettol, Nurofen, Lemsip and Clearasil).

It imports all product from manufacturing plants in Australia, North America and elsewhere, and services the New Zealand market through distribution centres in Auckland and Christchurch. In all, Reckitt Benckiser operates in 60 countries (total revenues of £4.2 billion in 2005). Internationally, the company is no newcomer to data synchronisation for electronic commerce and the New Zealand operation had some assistance from its Australian counterpart which has been going down a similar path to EANnet for several years.

"Australia provided us with plenty of 'wholesale information' on our products but we needed to interrogate this for its accuracy in the New Zealand market," says Mr Sweeney. "Pallets are configured differently on this side of the Tasman and that meant various changes in the data required for EANnet."

Project dedication

As project manager, he says successful completion relied heavily on the dedication, almost full-time, of trade analyst Dinesh Devendran at the Reckitt Benckiser office in Henderson, West Auckland, and also the continual support of GS1 New Zealand staff. Mr Devendran systematically worked through the many data requirements in the EANnet catalogue, while GS1's Neyani Dudley was constantly on call when queries arose.

After asking GS1 New Zealand to run a requirements definition workshop, Reckitt Benckiser opted for GS1 to be project coordinator, picking up issues as they arose, helping with their resolution and reporting to the project manager. This role also saw Neyani closely monitoring progress against plan and communicating with Mr Sweeney on a regular basis.

The first phase of implementation included a strong focus on meeting the company's voluntary obligations under the New Zealand Packaging Accord 2004. Data for products covered by the accord were the first to be entered for EANnet. The project had to contend also with changes in the company's product range as a result of a business acquisition by Reckitt Benckiser in New Zealand over the course of 2006.

Mr Sweeney says the time taken to reach EANnet Ready was several weeks longer than initially envisaged but that did not detract from the outcome. "As with any projects, issues came up as we went along. They might have seemed

big at the time but it was just a matter of allowing more time, gathering more data or getting more clarification on what was really required."

Next Step

Now that the company has been declared EANnet Ready, the Foodstuffs Group will take over and guide Reckitt Benckiser through the transition to EANnet Live™ over the coming weeks. The company looks to go live as 2007 gets underway.

Mr Sweeney says Reckitt Benckiser will continue to focus on producing data perfect for the existing UBF system for some time yet, until more trading partners are using EANnet. (See also articles on pages 8 and 9.)



The Fast Track to EANnet Readiness

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Red Bull leads the EANnet charge



During November, both Foodstuffs South Island and Foodstuffs Wellington declared Red Bull New Zealand to be EANnet Live™ – a major milestone for these parties and the whole EANnet community. Red Bull has become the first Foodstuffs supplier to be declared EANnet Live.

Foodstuffs South Island Chief Executive Steve Anderson told SCAN: "Foodstuffs is very proud of the achievement of instigating Red Bull as the group's inaugural supplier to EANnet Live. The group is actively encouraging other suppliers to advance with their EANnet projects and reap the mutual benefits."

The number of companies registering for EANnet in New Zealand continues to grow with 132 now registered, including 126 suppliers to Foodstuffs.

Once a supplier has populated its EANnet catalogue with all products that are ordered by Foodstuffs and then put in place processes for maintaining the accuracy of the catalogue, that supplier can be declared EANnet Ready™ by GS1 New Zealand. Thereafter, the supplier is passed on to the three Foodstuffs companies, who download data from the catalogue, match it with data held in their own systems and look for any discrepancies.

Once any discrepancies have been resolved, and both the supplier and Foodstuffs are happy with the catalogue, Foodstuffs may ask the supplier to send new product data on product and price changes through EANnet, as well as through the existing UBF channel. Once Foodstuffs is confident any changes to a supplier's products are being captured successfully through EANnet, it will switch on "automatic updates". This will result in new data that appears in the supplier's catalogue being forwarded automatically to the appropriate Foodstuffs company – and at that point the supplier can be declared EANnet Live.

To learn more about the processes for becoming EANnet Ready and EANnet Live, please contact a member of the EANnet team on 0800 10 23 56 or email EANnet@gs1nz.org.

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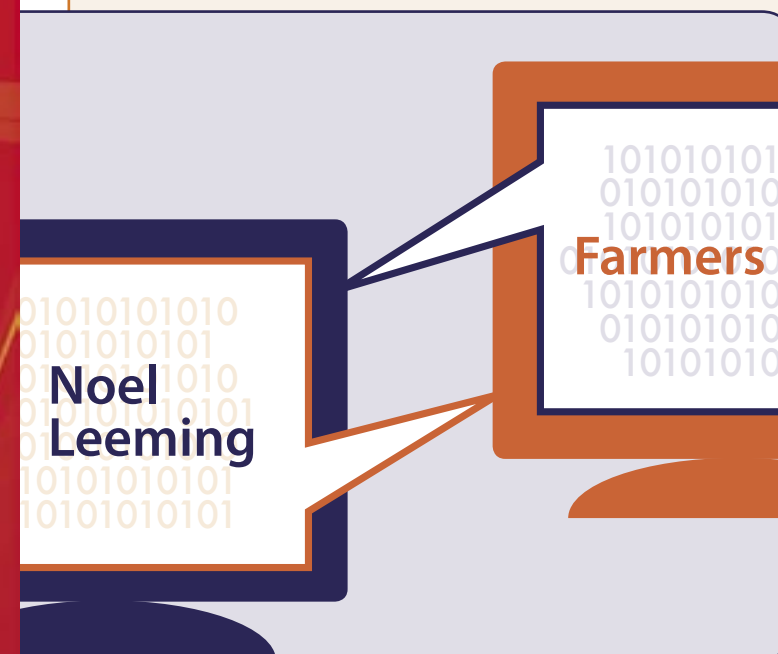
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Two retailers join international data synch. pilot



Farmers and Noel Leeming Group will join a six-month pilot project on data synchronisation using GS1net. GS1net is the new Australia-New Zealand data pool which is intended to be fully compliant with the GDSN (Global Data Synchronisation Network) and will be launched in the second half of 2007.

The pilot will involve a group of retailers and suppliers brought together by the appliance industry's Applie-com group for the development of e-commerce solutions (see www.applie-com.com.au). The objectives of the pilot are to ensure that GS1net is capable of supporting data requirements within the appliance retailing sector and to demonstrate the benefits of this form of data synchronisation.

Other participants in the pilot have yet to be named. GS1 will provide project management and other support for the pilot. For more information on becoming involved in international data synchronisation, contact GS1 NZ on info@gs1nz.org or tel 0800 10 23 56.



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* How do you make sure your customers can always find what they're shopping for? You need to ensure your inventory is in store, in the right place and available for customers to purchase, when they want it. With IBM's help, The Warehouse is investigating the potential for Radio Frequency Identification (RFID). It will reduce supply chain costs and ensure products are always available when and where they're needed. Which makes it even easier for customers to get things into their trolleys and through the checkout. Want this kind of innovation for your Supply Chain? Talk to the innovator's innovator. Visit ibm.com/nz/innovation or call 0800 426 778.

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GS1 has EANnet solutions for everyone

Jay Carlsen, Technical Consultant



GS1 New Zealand's Professional Services team can provide assistance to companies of every size and type as they prepare for EANnet. We can help ensure that each approaches EANnet in the way most appropriate to its specific needs, with costs and time frames kept to a minimum.

The team provides both pre-implementation and implementation solutions. The former are for companies yet to begin an EANnet implementation project and the latter are for companies that are about to kick off such a project, or have recently done so. Here's a guide to our service offering.

Pre-implementation solutions

EANnet Education & Training Sessions provide an introduction to EANnet, including these topics:

- the online system
- key EANnet concepts
- EANnet catalogue structure
- static item and pricing data values
- data uploads

We can tailor sessions to meet the training needs of future EANnet users who might be in a variety of roles. Such sessions are often repeated just before the company goes EANnet Live™. The aim is to provide project managers and staff with a baseline understanding of EANnet, and to promote sound decision making on EANnet strategy and tactics.

The **EANnet Data Loading Workshop** is designed for companies that typically have less than 100 GTINs and that will require only one or two staff to take responsibility for EANnet. The workshop provides a thorough baseline understanding of EANnet, including:

- the online system
- key EANnet concepts
- EANnet catalogue structure
- static item and pricing data values
- data upload methods
- hands-on training workshop (half day)
- EANnet online tool
- physical loading of a subset of your data

The workshop is intended to help key staff continue on their own with the first steps of an EANnet project.

The **EANnet Requirements Definition Workshop** is designed for companies of any size wanting to formalise an EANnet project and give it a push forward. Intended for key project stakeholders and potential project participants, the one-day workshop provides a detailed understanding of requirements to become EANnet Ready™. The workshop includes:

- analysis of the current status of data environment
- identification of data gaps
- resource planning
- EANnet milestones
- resource allocation and planning recommendations
- key next steps

Following the workshop, the company receives a report summarising the outcome of its sessions. The aim is to identify and enable all the resources that will be required for the EANnet project, and to create a functional document on which the project can proceed.

Implementation Solutions

Each company must choose one of the following three services on EANnet project, which are charged on a cost-recovery basis.

EANnet Essential provides a minimum level of GS1 service that is always required to become EANnet Ready. This offering includes:

- access to the EANnet help-line (capped) *
- distribution of EANnet reference documentation
- post-registration document review
- two data validations **
- EANnet Ready review and signoff ***

GS1 charges according to the number of GTINs being entered into the EANnet catalogue (0-50, or 51-250, or 251 and more).

EANnet Fast Track is designed for companies that typically have less than 150 GTINs and a simple, centralised record of products and pricing details. One or more of the Professional Services team will visit a company to:

- prepare the EANnet catalogue
- populate the company's data into EANnet
- train key staff on how to use and maintain EANnet
- certify EANnet Ready status

EANnet Implementation Assistance is specifically for companies who need to engage more of the expertise and experience within GS1 during an EANnet Implementation project. Our team can assist with some or all of the implementation activities, including:

- project planning
- training
- gap analysis
- catalogue creation
- business process review and documentation
- data cleansing
- back office file extractions and integration

- end-end testing
- change management
- project sustainability

The GS1 Professional Services team can either guide a company through the process using its project coordination programme, or be an active member of the company's project team, providing both functional and technical assistance and project deliverables. Our considerable experience can reduce project time frames and costs and ensure that data synchronisation becomes a sustainable process.

EANnet Audit

GS1 has an EANnet audit solution for companies that have completed their catalogue and are seeking certification as EANnet Ready. Our team will assess the status of the EANnet project by reviewing these activities:

- data gap analysis
- data cleansing and validation
- EANnet product range and catalogue structure
- trading partner access
- data upload method
- project team and sustainability responsibility
- EANnet training assessment

* A company's use of the EANnet help line is monitored to ensure that the service can be sustained. GS1 may propose additional services if required to resolve outstanding issues.

** Additional data validations will be provided if required at a cost of \$120 + GST per hour.

*** The cost of this service will be subtracted off either the EANnet Fast Track or EANnet Implementation Assistance fees if you decide to change to either one of those offerings after starting with EANnet Essential.

FOR MORE INFORMATION



about how GS1 can assist with your EANnet project, contact a member of the Professional Services team on 0800 102 356 or email EANnet@gs1nz.org.



Thinking about RFID but don't know where to start ?

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EPCglobal is the global standards organisation that together with industry is focused on improving global supply chains by the use of radio frequency identification (RFID) and the Electronic Product Code (EPC). EPCglobal NZ is part of GS1 NZ, the most widely used supply chain standards system in the world. EPCglobal is frequency-neutral, technology-neutral and vendor neutral. We develop technical standards for the use of RFID within global supply chains that best meet the business requirements of our community, irrespective of the frequency used or the technology employed.

For more information call EPCglobal 0800 102 356 or visit www.epcglobal.org.nz

GS1 for dummies -

What you need to know about the GS1 System

There's more to GS1 than bar codes. It is actually the world's best system for standard identification of products, traded units (eg cartons of product), freight, organisations and locations, and for conveying data about those things. The GS1 System enables great efficiencies in inventory control, in distribution, in the tracking and tracing of products along supply chains, and more. In fact, its uses are expanding all the time as business and trade become more complex, and as supply chains expand in every direction.

The GS1 System is based on the allocation and widespread use of globally unique identification numbers. These numbers can be attached physically to products, traded units and so on, and incorporated in business documentation (paper-based or electronic) that precedes or accompanies the distribution and sale of products. Bar codes are simply a way of representing the numbers for machine readability. The numbers can also be carried on radio frequency identification tags without the need for individual bar codes to be scanned.

SCAN begins an ongoing series on the basics of the GS1 System and on how to make best use of it in your business.

Global Trade Item Numbers or GTINs



What are they?

GTINs are unique identification numbers for products and their packaging heirarchies. Each product or each variant of a product should have its own number which is eight, 12, 13 or 14 digits long – and the number will not be duplicated anywhere else in the world. Most products sold at retail have a 13-digit GTIN (known as a GTIN-13) encoded in an EAN-13 bar code. For smaller products on which there is limited room for a bar code of this size, an 8-digit GTIN (GTIN-8) may be appropriate in an EAN-8 bar code. The GTIN-14 is used on traded units (eg. cartons), not individual products sold at retail. The GTIN-12 is used mainly in the United States, where it is encoded in UPC-A bar code.



What are they composed of?

In any GTIN at least some of the digits are allocated by GS1 – these include prefix digits that identify you as an individual member. All New Zealand-based prefixes begin with 94 (our national prefix) followed by your GS1 membership number. Together these make up a GS1 prefix that gives globally unique identification to your company. Other digits except for the final one may be allocated by you as a member who knows each product line requiring unique identification. The final digit is a check digit calculated from the preceding digits using a special algorithm – the calculator is available at www.gs1nz.org. The most commonly used GTIN is a 13-digit number composed in this way:

Prefix digits – allocated by GS1	Item reference digits – allocated by you	Check digit – calculated from the other 12 digits
94 xxxxx	xxxxx	C
94 xxxxxx	xxxx	C
94 xxxxxxx	xxx	C
94 xxxxxxxx	xx	C



GS1 allocates prefix digits (as many as 10) according to the size of the block of numbers required by each member.

The check digit has a special role when the GTIN is represented by a bar code and then decoded after scanning – the special nature of this digit enables a computer to check whether the GTIN has been correctly decoded. A typical EAN-13 bar code looks like this (note: this one represents a GTIN with an eight digit prefix):



How should you create a new GTIN?

A different set of item reference digits is allocated for each product or product variant. It is best to allocate digits in sequence regardless of similarities or differences between the products to which they are allocated. Ideally, the first reference you create will be 0001; the second will be 0002; and so on (for GTINs with four reference digits). You need to maintain a record of all number allocations as GS1 New Zealand only records which prefix has been allocated to you.



When do you need to create a new GTIN?

Different products require different item reference numbers, ie different GTINs. Sometimes knowing whether a product is different enough to be allocated a new GTIN is not straightforward, and you should consult the international GTIN Allocation Rules (see www.gs1.org/gtinrules/). In the case of products

destined to pass through a retail point-of-sale, different numbers are required, for example, when:

- there is a change in the declared weight of a product (but not when the weight change is not declared)
- extra content is added to a unit of product with a change in price
- the name of a product is changed (not necessarily with change in the content or price)
- a free gift is attached to an item of product

Different levels of packaging may require different GTINs – it depends on whether the different levels need to be identified for trading purposes. For instance, a pallet or case of product may need a different GTIN-13 from that which is allocated to the product inside (a product line destined for retail sale to consumers).



What's special about eight-digit GTINs?

Reducing a GTIN to eight digits enables identification with a smaller bar code – a big advantage on some small retail products such as beauty or healthcare products. However there are obviously not as many GTIN-8s available globally as there are 13 (or 14) digit GTINs. For this reason, GS1 New Zealand must approve and allocate these individually. A typical EAN-8 bar code looks like this:



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What's special about 14-digit GTINs?

These are currently used for identifying traded items (ie not products destined to pass through a point-of-sale). Usually, a GTIN-14 is composed of a GTIN-13 with its check digit removed – this GTIN is the number allocated to the product contained within the traded item. The other (new) digits are: an indicator value between 1 and 8 which is added to the beginning of the GTIN-13; and a new check digit at the end, calculated using the preceding 13 digits. A different indicator value is allocated for a different packaging configuration.

For example, a GTIN-14 might be 29412345678908, where the initial digit 2 is the indicator value and the final digit 8 is the check digit (and 9412345678904 is the matching GTIN-13 for the product inside this traded item).



What you absolutely need to know about GTINs

- They enable globally unique identification of products, traded items, organisations and locations of all kinds, for any purpose
- They are simple to use and widely recognised in business everywhere
- A GTIN-13 is best for products sold at retail – it is the most common type of GTIN, represented in an EAN-13 bar code
- GTIN-8s and GTIN-12s are also usable at retail
- GS1 members allocate their own reference digits to create a different GTIN for each product– knowing when to allocate a new GTIN can be tricky and GTIN allocation rules should be consulted
- A GTIN-14 is based on a GTIN-13 and is used only to identify traded units (not sold at retail)
- A GTIN-14 can be represented by an ITF-14 or a GS1-128 bar code

Serial Shipping Container Codes or SSCCs



What are they?

SSCCs are an additional type of identification number used for logistics units. They can be allocated to cases, pallets, shipping containers and in fact, any logistics units carrying any number of items from one or more products. An SSCC is the “license plate” of a unit, ensuring that it can always be accurately identified and linked to other data and documentation about that unit. The number is used by manufacturers and producers, carriers, distributors and retailers. Each globally unique SSCC has 18 digits and is always encoded for machine readability using a GS1-128 bar code (see next issue).

COMPOSITION OF AN SSCC

Application identifier	Extension digit allocated by you as originator of the unit	GS1 PREFIX allocated by GS1	Serial number allocated by you	Check digit
00	X	xxxxxxx	xxxxxxxxx	C
00	X	xxxxxxxxx	xxxxxxxxx	C
00	X	xxxxxxxxxxx	xxxxxxx	C
00	X	xxxxxxxxxxx	xxxxxxx	C



What are they composed of?

SSCCs use the same GS1 prefix as is used for GTINs. The 18 digits are spread across four components – the prefix, the serial number, an extension digit and a check digit. In addition, each SSCC begins with 00, which is an application identifier for defining data structure (to be explained more fully in the next issue).

The extension digit can be anything from 0 to 9 (by convention, usually it is 3) – it simply enables one GS1 member to create more SSCCs. Indeed, if you have a seven-digit prefix, you are able to create up to 10 billion unique SSCCs. See below a guide to the composition of an SSCC.



How should you allocate serial number?

A different serial number is allocated to each logistics unit (hence each will have its own SSCC). This is regardless of similarity between pallets, containers and so on. A serial number can be re-used once the traded unit has been broken down or at least one year after it was previously allocated.



What you absolutely need to know about SSCCs

- They enable globally unique identification of cases, pallets etc as these logistics units pass about supply chains
- They are used for recording and tracking units by producers, logistics carriers, distributors and retailers
- An SSCC has 18 digits including the GS1 member prefix and a serial number allocated by the member when they make up the unit
- SSCCs are encoded only as GS1-128 bar codes

**In part II of GS1 for dummies ...
GS1-128 bar codes and traceability data.**

Global Competitive Advantage With Product Traceability

“In today's global business environment it is important to be aware of emerging technologies that can assist in increasing competitive global advantage and provide significant business improvements” says Brian Lang, General Manager Data Collection Systems at Walker Datavision, “and we see technology that provides full product traceability as one of those key initiatives.”

With organisations such as Walmart and Metro AG leading the charge with RFID implementations, the New Zealand market is evolving and there is a growing need for traceability systems that live up to international expectations. “Product traceability through the entire supply chain is now essential for businesses to compete in today's global business environment” comments Brian. “With global initiatives around “chain of custody” and “product traceability” there is a requirement to address these compliance issues”. Automatic identification technologies such as barcode, RFID and mobile computing can provide product traceability along with improved business processes and inventory accuracy.

Walker Datavision, a member of the international SATO group, has extensive experience in supply chain integrations, and, having recognized the value GS1 offers in driving global supply chain standards, was the first company to become a GS1 Premium Alliance Partner in New Zealand.

Walker Datavision today offers fully EAN compliant labeling solutions to address specific company requirements. In fact, as early as 2003, they were already providing a labeling solution for the distribution of Mainland products within Fonterra. The giant dairy group had required an efficient labeling and tracking solution for packaged consumer products shipped out from nine of its plants around the country and selected Walker Datavision to implement this.

The Walker Datavision Label & Track solution has been specifically developed for the manufacturing and logistics environments in New Zealand and offers companies full product traceability throughout the supply chain.

Brian Lang has spent over 20 years working locally and internationally in the Automatic Identification Data Collection (AIDC) industry. Having worked for both manufacturers and systems integrators, Brian leads the Walker Datavision team with a wealth of practical experience in applying AIDC technologies to provide competitive business advantages.



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Study predicts greater business collaboration

Companies will increasingly collaborate on the delivery of goods to consumers at home or through local distribution centres as higher energy costs and transport regulations force supply chain logistics to become more “geographic-centric”. That’s part of the comprehensive vision presented in “2016: The Future Value Chain”, a major new study launched by the Global Commerce Initiative (GCI).

The study sets out likely supply chain developments over the next 10 years in response to: growth in the global economy; changing demographics, energy and other environmental issues, continued advances in information technology, and an expansion of government regulation in such areas as product labeling and individual privacy. These trends – and also continued growth in the expectations of consumers, and in flows of information and products within and between industries – are expected to bring substantial changes in the supply chains of developed economies by 2016. The GCI launched the study to provide a realistic vision of those changes and to define the business challenges.

Logistics

Integrated logistics and home fulfillment is recognised as one of six critical areas of challenge. “2016: The Future Value Chain” predicts that companies will need to respond to energy costs, transport regulations, other cost pressures and the growth in home shopping. The latter, based on new technologies, could make up 20-25% of all shopping within 10 years. The study foresees challenges for businesses to collaborate around order picking and fulfillment, “last mile” delivery to homes, and the advent of local distribution and pick-up centres for all consumer goods. Some locations are likely to have a single delivery system for all household needs.

The study predicts a “move from retailer brand-centric logistics to geographic-centric logistics”. As this move occurs, “one of the parties in the value chain can be expected to take up the responsibility for integrated logistics for the entire chain. This may fall to retailers or perhaps to

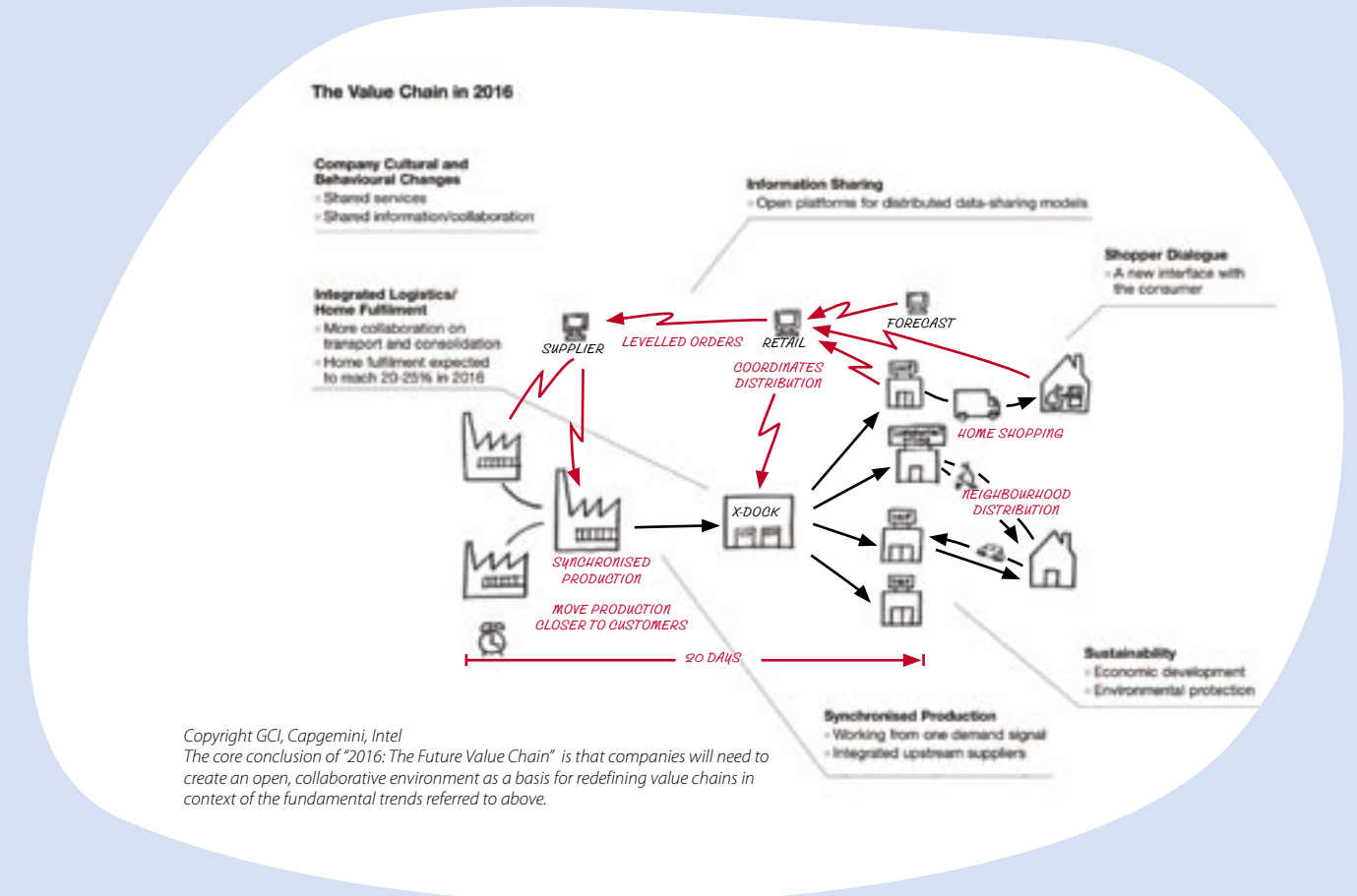
The Global Commerce Initiative is a forum of large manufacturers and retailers committed to developing best practice guidelines for the global conduct of business. The “2016: The Future Value Chain study” is based on six months of discussions among GCI members, logistics service providers, technology companies and academics.

The study’s working group was co-chaired by Peter Jordan, Director of International B2B Strategy for Kraft Foods, who was key note speaker at GS1 New Zealand “Connecting the Dots ...” conference in July. Other leading participants in the study included: Coca-Cola, Dairy Farm, DHL, METRO Group, Nestle, Phillips, Pick n’ Pay, Proctor & Gamble, Unilever, Wal-Mart, Intel and Capgemini. The study is available as a pdf on www.gci-net.org

an independent third party. The compression of service times as well as ecological trends (especially oil shortages) will force companies to work together.”



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Cartoon reproduced from “2016: The Future Value Chain”, which describes the lifestyle of a hypothetical family in a typical developed economy.



Other challenges

The 2016 vision anticipates companies also moving forward in five other critical areas of challenge, with this bringing substantial changes in supply chains (see diagram above).

- **Shopper dialogue:** Technology is opening new possibilities for consumers to be more informed about products and services, and to exercise more choice, and also for companies to learn more about their needs and preferences. The challenge will be to create a new dialogue with consumers and from there, to develop a new marketing model based on designing and delivering solutions rather than products alone.
- **Information sharing:** Companies can do a better job for consumers by sharing information among trading partners and by collaborating on supply chain solutions such as demand-driven ordering and promotion planning. Data sharing which is standards-based and without charge is the foundation for this – and the GS1 system already provides many of the necessary tools. Development of EPCglobal and radio frequency identification are important to the future in this area.
- **Synchronised production:** Shopper dialogue and information sharing will fuel the need for greater synchronisation of production with consumer demand. Companies face challenges in making the best use of
- **Sustainability:** Companies will be drawn increasingly into responding to society-wide demands for “sustainability” especially in environmental terms. Some companies are now applying the so-called Total Environmental Impact model to their operations: more are expected to follow with concepts of sustainability factored into product design, asset utilization, waste management and so on. Sustainability will also be seen increasingly in economic and social terms, with companies under pressure to take account of these in long-term business planning.
- **Company cultural and behavioural changes:** This area of challenge concerns the ability of companies to respond in the other five areas, especially to the extent that they must increase collaboration within supply chains. Companies will need to develop greater mutual trust in sharing information and work, along with an emphasis on “joint value creation” by trading partners who share a common focus on the consumer. The challenges include the need for companies to acquire and retain courageous and inspiring leaders.

Data quality now part of verification

By Paul Stephenson of GS1 New Zealand

Studies around the world have repeatedly shown that data quality is an issue even in organisations that are actively synchronising master product data. Measurement information (dimensions and weight) is a key area in which inaccuracies have been frequently found. Errors in this type of information can obviously have a significant impact on the effectiveness of vehicle loading, the design of shelving and many other aspects of supply chain operation.

Data quality has long been recognised as an issue worldwide and since 2004, this has resulted in various independent working groups looking for solutions. Recognising the potential for a variety of solutions, the Board of the Global Commerce Initiative (see also page 14) set up the "Joint Business Planning Accuracy Task Force" charged with developing a global framework for all data quality standards. The task force has successfully completed its work and handed the framework over to GS1 Global to own and manage from now on.

There has also been a GS1 project team at work on measurement tolerances for inclusion in the GS1 General Specifications. These tolerances have been set as plus-or-minus 4% on dimensions and weights for non-consumer units (eg cases) and at plus-or-minus 7mm on the dimensions of consumer units. In addition to these tolerances, the project team has also produced rules on how measurements should be taken. How do you define, for instance, which side of a product represents its height, width and depth? And what is the front?

Drawing on the global initiative, GS1 New Zealand and GS1 Australia are about to start a project to validate the Data Quality Framework in our part of the world. The project is still in its initial phase and final decisions on measurement standards are still some time away. However, the Board of GS1 New Zealand has recognised the critical importance of measurement information and wants to take immediate steps to safeguard data quality. One obvious area of focus is the GS1 bar code verification process, where the organisation has staff with the right skills and equipment.

New GS1 verification reports have fields for the height, width and depth of products, and also for their net and gross weight. Wherever possible from now on, GS1 New Zealand will also collect data on packaging hierarchies. By including this information as part of the verification service, we will produce consistent and accurate information which can be used by members internally or as part of the data loaded into an EANnet catalogue.

Measurement is now part of GS1 New Zealand's verification service (from 1 December) and the data gathered is included on all reports. As with many things, there is a cost involved in extending the service in this way, with some additional staff training and new equipment required. The verification report charge for members has increased to \$18 (or \$30 for non-members). We believe that the ongoing value gain for businesses will more than offset this small increase in the charge. It is relevant to note that the charge has not changed over the past five years.

Seminars in 2007

GS1 New Zealand has another busy round of educational seminars and other events planned for next year. Here's an overview of our programme.

Bar Code Foundation seminars

These cover all the basics for anyone involved in bar code administration. Learn how bar codes are created, allocated and managed; how they are best used for inventory control and management of supply chains; how to avoid making costly errors; and much more.

Auckland

20 February | 19 June | 30 October

Wellington

23 February | 22 June | 2 November

Christchurch

21 February | 20 June | 31 October

Venues and times for each seminar will be available on www.gs1nz.org and in SCAN.

Remember – new members of GS1 New Zealand receive vouchers for free attendance at one of these seminars.

EANnet & Data Synchronisation Foundation seminars

These cover all the basics of EANnet and data synchronisation for anyone who has responsibility for supplier/retailer relationships, category management or database management (ie they are not just seminars for IT people!) Learn about how the technology works; how it can be implemented in a particular organisation; its costs and benefits; and the latest developments in EANnet by Foodstuffs and its suppliers.

Auckland

27 February | 26 June | 5 November

Wellington

2 March | 29 June | 9 November

Christchurch

28 February | 27 June | 7 November

Venues and times for each seminar will be available on www.gs1nz.org and in SCAN.

Note – EANnet is increasingly important for suppliers to Foodstuffs and these seminars are an excellent way to get started with an EANnet implementation project (see page 8).

Wine Traceability seminars

We intend running these in Auckland, Hawkes Bay, Martinborough, Nelson and Central Otago on dates yet to be determined through 2007. The seminars will include sessions on the basics of both bar coding and EANnet, as well as detail on current global developments in the traceability of wine.

More details on these seminars early in 2007 – see www.gs1nz.org and the March issue of SCAN, or call Pauline Prince on 04 494 1067, or email pauline.prince@gs1nz.org

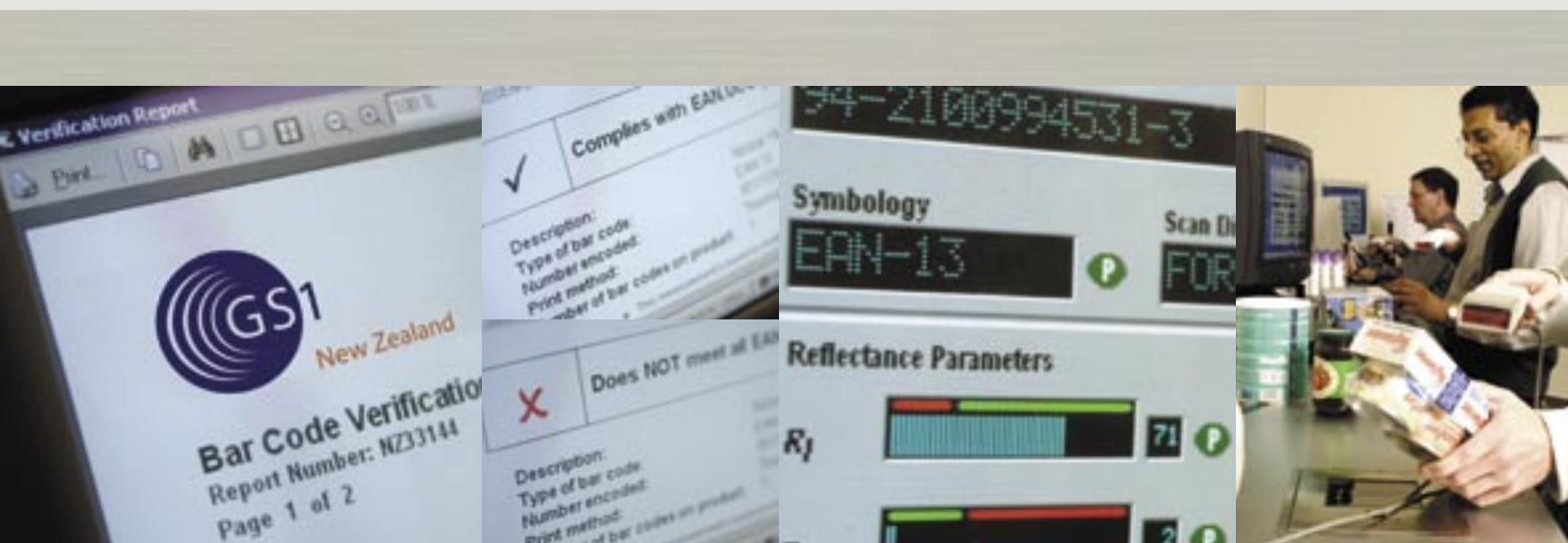
Major events in 2007

GS1 New Zealand Annual Conference – August

We will be Connecting the Dots again in 2007!

Following the success of this year's annual conference, GS1 New Zealand plans another such major event in 2007. And we encourage you to plan for another stimulating two days of presentation, discussion and networking – Auckland the most likely location.

The dates are fixed – put 22 and 23 August (Wednesday and Thursday) in your diary for Connecting the Dots 2007!



Learning good design

By Bruce Pollock, GS1 New Zealand

Bar codes definitely have a place on attractive packaging. Design students at Natcoll Design Technology will be proving the point under an innovative new scheme between their tertiary institution and GS1 New Zealand from next year on.

The students will be given a GS1 13 bar code to incorporate in packaging designs they create as part of their assessable course work during the year. The best designs – best in terms of the creative inclusion of verifiably accurate bar codes on the packaging – will earn prize money from GS1 New Zealand. We will award the winning student \$2000 (with prizes also for second and third).

Natcoll is New Zealand's largest specialist private tertiary provider of creative digital technology courses and related resources. It has campuses in Auckland, Wellington and Christchurch, with around 600 full-time students.

The scheme will promote awareness among designers that, in fact, bar codes are often vitally important in the work they do for clients and that they can be a creatively attractive addition to packaging (without infringing the strict rules relating to bar codes themselves). GS1 New Zealand staff will be at Natcoll early in 2007 giving tutors and students a thorough grounding in the GS1 bar code system.



MHL 2007 - GS1 Supply Chain Knowledge Centre

SouthMACH – May

SouthMACH is the South Island's largest exhibition of manufacturing technology – a must attend for businesses that supply products and services to industries in the South!

GS1 New Zealand will be attending to promote the benefits of EANnet, traceability using our global standards and all other developments in the GS1 System.

See you at SouthMACH, Westpac Centre in Christchurch – 29 and 30 May (Tuesday and Wednesday) 2007.

National Agricultural Fieldays – June

Every year, New Zealand has the largest and best agricultural trade show in the Southern Hemisphere – and in 2007, the theme will be "Traceability: International Quality Benchmark".

GS1 New Zealand will be a Premier Feature exhibitor at the four-day event. We have a major role to play in helping raise the profile of traceability and demonstrate its on-farm and end-product benefits to producers and marketers – and in promoting the global inter-operability of traceability standards implemented by New Zealand's biggest industries.

See you at the National Fieldays, Mystery Creek at Hamilton – 13, 14, 15, 16 June (Wednesday to Saturday) 2007.

MHL Expo

GS1 New Zealand will be providing a special attraction at the Materials Handling and Logistics Expo in Auckland. See you there – 11 and 12 July (Wednesday and Thursday) 2007.

See preview article on MHL, adjacent.

With its planned line-up of highly informative exhibits and demonstrations, "MHL" (Materials Handling, Warehousing & Logistics) is one of the must-see events of 2007. MHL will be held at the ASB Auckland Show Grounds, next 11 and 12 July.

GS1 New Zealand is strongly committed to the event and will be there with the most innovative exhibits – the portable GS1 Supply Chain Knowledge Centre, on loan to us from GS1 Australia.

The GS1 Supply Chain Knowledge Centre was designed and built to demonstrate two perspectives on supply chains – the logical and the physical. They are, of course, linked together and supported by GS1 Standards that enable the efficient integration of trading partners' activities.

Visitors to MHL will be able to experience the centre and learn from a variety of standards-based Supply Chain Learning Programmes, each developed for large, medium-sized or small enterprises. Those programmes include:

- The Chain Reaction
- Standards in Action
- EPC/RFID
- Traceability
- Customised Programs

Having sufficient control over your supply chains is vital for success in business, no matter who you are or where you are. The GS1 Supply Chain Knowledge Centre is a very interesting way to understand how supply chains really work. The centre enables you to simulate many different global supply chain situations in which alternative strategies can be tested without the risks and costs associated with real world experimentation. The simulator enables you to:

- exchange ideas in a fresh forum
- explore supply chain scenarios
- see immediate results
- customise strategies to reflect your environment

To know more about the Centre and inquire about booking a session, please contact Pauline Prince on tel 04 494 1067 or pauline.prince@gs1nz.org.

MHL will also feature an interactive theatre showcasing the latest systems and technologies available. Working demonstrations will enable visitors to fully experience the latest developments in materials handling, warehousing and logistics.

FOR MORE INFORMATION



To learn more about MHL, see www.mhl.co.nz or call Regan Matthews on tel 0275 748 542.

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CONTACT: Regan Matthews, Exhibition Sales Manager

Ph: 09 486 0077

Mob: 0275 748 542

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ASB Showgrounds, Auckland

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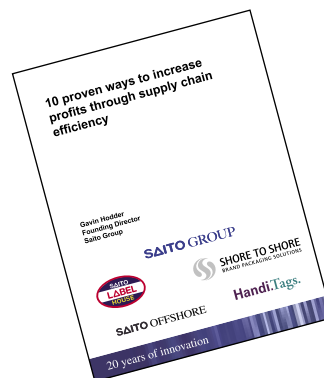
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