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from the

Chief Executive's Desk

I have recently returned from a trip to Brussels, home of EAN International, and can tell you that we're at the forefront of a lot of exciting developments!

It's easy to think that New Zealand is remote from the action, but this country is now spearheading a number of initiatives that will have a real impact on global trade.

As mentioned in the last issue of SCAN, our parent EAN International, along with ECC Canada and the Uniform Code Council of America (UCC), have agreed to create one worldwide EAN.UCC organisation. This merger will be ratified at EAN's General Assembly in May.

At the moment, EAN is considering all the services provided by its 144 member organisations and, where appropriate, looking to make them truly global services. And that's where EAN New Zealand steps in.

Last September, I was asked to be part of an international taskforce of 16 people from EAN offices around the world. One of the outcomes of this strategic taskforce was the identification of 15 key areas for EAN to focus on globally, to help in our drive to implement EAN.UCC standards.

I was also asked to lead an international team that is developing a global template for verification services, along with a business plan for the launch of verification and accreditation/certification globally. This plan will be presented for sign-off to all EAN member organisations at the May General Assembly.

EAN's goal to have a global template for verification is significant for world trade, because the outcome will be to guarantee bar code quality to an ISO standard and ensure that bar codes applied in one country will scan in another country "first time, every time".

While only New Zealand and Australia have mandatory verification at present, retailers spoken to in other countries are very interested in this concept.

Meanwhile, EAN New Zealand's accreditation programme is a stand-out success and has already attracted a lot of offshore interest. We've had visits from EAN Norway and EAN Slovakia recently to check out the programme. The EAN Norway delegation included board members representing major European retailers, who were particularly interested in the implications for improved scanning at checkout.

I've come back from overseas with numerous requests for copies of our new certificate in Automatic Data Capture Standards, which you can read about on page 9.

On another note, we were thrilled with the results from our recent membership survey (for more details, see story opposite). It was great that so many of you had your say and that

you thought we had improved our services substantially in all areas.

The research has given us detailed information on how we can best continue to improve our services to meet your needs – and you can be confident we're working hard to improve services still further. If you have any particular concerns, I'm always happy to hear from you.

Margaret Fitzgerald Chief Executive

EAN satisfaction SOarS

An "unprecedented" improvement in member satisfaction with EAN New Zealand services has been revealed in recent market research.

A survey by Andrew Fletcher Consulting found that overall satisfaction has improved from an average of 5.88 out of a possible nine in the last survey in 2000, to 6.61 points out of nine today.

The report says there has been a substantial improvement in satisfaction with all areas of service "to an extent that is unprecedented in our experience of this kind of research".

At the top end, the number of members who gave EAN's services an 8 or 9 point ranking – meaning that they are either very satisfied or extremely satisfied – has jumped by half, from 24% to 36% of those surveyed.

Andrew Fletcher, principal of Andrew Fletcher Consulting, says the research was very action-focussed. "Our first survey two years ago identified what EAN's clients saw as the priorities for improving service, and then measured how they rated the company's service in these priority areas.

"This survey compares their earlier ratings with those today, and considers the extent to which EAN's quality improvement programmes have been successful in achieving the desired results," Andrew says.

"In 10 years of doing this kind of research, this is the largest overall improvement that we have measured."

The survey also found:

- an increase in the use of bar codes for all applications, particularly for trade units and logistic units
- a rise in the proportion of members scanning bar codes within their own organisation (from 14% to 23%)
- an increase in the perceived importance of supply chain management, barcoding for product identification and tracking, e-commerce and EDI.

The research was carried out in two stages: initial qualitative research comprising five focus groups, and an Internet survey of members. Some 670 members completed the Internet survey.

The areas members felt EAN did well in were providing advice and information, providing a prompt and efficient service and having friendly and helpful staff.

The main reasons given by those who rated their satisfaction low were that they had little involvement or contact with EAN, there were problems with the advice or information received, cost was an issue or they had problems with standards and compliance.

Members were also asked what seminars they would be most likely to attend in the next 12 to 18 months. The top six were:

- using bar codes for warehouse/inventory management
- supply chain management using EAN tools
- e-commerce: what benefits for a small manufacturer
- verification: a practical approach
- design and print: bar code issues; and
- basic bar codes.

Success for SCAN magazine

Case studies and bar code basics proved the most popular articles in SCAN, while verification news and stories on supply chain management were next in line.

Other things that people wanted to see more of were supplier and product information, technical articles, seminar details and new developments.

Two-thirds of those surveyed thought that SCAN articles were pitched about right, with only a very few saying they were either too simple or too hard to understand.

Two-thirds of those surveyed also felt that the frequency of communication was about right. Large organisations and printing/packaging companies were the most likely to say they did not receive enough communication.

STOP PRESS

Supermarket-style bar codes will soon be required on every medication given to patients in American hospitals, as part of a wide-ranging effort to improve patient safety.

The US Food and Drug Administration (FDA) has just proposed a new rule that will require EAN. UCC bar coding on almost all medications and blood products. It says that bar code technology can prevent many medication errors by helping to ensure patients receive the right dose of the right drug at the right time, and expects annual savings of close to \$US4 billion from preventing adverse events due to such errors.

The FDA is proposing that the EAN.UCC standard be adopted for bar coding as it says this has the advantage of being a widely used global standard. The proposal applies to all prescription drugs and over-the-counter drugs used in hospitals, and to prescription drugs used in pharmacies.

The FDA move is expected to have a significant flow-on effect for global healthcare management, by adding to the number of hospitals that already use EAN.UCC bar coding technology to streamline their operations and improve patient safety.

Persistence and innovation have won the day for CHH Packaging's Paper Bag Division, which has worked with EAN New Zealand to solve a knotty problem applying bar codes to 25kg sugar bags.

CHH Packaging's customer, New Zealand Sugar Company Ltd, automated a packing line in October 2000 by scanning the bags' bar code, and then tracking the bag to a selected robotic palletising station.

But at first CHH had difficulty achieving the EAN13 bar code printing standard required by NZ Sugar with its existing process for printing on unbleached kraft paper.

Because of the colour of the unbleached paper, the contrast between the ink and the paper was insufficient – giving the bar codes only a D-grade pass on the EAN verification report, rather than the C grade needed to comply with EAN International General Specifications.

Changing paper stock wasn't an option because of cost and performance, and the larger ITF14 bar code usually printed on such paper was not the appropriate bar code type for the 25kg bag.

After much consultation with NZ Sugar, CHH and EAN staff, re-labelling thousands of bags and trials of different printing methods, CHH finally cracked it by printing a red background behind the bar code to provide extra contrast. The print size and dimensions of the bar code were also trialled and optimised.

Solution a team effort

Patrick Woodbourne, QA/Technical Manager for CHH Packaging's Paper Bag Division at the time, said that developing a solution was a team effort.

"We pulled together a cross-functional team, involving everyone from sales through operations to logistics, and brainstormed potential solutions.

"CHH Packaging values very highly its strong relationship with NZSC, which goes back many years, and we were absolutely committed to resolving this challenging issue.







"Now, before we even put a bar code on a bag, we sit down and discuss the construction of the product and the specific nature of the customer's working environment."

The unbleached paper used for the sugar bags is also used for making cement bags, potato sacks and containers for other food products. While ink from the bar code does soak into this paper, it doesn't usually cause problems because the larger ITF14 bar codes are used in these applications.

NZ Sugar Supply Chain Manager Kathy Gilroy says the process tested everybody's technical expertise and frustration levels, particularly when the bar codes passed in a bench test but still caused problems in the factory.

"However, CHH Packaging stuck with it and said they'd get it right," she says.

"We didn't feel that we at NZ Sugar should have to become the bar code experts: we expected that expertise from our suppliers. CHH Packaging became EANaccredited last July, and we have now made it part of our agreement with other major suppliers that they must be accredited also."

Correct scanning was critical

Kathy says that getting the bar codes to scan correctly in the factory was critical, as 4,000 bags can be processed in an eight-hour shift.

"If they don't scan correctly they have to get manhandled – and because of the speed of the line it's almost impossible to keep up with them.

"The whole point of our capital expenditure was to automate a line that was physically very demanding for the staff because of heavy lifting."

Kathy says NZ Sugar's objective is to have 99.95% bar code readability.

"We are currently at 99.9%, so we're almost there, and with some further work on the reflective level of the red background we will achieve this objective."

Before it came up with the winning background, CHH staff worked closely with EAN New Zealand's Raman Chhima and Owen Dance to improve bar code contrast.

"One of the things you can do if you're having problems getting a verification pass is to make the bars very slightly thinner, which increases the reflective space between them," Owen says.

"On our suggestion, CHH Packaging trialled various degrees of bar width reduction and came back with a number of samples. There were definite improvements, but they still had problems getting a verification pass.

"Given the requirement to use EAN13 codes and since using bleached paper was prohibitive, the best answer was to change the colours."

CHH Packaging tried different printing inks, but these either took too long to dry or still didn't provide enough contrast. Blue bars and white backgrounds were trialled, but had to be printed so thick to work properly that they leached onto the paper. Finally, the CHH team hit on red, a colour that is effectively unseen by a scanner and so could be printed thinner.



Tecpak creates innovation out of diversity

The problem > clear and opaque plastic tubs filled with multi-coloured foods were failing EAN's bar code contrast test.

The innovation > revise the packaging to achieve the correct bar code contrast.

The end product > better labelling and a new packaging option for customers.



As anyone who's been near a supermarket lately will have noticed, there's been an explosion of clear plastic packaging for the likes of pesto, pasta sauce, hummus, mussels and chilled soups. It's all part of a trend to show shoppers what they're buying – and it's proving to be a sales winner.

However, the very packaging used to display these products to best advantage can cause problems when it comes to scanning, as the food inside the clear containers can interfere with bar code contrast. Printing a background on the containers to shield their contents from the scanner is extremely difficult, as inks cannot be applied to most smooth, transparent materials thickly enough to stop much scanner light penetrating them.

Packaging innovator Tecpak Industries supplies rigid plastic containers to the food processing industry, making over 100 product lines at its Dunedin moulding plant. CEO Brian Lowe says his company now supplies a large number of containers in clear plastic, thanks to strong customer demand.

"People have been taught that packaging is part of the marketing mix, but in many ways they have only just realised this over the last few years," Brian says.

Until recently, all Tecpak's clear containers were decorated by dry offset printing which, unlike lithographic printing, must have all colours laid down in one pass. However, containers printed by this process were experiencing mixed results in EAN verification tests. This highlighted the fact that the

container contents were affecting the bar code scanning performance, as the contents could be seen through the ink of the bar code.

While examining the bar codes, EAN New Zealand Technical Consultant Raman Chhima saw that, while a sample of containers performed well with one product, the same containers filled with a different product scanned inconsistently or not at all. That was because the container contents were not reflecting the light from the scanner sufficiently well.

This was confirmed by verifying the bar codes, a process which highlighted insufficient symbol contrast as the cause of the problem.

"Bar codes need contrast between the printed bar and the space between the bars," Raman says.

"We were finding that the red pasta sauces and even products like oysters, which have light and dark portions, were causing problems with the contrast."

The grocery trade agreed last year that they may accept products with bar codes that were non-compliant if they performed well on a scanner (which is why the scan rate is quoted on the EAN verification report). However, as the scan rate is known to be an unreliable indication of bar code performance, the retailers also made this conditional on the suppliers of such products correcting the problem "as soon as reasonably possible".

After exploring a range of different printing options and working closely with key customers and EAN New Zealand technical staff, Tecpak has now developed a new labelling option for some of its packaging.

"We can now produce containers with in-mould labels," Brian says, "so that a substrate (label) is inserted while the container is actually being moulded." Currently available in opaque variations, clear labels are shortly to be commercialised, once final trials and quality assurance issues are signed off.





That means that the label is effectively fused into the plastic container, rather than being stuck on or printed on after it's made. Tecpak's production equipment had to be redesigned, new machinery purchased from overseas, and training of technical and production staff undertaken to accommodate the new process.

The result: better bar code contrast, more legible product information and the option for classier labelling.

"One of the major benefits from our customers' point of view is that there's a major improvement in the standard of decoration," Brian says.

"This labelling option allows for photographic quality,



Delmaine Fine Foods Ltd is one company to switch to in-mould labelling, using the system on containers for its fresh pasta sauces.

The products have been on supermarket shelves for some months now and Managing Director Rick Carlyon said that, as far as he was aware, there had not been any problems.

"This gives a better image than the original (method of) printing and I think that the labelling itself is much more robust. There's only one negative – as there always is – and that is the higher cost.

"But the products certainly look better on the shelf".

whereas the printing process can never get quite that fine.

"However, the labelling process is dearer as you have to buy both the pot and the label, so that the products that are going into it are high-value products."

Brian says that a lot of Tecpak's business still uses printed clear containers "as that's what the customer wants", and the company is currently working with its ink suppliers to improve the bar code contrast. Tecpak's commitment to resolving this issue in the short term ensures that their customers can maintain a choice of decoration options.

EAN New Zealand is grateful to Tecpak Industries Ltd for sponsoring the upcoming seminars on Innovative Solutions to Print and Packaging Design.

Tecpak Industries can be contacted at: 759 Kaikorai Valley Road, P.O. Box 1685, Dunedin NZ Toll Free: 0800 654 138 NZ Fax Free: 0800 654 139 Email: info@tecpak.co.nz Website: http://www.tecpak.co.nz

Frequently asked questions

No one has any problems with my bar codes - why should 1 verify them?

Many companies have been using bar codes for years and have not considered verifying them. Their assumption is that the bar code is working, so there is no need to worry. WRONG!

It's often the case that a bar code isn't scanning properly, but this information doesn't get back to the supplier. Bar codes that don't work regularly go unreported by retailers, despite costing them a considerable amount in delays and ineffective inventory management.

Sales staff may be unable to scan the bar code and eventually resort to keying the numbers in manually. This not only wastes time, but often means the wrong number is typed in.

Another common occurrence is for sales staff to scan another product instead or to register the sale without recording what was sold.

It is rare for these instances to be reported back to the store supervisor - so the supplier is not likely to find out about them either.

But I've seen the bar code scan myself!

The only reliable way to ensure a bar code will scan "first time, every time" is with an official verification test.

As we've said before, scanners vary. Just because the bar code works with one scanner, there is no guarantee that it will work with other scanners and in different conditions (SCAN, December 2002, p6).

One of the reasons is the actual algorithms used by the scanners' decoding software. This means that one scanner may interpret a bar code differently to another scanner and so be less tolerant of a particular variation in the bar code.

For example, one scanner may look at the light margins to find the bar code, while another may only need the first and last few bars to see where it is. In this case, the first scanner would be less forgiving of a light margin that is outside the minimum requirements. Similarly, some scanners may need more bar height or contrast to interpret the bar code.

To give scanners the best chance of reading your bar code, you should ensure that it is produced correctly in every way by verifying it to the EAN International General Specifications.

FUTURE

The following case study is a good example of how small to medium-sized firms can implement ADC (automated data capture) to reduce costs and improve efficiencies without huge financial outlay.

We are very grateful to Status Stationery (NZ) Ltd for allowing us to publicise the findings of their EAN bar coding and warehouse automation project in this way, for the benefit of other EAN members.

The project is just beginning: we will keep you informed of progress in future issues of SCAN.

GLENN POWELL,
EAN CONSULTANCY

Describing itself as the country's largest and most dynamic independent stationery manufacturer and wholesaler, Status Stationery was founded in 1988 and now supplies more than 3,000 product lines. The company has a strong client base in New Zealand as well as a rapidly growing market in Australia and the Pacific. It has a manufacturing plant in Auckland, warehousing in Auckland and Christchurch and a staff of over 60 people.

Managing Director and co-founder of the company, Barry McDonald, has noticed dramatic changes to his business over the last 15 years. However, a combination of exponential sales growth, increasing product mix, a trend for customers not to hold stock and growing demand for all orders to be delivered within shorter timeframes has led to Status Stationery's "in full, on time orders" measure slipping to what he considered unacceptable levels. Inventory variances were also increasing and overtime costs were on the rise.

Barry and his Operations
Manager, Fred Young, decided to
call in EAN Consulting's Glenn
Powell to see if he could help
return Status Stationery to its
position as number one
supplier to its customer base.

After meeting and discussing pending

changes to the company's warehousing and distribution systems, it was agreed that implementing ADC (automated data capture) in key areas of the process would bring some significant improvements. This would involve applying EAN bar code standards to control the retail, trade and logistics distribution within Status Stationery' supply chain, effectively implementing best practice principles for data warehousing via bulk box and pickface controls.

Key objectives for project team

A project team of Status Stationery and EAN

Consultancy staff has been appointed. It is charged

with managing the following key objectives:

■ Relocation to a new and larger warehouse building

Design a new warehouse layout that is conducive to efficiency, productivity and seasonality, including expansion of conveyor systems and advanced warehouse solutions

■ Automate the warehouse/s by implementing scanning and best practice data warehousing principles

■ Automate the pick, pack, despatch and shelf replenishment processes via EAN scanning logic

■ Automate stock movements into and around the

warehouses via bar codes and location control scan management

■ Enable a full stock-take via scanning. These will be

commencing over the next few months, with a target

date of July for completion. "It is worth noting that Status Stationery is a typical New Zealand company that recognises the many benefits that simple automation and IT can offer without spending a great deal of money," Glenn says.

"When this project is completed, the company will be able to manage its inventory, purchase receipts, sales dispatches and traceability

issues in such a way that it can improve efficiency, cut costs and set even higher standards for customer service."

If you would like to discuss potential options that may add value to your business, please contact EAN NZ ean.nz@ean.co.nz



Certificate course takes OT

Interest here and overseas in EAN's new Certificate in Automatic Data Capture Standards has been "amazing and most gratifying," says EAN Chief Executive Margaret Fitzgerald.

Within days of the December 2002 issue of this magazine reporting that the course would be launched early in 2003, EAN New Zealand received over 40 expressions of interest from readers involved in activities as diverse as warehousing, marketing and printing.

Meanwhile, EAN International's American sister organisation (the Uniform Code Council) and the British EAN organisation (e-centre UK) had contacted New Zealand asking for details. In the course of a recent trip to EAN International's annual Manager's Meeting, Margaret visited both organisations and briefed them on the certificate course and the EAN accreditation programme, which has also attracted great interest.



"Our first companies are enrolled and underway, and we are looking forward to announcing the first graduates of the programme. We're also preparing a CD-ROM of the course for circulation to other EAN offices around the world," Margaret says.

The seven-module correspondence course also has a web-based component developed by EAN International and takes around 40 hours to complete. Students have six months to finish the course at their own pace.

It covers all aspects of EAN.UCC numbering and bar coding, including print and design aspects, the particular requirements of the grocery trade in Australia and New Zealand, and how to establish a bar code quality system within an organisation.

Because the grocery industry requirements are so closely based on the EAN General Specifications, they are suitable for application in any sector and provide an excellent model for any industry, says Margaret.



For more information contact Owen Dance (04) 801 2984 or owen.dance@ean.co.nz

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www.rapidlabels.co.nz

Setting the standards



International verification expert Chuck Biss was welcomed back to New Zealand recently, conducting a seminar series for EAN members in Auckland and Christchurch.



Currently Vice President of Verification
Products at Hand Held Products (a Welch
Allyn affiliate), Chuck has been involved in Automatic
Information Data Capture (AIDC), bar code and image
analysis and bar code verification for close on 30 years. He
was instrumental in developing the "Quick Check®"
verifier product line and belongs to a host of national and
international standards committees.

Chuck explained why companies should verify their bar codes to the global standards documented by ISO and EAN International. He also demonstrated how verification could be used as a part of a QA programme, to ensure that unnecessary mistakes and delays are avoided.

The March seminars were sponsored by Transtech Distributors Ltd, which brought along barcoding equipment for demonstration during the sessions.

The seminars weren't Chuck's first visit to the country - he ran a very successful seminar in Auckland two years ago on the use of verifiers and he also consults regularly with EAN New Zealand's technical staff. They say Chuck is an absolute mine of information about verification issues, thanks to his wealth of experience in the industry and historical involvement in setting the standards.

During Chuck's visit last December, he updated EAN staff on the latest developments in the use of RSS (Reduced Space Symbology) bar codes and assisted with some troubleshooting in verifying bar codes on oddly shaped products.

SHHP Bar Code Verification

What does it mean to verify a bar code, and why is it so important?

The quality of a printed bar code should be such that the scanning equipment can read the symbol for the first time and every time thereafter. Sounds fairly easy, doesn't it? Well, it's not. Bar code quality can vary based on printing method, substrate, and printing equipment, just to mention a few variables.

An HHP Verifier will clearly identify barcode print quality enabling the printer to ensure full compliance of the printed code so that the scanning equipment can read the symbol for the first time and every time

Call Transtech for an Authorised HHP Verification agent near you.



New product a great learning tool

It's creamy yet low fat, it comes with its own line of packaging... and it's a completely fictitious product that's adding some pizzazz to EAN New Zealand seminars.

New Chill – complete with its logo of a Kiwi wearing sunglasses - is the brainchild of Chief Executive Margaret Fitzgerald. She felt that people coming to EAN's Bar Code Basics seminars needed less talk and more hand-on experience.

Those attending the seminars will now receive a toolkit of four Chill packaging items that represent the items they commonly have to barcode. These are a retail pack, an inner, a carton and a pallet (not to scale). The toolkits have been kindly sponsored by Carter Holt Harvey, an EAN-accredited packaging company.

Seminars in February and March, the first to use the concept of the toolkits (with generic boxes), were also sponsored by Walker Datavision. The company brought bar code equipment to the seminars so that participants could develop their own bar codes and stick these on the toolkit items. They could then take the data away on CD (sponsored by Walker Datavision), along with details of the EAN check digit programme and Bar Tender software for creating their own bar codes.

SEMINARS Timetable

MAY 19, 20,22

Innovative Solutions to Print and Packaging Design (Wellington, Auckland, Dunedin)

MAY 21

Bar Code Basics (Christchurch)

JUNE 9, 10, 12

Warehouse and Inventory Solutions (Christchurch, Wellington, Auckland)

JULY 7, 8, 9

Wine Industry Seminar (Marlborough, Hawkes Bay, Auckland)

JULY 7, 8

Bar Code Basics (Marlborough, Hawkes Bay)

JULY (date tba)

E-commerce (Auckland)

AUGUST 25,27,29

Bar Code Basics (Auckland, Wellington, Christchurch)

AUGUST 25,27,29

Innovative Solutions to Print and Packaging Design (Auckland, Wellington, Christchurch)

Seminar dates may change or seminars may be cancelled. Please visit the EAN New Zealand website **www.ean.co.nz** for further information.

For Sponsorship information...

If you would like to sponsor an EAN New Zealand seminar, please contact Elena Soanes on 04 801 2897 or elena.soanes@ean.co.nz



Key members of New Zealand's health care and grocery industries are leading the pilot project to introduce the EANnet electronic catalogue to this country.

The pilot group will help determine how EANnet can be most effectively used by New Zealand businesses, including finding local approaches to data alignment and synchronisation.

Members of the pilot group have elected to participate for many reasons, such as:

- broadening their trading relationships with Australia through EANnet's centralised and continually updated electronic catalogue
- realising the benefits of clean data to enable electronic trading
- the real likelihood that Australian retailers will eventually require all Universal Buying Form (UBF) data to be submitted by EANnet
- the many cost savings that arise from clean, aligned and synchronised data.

Pilot group participants

The Pilot group (as at February) contained people belonging to the following organisations:

- PSM Healthcare
- Health Support Ltd
- Heinz Wattie
- 3M New Zealand
- the Electronic Commerce Network (ECN)
- the Grocery Marketers' Association (NZGMA)
- EAN New Zealand.

Many other organisations receive meeting minutes or request updates on the progress the pilot is making.

Project objectives

The project team has agreed on the following main objectives for the pilot:

- for New Zealand industry to fully understand the capabilities of EANnet
- to ensure that EANnet is populated with an agreed set of data that will eliminate the UBF and reduce costs to all involved

for suppliers' data sets to be clean and to be "EANnet-ready", so that they can populate EANnet when requested.

New Zealand's definition of the term "EANnetready" is that all industry data sets are defined and available in each party's system, the data sets can be extracted and then manipulated into the correct EANnet format, and all the information is ready to be uploaded electronically into EANnet.

Participants' views

The minutes of the first Pilot Group meeting (at PSM Healthcare in December 2002) show some of the hopes and expectations of the participants:

- Paul O'Brien from PSM indicated they wanted to automate UBF accuracy and achieve consistency with Australia. They are keen to differentiate themselves from the multinationals through being innovative, flexible, and quick to market. They view EANnet as an essential tool to do this. It also sits well with their technology strategic plan.
- Mike Butcher [representing both Heinz Wattie and the GMA] is keen to assess whether perceived gaps in EANnet exist, whilst gaining knowledge to enable participation at the same pace as Heinz Wattie in Australia.
- Barry Gray from Health Support is keen to access EANnet as a retailer/distributor in order to have a single point of access for clean data/information on the products they are purchasing from suppliers.

Project status

The project team has begun working through EANnet's data fields to get an understanding of the available functionality. This will help the team to agree on the basic data set that will meet the requirements of each industry sector.

The EANnet Pilot Group meets approximately every three to four weeks, and future editions of SCAN will contain further updates.

For more information, please contact Robert Turner 04 801 0833 or robert.turner@ean.co.nz



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EAN reduces UK health risks



A new campaign aims to help the National Health System (NHS) in the United Kingdom reduce mistakes and save millions of pounds in costs.

The British Healthcare Trades Association (BHTA) has joined forces with e. centre, the EAN member organisation in the UK, to tackle blockages to better patient care, reduce costs and modernise business processes in the NHS.

The campaign will help introduce EAN-based supply chain standards — including product identification, bar coding and electronic commerce messaging — into the UK health system by 2004.

The initiative was launched at a conference addressed by Paul Nutter of the Tesco retail chain, who says the retail sector has been revolutionised through the use of open, globally used supply chain standards. He urged the healthcare industry "not to re-invent the wheel," but to "learn from the lessons of retail" where reductions in errors and overheads have

benefited all parties in the supply chain.

Many conference delegates expressed dissatisfaction with the British government, which they said was setting deadlines for modernisation without providing a roadmap. The new initiative means that "healthcare suppliers are taking the lead themselves," one industry leader said.

New Chairman for EAN New Zealand

Colin Robertson has recently been appointed for a three-year term as Chairman of EAN New Zealand.

A board member of EAN New Zealand for the past six years, Colin is also Deputy Chairman of the Independent Pharmaceutical Manufacturers Association (IPMA) and the Chief Executive Officer of Apotex NZ Ltd, the local subsidiary of a global pharmaceutical company.

Colin says that, as a longstanding board member of EAN New Zealand, he looks forward to continuing his commitment to an organisation that stands for "far more than just bar codes".

"More than ever before, industries are realising the role that EAN can play in helping them achieve their objectives for supply chain management and electronic commerce," Colin says.

"I look forward to the challenge of improving that awareness, as businesses worldwide move towards open, global standards for product identification and business transactions."

Colin's first career was as an air traffic controller in New Zealand. However, a one-year OE in 1977 turned into 15 years overseas, most of that with Apotex Inc, Canada's largest manufacturer of generic pharmaceuticals.

Colin returned to New Zealand in 1992 to set up Apotex NZ Ltd as the Apotex Group's first international subsidiary. As CEO, he has guided the company in its evolution from manufacturing through to its current role in the specialist area of scientific and laboratory services.

Introducing experts in Barcoding

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Wine companies focus on quality

After marketing itself as "New Zealand's leading winemaker", Montana Wines thought it only right it should take the initiative and become the country's first winery to achieve EAN accreditation.

And now Marlborough's Grove Mill is shortly to become the second accredited winemaker, a process it sees as vital to its quality systems management.

While some in the wine industry have struggled with new labelling and bar code requirements (see SCAN, December 2002), becoming accredited can speed up the process at bottling time when deadlines are tight. That's because accredited manufacturers can issue their own verification reports without needing to send bar codes to EAN New Zealand for testing.

Montana, New Zealand's largest wine producer and exporter, produces the well-known Montana and Lindauer brands plus a clutch of others including Saints, Stoneleigh Vineyards, Church Road and Deutz. Senior product development coordinator Dave Keay says the company allows only about 15 working days from start to finish when it introduces a new product or changes a vintage, "so we obviously don't want any unnecessary delays".

"It's very important that the wine is ready, approved, packaged, verified and launched as quickly as possible," Dave says.

"When mandatory verification first came in and we realised that the wine would have to go to Wellington for testing, it became obvious that there would be a lot of inconvenience and cost for us.

"Because Montana acts as distributor for a lot of local winemakers as well as for some imported wine, we were

Grove Mill: quality assurance is key

It's a similar story at Grove Mill, where marketing manager Colleen Oliver says the decision to become EAN-accredited was taken "because it is a natural extension of our label integrity policy and our quality systems assurance protocols.

"The most important factor in obtaining accreditation was to ensure the integrity of our production system. The cost wasn't an issue: it was important to us to have that quality assurance.

"Grove Mill has invested heavily in people and plant so that we have control over every step of winery production – crushing, winemaking, bottling, labelling and warehousing – to ensure the integrity of our finished wine.

"We simply cannot afford the time delays required to send each wine and each carton to Wellington and then to wait days for confirmation of verification."

Colleen says the company is customer-focussed and recognises a responsibility to customers to ensure seamless delivery.

Grove Mill was established 15 years ago and now exports to over a dozen countries including the UK and USA. It has a reputation for innovation, being the first in Marlborough to build a fully insulated winery and warehouse as well as the first to plant Pinot Gris in Marlborough and to produce a Marlborough Pinot Gris.

"We must ensure that we meet the requirements of the grocery industry in New Zealand and Australia and the requirements of our ever-increasing number of overseas markets," Colleen says.

"One of our major customers is Sainsbury Supermarkets in the UK. We recognise that it's critically important to them and to all of our customers that we scan first time, every time."









MARKETING MANAGER GROVE MILL

COLLEEN OLIVER

responsible for obtaining verification for all those products as well. What's more, while it was OK to donate some of our lower-value wines, some of the imported wines might be worth up to \$400, so we needed to ask for them back from EAN after verification!

"We estimated that becoming accredited would save us thousands of dollars on verification reports alone, not to mention the cost of couriers and staff time in packaging and dispatching the wines."

However, Dave says becoming accredited wasn't purely a financial decision. Montana has a strong focus on quality management, and the ISO-based EAN system complemented the company's existing systems. A decade ago, Montana became the first winery in Australasia to have its quality management system certified to ISO 9000. It now aims to have all operations meet the requirements of the new ISO 9000:2000 by the end of the year.

EAN update

EAN International member organisations are banding together to develop guidelines for the identification, barcoding and traceability of wine. Following a February 2003 meeting in London of selected member organisations and European wine suppliers, guidelines should be drawn up by the middle of this year.

EAN New Zealand's accreditation consultant Owen Dance has joined the international discussion group on wine labelling and traceability.

For further information, you can contact Owen on 04 801 2894 or owen.dance@ean.co.nz

In July, EAN New Zealand will be holding seminars of special interest to people working in the wine industry. Please see page 11 for details.



Member profile:

CARTER HOLT HARVEY PACKAGING

Carter Holt Harvey Packaging is part of Carter Holt Harvey, one of Australasia's leading companies. CHH Packaging specialises in fibrebased packaging – a renewable and recyclable resource. The product range includes corrugated case, carton, paper bag and specialty board products. With around 1,000 employees and 10 manufacturing, sales and distribution sites throughout New Zealand, this packaging specialist combines the advantages of being New Zealand's largest fibre-based packaging company with a personal service that is close to customers.

"We are successful because we are flexible and have specialists in a number of different industries to advise on customers' packaging requirements," says Rodger Eaton, CHH Packaging's marketing manager. "Our packaging makes you stand out from the crowd. We also have access to a wide source of different papers and raw materials from international suppliers, as well as in New Zealand."

Majority owned by International Paper, CHH Packaging has access to the world's largest paper

packaging research and development centre. "Plus we use a bit of Kiwi lateral thinking to challenges," adds Rodger. "Some examples of our innovations range from the hugely successful DEFOR® packing system for horticulture, to KFC's Ultimate Quarterpack, which accommodates an entire meal in one carton and is strong and sturdy."

In addition, the innovative multi-ply ENZPAK® bag (thinner yet stronger) is a world-class leader in the dairy industry and CHH Packaging's Paper Bag facility exports this product around the world. They also supply the NZ dairy industry with close to 40 million dairy ENZPAK® bags each year, all manufactured in Paper Bag's state-of-the-art hygiene facility.

CHH Packaging supplies its product to a wide range of New Zealand's industries, big and small. CHH Packaging has a strong market presence in horticulture, meat, seafood and dairy, and in addition has the largest carton factory in New Zealand, which specialises in beverage and food (including fast food, frozen, bakery, confectionery and cereals).



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The Avery Dennison Corporation, which makes postage stamps and hundreds of kinds of labels, is pushing the innovation envelope in radio frequency identification (RFID), the Los Angeles Times reports.

Competing against 3M and 'a host of small start-ups', Avery is working to find a way to incorporate RFID tags in automobile tyres, according to the Times. RFID tags - which contain a computer chip allowing large quantities of information to be read and written remotely - would be used to encode tyres with their date and place of manufacture, and thereby help with any safety recalls.

EAN New Zealand is a key member of the international group that is establishing EAN standards for RFID. The resulting GTAG™ product will ensure that RFID tags identify products uniquely, just as EAN bar codes

Avery – along with partners like Johnson & Johnson and the giant American retailers Home Depot and Target - are working with EAN International and the Massachussetts Institute of Technology (MIT) to further refine the RFID system.

Avery Dennison is one of the

Dura-label

world's largest label makers, with more than

20,000 employees worldwide. Its sales were worth \$US 4.2 billion last year equivalent to about 8% of New Zealand's entire GDP.

RFID tags are not Avery's first expansion beyond mundane sticky labels. For example, the Times says that Avery produces the strips that tell users how much cell life is left in Duracell batteries. Avery technicians are also said to be working on a tag that tells when meat has spoiled, and another to help prevent mould forming on fruit.

Elena Soanes

Elena Soanes, EAN New Zealand's recently appointed Training and Sponsorship Coordinator, is already hard at work to ensure the company's training programmes offer practical information delivered in a simple, straightforward format.

"Hands-on learning, the opportunity to bring products for discussion and the provision of answers to a variety of supply chain issues are all areas that I am developing," Elena says.

"My aim is to make sure that EAN members achieve maximum results from our seminars."

Elena has a strong background in training, events management and sales. Past positions have included managing the education of clients throughout NSW and Queensland for a large Sydney ERP company, JD Edwards, and working as a coordinator at the FINA World Masters Swimming Championships, which attracted nearly 3,000 participants. She has almost completed a Bachelor of Management Studies and has a Graduate Diploma in Event Management.

EAN members can contact Elena on (04) 801 2897 or elena.soanes@ean.co.nz



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when bar codes Gobad

Four for the price of none

Four EAN-13 bar codes recently sent to us by a toy importer failed to pass verification – and in fact wouldn't scan at all. Inspection revealed that the bars were printed in two thicknesses, whereas EAN-13 bars must be one of four widths. (ITF-14 is the only EAN bar code with two bar widths.)

These bar codes – on packs of model airplanes – were never going to fly. They weren't really bar codes at all — just sets of parallel lines.

The lesson: importers should insist on full compliance with EAN International General Specifications when sourcing product from any country. EAN New Zealand can provide contact details for EAN offices worldwide.

Marginal error

Light margins are the blank area each side of the bar code that show the scanner where the bar code starts and finishes. They have to be wide enough to be clear to scanners. So the staff of a local winemaker were disturbed to find that one light margin was too small on a bar code they tested while training staff in verification procedures.

The staff knew that the label printing company checked the bar codes with a verifier, and could not understand how the symbols on this valuable export order could be faulty.

Enquiries with the printer revealed that he verified label samples by tearing a length off the roll as it came off the press and testing the label while it was still stuck to the backing material. The backing material – the 'web'— is white, so it can provide an artificial extension to the light margin at the edge of the label. The solution is to remove labels from the web and stick them on to a dark surface, or preferably to the final product itself, before testing.

Misplaced creativity

From time to time EAN finds examples of bar codes with fictitious numbers that people have simply made up in order to avoid joining EAN. The most recent example was an ex-member who found that he needed to use bar codes again — so he simply dreamed up some numbers, had them printed as bar codes, and sent his goods to market.

Unfortunately for him, the numbers were structured as only EAN France's numbers should be and his ruse was quickly spotted.

Retailers are rightly jealous of their database integrity, and take a very dim view of any irregularity in the identification of products. People who take liberties with the EAN system risk having their goods rejected by their customers when their illicit creativity is discovered, as it inevitably will be.

Listen to your (accredited) printer

Printers who have completed the EAN accreditation programme know what they are talking about when it comes to bar code quality — yet sometimes their customers don't listen to them.

In a recent case, a packaging supplier warned a client that the type and size of bar code the client wanted could not be successfully printed with the materials involved. The client insisted – but, sure enough, the finished product not only failed EAN verification testing but would not scan at all.

It seems that the staff member responsible for liaison with the printer was unaware of the many factors that can affect bar code quality, so simply overrode the printer's concerns.

EAN-accredited printers will conduct the same bar code quality checks that EAN uses. If accredited printers aren't happy with the job, then nobody else is likely to be. They should be taken seriously!

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