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SCAN

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making I.T. happen

EANnet UPDATE

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The biggest thing since the bar code...

EAN NEW ZEALAND

getting the most out of your supply chain

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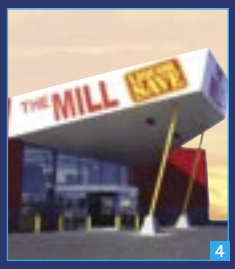


Are standards sexy?

In the late 1980s, I worked for Apple Computer in New Zealand. This was the time before the 1987 stock market crash and after deregulation when it seemed that everybody had large pay packets, even larger expense accounts and expensive cars on tick. The IT industry was almost drowning in profits and - certainly at that time and arguably still now - Apple Computer had some of the highest profile hardware and software products on the market. Jean-Louis Gassé, flamboyant head of product development for Apple Computer, entreated his engineers to build the "sexiest" products possible, no expense spared. Certainly then, as now, Apple's products engendered almost fanatical loyalty from its customer base.

Since that time, I've occasionally been asked why I've worked for standards organisations whose work and products seem superficially to be the antithesis of the sexy products from Apple Computer. I have always answered that, while standards themselves might not be sexy, the business of standardisation is incredibly complex and challenging, and what standards do for businesses and other organisations is truly remarkable.

Standardisation requires businesses that might otherwise be vigorous competitors to collaborate to develop intellectual property that they can all share and benefit from. This is not altruism, but what at Standards New Zealand (where I was General Manager, Strategic Marketing) I called "enlightened self-interest".

Businesses who "got" standardisation committed to processes that, like all consensus-based processes, were sometimes arcane and tortuous. However, standardisation done properly lowers everybody's costs, improves market access, facilitates cooperation and interoperability and allows businesses to compete on the things that are more deserving of their focus and of proprietary approaches (such as brand and marketing, customer service, product or cost leadership).

In the short time I have been at EAN New Zealand, I have seen everything in the spectrum from those that "get it" to those that are – perhaps generously – yet to see the light! Many organisations (and most of our members, it seems) see the benefits that open standards can bring.

Stripped down to the essentials, EAN's standards bring a *unique numbering system* for "things", *data carriers* (printed symbologies like bar codes and 3-D carriers such as RFID tags) and *computer communication languages* (messaging) such as EANCOM and ebXML. EAN New Zealand's challenge is to help and guide organisations to "collect the set" of technologies and thus maximise the efficiencies that can be gained through *really* managing the supply chain.

Increasingly for organisations, information *about* things (where they are, how many there are, who has them, who might want them) is as important as the things themselves. EAN's open standards for RFID, traceability and global data synchronisation will help its members make the transition from atoms to bits. I'm just glad that I have the opportunity to be part of that transition!

I hope to meet many of you at our inaugural supply chain management conference, "Making IT Happen: getting the most out of your supply chain" at the Sheraton Auckland, May 5-6.

Dr Peter Stevens
CHIEF EXECUTIVE

We've got you **covered**

EAN New Zealand now has representation around the country, with staff based in Auckland, Christchurch and Wellington.

The appointment of Bruce Pollock as Area Manager for the South Island gives members in this region a personal link and someone they can talk to first-hand about many of the areas in which EAN New Zealand can help their business.

Bruce has developed a call plan to cover the whole South Island. "There is so much happening in the world of technology, and helping members to understand and implement world-wide best practice is an ongoing process," Bruce says.

"It is very rewarding for me to add my knowledge of the EAN identification toolkit to the expertise members already have."

So if Bruce coming to your region and gives you a call, be sure to take the opportunity to meet with him.

Meanwhile, members north of Taupo have Area Manager Claire Kelly based in Auckland, who has been with EAN New Zealand since January.

Claire Kelly with Tony Groves, Stores & Warehouse Manager for Rinnai New Zealand Ltd, at the company's Auckland production plant

Bruce Pollock (right) and Jos Steetskamp, Printing Manager for Chequer Packaging in Christchurch, at the production plant workstation where images are checked for bar code quality

"My aim is that all members in my area can operate successfully within the EAN guidelines," Claire says. "Creating a synergy within their supply chain means increased efficiencies, which in turn leads to cost recovery. To achieve this, I am able to help with any queries and issues that may arise."

Members in the lower North Island can be assisted by staff based in the Wellington head office, where Matthew Sheehy is happy to be your first point of contact.

Our staff at all three sites can assist you in a range of areas such as:

- Questions about bar-coding technology, techniques and quality control
- Using the EAN system for marketing feedback (i.e. "How is my product doing?")
- Hardware and software purchases (i.e. scanning and bar-code printing)
- Finding the right supplier to print your label or to package your product
- Quality assurance and being able to carry out your own verification reports
- Seminars and training workshops in your region
- The latest tools for stock and warehouse management, traceability and supply-chain management

Area managers also attend all the seminars in their local areas, so are on hand for any members' queries or simply as a point of contact.

For more information

South Island: Bruce Pollock on 021 711 070 or bruce.pollock@ean.co.nz
Upper North Island: Claire Kelly on 021 711 169 or claire.kelly@ean.co.nz
Lower North Island: Matthew Sheehy on 04 801 2893 or matthew.sheehy@ean.co.nz

The Mill Liquorsave

takes advantage of technology

National liquor chain The Mill Liquorsave is looking to EAN's electronic data synchronisation service, **EANnet®**, as part of its drive to improve supply chain management and create successful business-to-business systems[1].

Most of The Mill Liquorsave's key suppliers supply products to Foodstuffs, which has already agreed to adopt **EANnet**. Both organisations are interested in using **EANnet** to replace the Universal Business Form (UBF).

General Manager Stephen Fromont says The Mill Liquorsave already has some advanced business solutions in place, "but the opportunity to create a B2B system with **EANnet** is really exciting".

"We have a customised point-of-sale system, which we would like **EANnet** to interface with, and we also plan to develop a hub-and-spoke, centrally managed automated retail system."

Stephen says one of the difficulties in a nationally managed business is keeping product descriptions, definitions and the like up to date.

"In the past, new products have been added into our information system by the staff in each of our stores.

"However, we want to standardise that nationally and also automate the process, so that all the product information is created once and once only. If it comes directly from the supplier, it would also be *the* most accurate information."

EANnet is already supported by key players in the Australian liquor industry, who cite reduced costs associated with master data entry and maintenance, improved business efficiencies and the benefits of having a single, standardised source of accurate item data and of other information such as product images and dimensions.

Australian advances

Across the Tasman, more than 70 companies are now "**EANnet Ready**" and over 30 companies are now "**EANnet Live**" (they have eliminated paper-based UBFs). The Australian grocery industry was an early adopter, while the Australian Food and Grocery Council and major food service distributors agreed recently that **EANnet** along with product identification, bar coding and electronic messaging standards should be adopted as soon as possible across the food service sector.

Healthcare is also an area where **EANnet** is proving its worth, as it has been chosen by the Australian Government to host a central medicines database (the Australian Catalogue of Medicines). EAN Australia is currently working with the Government to develop **EANnet** to carry the additional data required.

New Zealand progress

In this country, Robert Turner, Technical Consultant (**EANnet**), is currently working to determine the data requirements for Foodstuffs, which announced its plans to adopt **EANnet** last year. Once Foodstuffs has implemented the system, it will require all of its 1,500 suppliers to synchronise item master data via **EANnet**.

"There are over 300 data fields in **EANnet** and it's a question of determining which data set each industry needs and then how to upload that information," Robert says.

"If your company is asked to supply product and pricing information to a trading partner via **EANnet**, the first step is to find out where that information is and to make sure it's "clean" and ready to upload.

"You might have product descriptions in one computer, dimensions on a spreadsheet and maybe your pricing information somewhere else in the office. I would encourage suppliers to start looking at this as soon as possible – if they wait until retailers ask them to trade via **EANnet**, they won't have enough time to get ready."

Robert says that members should first determine whether or not they need to join **EANnet**, "and that's something that our area managers and other technical staff can help with".

They will also need to decide how to upload information. This can be done via middleware (computer programs fully integrated with a company's own system), by using batch files or - for very small companies - by going online and entering product data manually.

"We can help members with this directly or, if they have their own IT staff, it may just be a case of providing information to those staff on what to do."

1. **EANnet** is a registered trademark of EAN Australia Limited.

For more information

Contact Robert Turner on 04 801 2896 or robert.turner@ean.co.nz or your local area manager (see back cover of SCAN)

www.ean.co.nz (you will shortly be able to register online for **EANnet***)*

What is EANnet?

EANnet is a data synchronisation and product registry service that allows the continuous and automated exchange of item master data between trading partners. Using **EANnet**, retailers and suppliers can completely remove the need to use the Universal Business Form (UBF).

EANnet was designed by EAN Australia as a central, standards-based system to meet common industry needs. Already widely used across the Tasman, it is now available under licence for EAN New Zealand members.

Data synchronisation services similar to **EANnet** and run by other EAN member organisations include those operating in the US (UCC.net), Canada (ECCnet), Scandanavia, Germany (Sinfos) and Hong Kong (e-ID Repository).

The benefits

The accurate, automated transfer of product master data information between trading partners means significant efficiency gains and reductions in error levels and overall cost.

Using **EANnet** can help reduce lost vendor and retailer sales, out-of-stocks and instances of excess stock levels caused by ordering errors. It also helps to eliminate the rejection of deliveries to stores or warehouses resulting from price discrepancies and incorrectly ordered or delivered items. The system facilitates the adoption of industry-based standards and provides a key tool to enable accurate business-to-business communications.

Robert Turner has been appointed EAN New Zealand's full-time Technical Consultant for **EANnet**. In his new role, he is responsible for helping members determine their requirements for **EANnet** and helping them to upload product information onto the system.

Robert has been with EAN New Zealand since 2001 as a technical consultant responsible for verification and other member services. He came to the company from the UK, direct from implementing an on-line information service for giant retailer Safeway and its suppliers.

Robert has a BSc (Hons) in Logistics and Supply Chain Management from the University of Huddersfield, England, and has also worked in the retail, transport and construction industries.

Dick Cantwell of Gillette
a man on a mission

Dick Cantwell, Vice President of Global Business Management for Gillette, speaks with almost evangelical zeal about the promise of the Electronic Product Code (EPC) technology. As well he might, as the opportunities presented by EPC would have saved him a lot of heartache had they been around 20 years ago.

Dick, earlier in his career, was Johnson & Johnson's product manager for Tylenol brands when they were the target of sabotage. In 1982, a number of Tylenol capsules were laced with a dangerous chemical: Johnson & Johnson put customer safety first and acted swiftly to recall and destroy all Tylenol products in the market (resulting in significant commercial losses and brand damage). At that time, the company's logistics systems were just not sophisticated enough to trace where contaminated product might be in the supply chain.

Two decades on, Dick is leading the EPC charge for global heavyweight Gillette and says that EPC presents the greatest opportunity for supply chain management since the introduction of the computer and of automatic data capture (ADC).

For Gillette and for other companies piloting EPC technology, the EPC Network offers the ability to have a clear, real-time view of their products right throughout the supply chain, from manufacturing to consumption. Effective supply chain management for an organisation the size of Gillette is vital: each day, over a billion consumers in 200 countries choose the company's products.

In 1989, Gillette took the bold step of treating the globe as a single market. Products were designed for global consumers and marketed under global brand names (Gillette, Braun, Oral B and Duracell).

Today, Gillette is a US$9.3 billion company with manufacturing operations in 30 countries, and a distribution and logistics system that is the envy of many of its competitors.

However, despite integrated logistics systems and automatic reordering, empty shelves can still be a reality. Those empty shelves can be as a result of manufacturing issues, transportation glitches, retailer oversight, poor forecasting or simply inventory system errors. As Gillette's products are small, high profile, high value and high profit, the cause is sometimes put down euphemistically to shrinkage (i.e. theft) throughout the distribution system, especially in the retail store.

However, as Dick comments, "EPC allows us to see all our products, how much we have of each, where our products are, where they are going, where they need to be... and where and when they are going missing!"

Gillette a lead adopter

Gillette has already committed heavily to EPC technology and has been a lead adopter under its Launch and Learn philosophy (which Kiwis might be tempted to rename "Suck it and see"). This philosophy encapsulates Gillette's belief that EPC is the biggest breakthrough for supply chain management since computerisation and ADC. What is more, the company believed that the paradigm shift needed for EPC technology was so dramatic that theorising was impractical, and that getting its hands dirty in an operational setting was the only way to go.

As a mark of its commitment, Gillette was one of the original sponsors of the Auto-ID Center (the network of academic institutions including Massachusetts Institute of Technology that developed the system now called EPC) and has been piloting the evolving technology since 1993. Dick himself has been Chair of the Auto-ID Centre Board of Overseers since 2001 and is currently serving as Chair of the EPCglobal Board of Governors

As for EPC in action, Dick is animated about Gillette's recently completed EPC pilot at its Eastern Distribution Centre (DC) in the United States. EPC tags were fixed to all cases of Venus cartridges during manufacturing. Cases were then aggregated into pallets before their verification on leaving the packing centre and entering the DC. Tag data was read automatically during the pick-to-order and fork-lift aggregation phases, and as pallets exited into the US Postal Service freight system.

"The benefits to customers and to us will be substantial: reduced out-of-stocks, product authentication, reduced shrinkage, improved safety and streamlined product recall."

Top marks for EPC pilot

Dick says this "Within Four Walls" test of the technology was extraordinarily successful: 150,000 cases were tagged, with 100% accurate reading throughout all stages of packing to exiting the DC.

"The first phase for us is the Four Walls project, where all cases and pallets are tagged within our facilities," he says.

"In order to capture even more benefit, we will move to exchange EPC information with our trading partners at the case and pallet level. The ultimate, which we believe we will get to by 2007, will be to tag individual items and exchange this information collaboratively with our partners.

"The benefits to customers and to us will be substantial: reduced out-of-stocks, product authentication, reduced shrinkage, improved safety and streamlined product recall."

That last benefit - streamlined product recall - is very close to Dick Cantwell's heart. He says that having full traceability, where individual items can be identified throughout the whole supply chain, would have helped tremendously when he was product manager for Tylenol – "so roll on EPC!"

As the star speaker at "Making IT happen", EAN New Zealand's annual conference, Dick Cantwell will be presenting the story of Gillette and EPC technology in person. See pages 12-13 of this issue for further details of the conference, to be held at the Sheraton Hotel, Auckland, May 5-6. For a registration form, please email vikki.james@ean.co.nz

For more on EPC technology, see the article on page 10

New website **a go**

Stage one of EAN New Zealand's website upgrade is now live, with a new, password-protected area available for members.

Stage two - a redesign of the rest of the website – is almost complete and will also go live shortly.

EAN New Zealand members can now go online to:

- access their verification reports
- order verification reports
- book and pay for EAN seminars
- see summary account information and update their contact details

They will soon be able to register online for **EANnet** as well.

The redesigned public areas of the site will include completely overhauled content and navigation. Public users will also be able to book and pay for EAN seminars.

Over the past few months, EAN New Zealand staff have been working closely with web design company Hairy Lemon and Omega Financial Solutions (OFS) to complete the upgrade. Hairy Lemon is managing the process, while OFS, EAN New Zealand's partner for its IT infrastructure, is developing the back-end systems to support the site's enhanced functionality.

Hairy Lemon web designer Ian Edwards says the upgrade is all about providing more information and a better service to members.

"The website is not going to replace members' ability to talk to a real person at EAN, but it should provide more accessible service for routine requests and bookings."

To start using the members' area, please contact Membership Services at 04 801 0833 or email anna.jones@ean.co.nz

Tracking fresh produce: **a global hot topic**

The need for widespread uptake of global standards for fresh produce traceability was a key message to come from the first global conference on the subject, held recently in Calgary, Canada.

Both the US Food & Drug Administration and the European Union have regulations on fresh produce traceability that take effect in 2005. These will require foodstuffs to be traced "one up, one down" throughout the supply chain.

According to Catherine Richardson of CRConsulting Ltd, who spoke at the conference on behalf of the New Zealand pipfruit industry, that's pushed traceability into the spotlight.

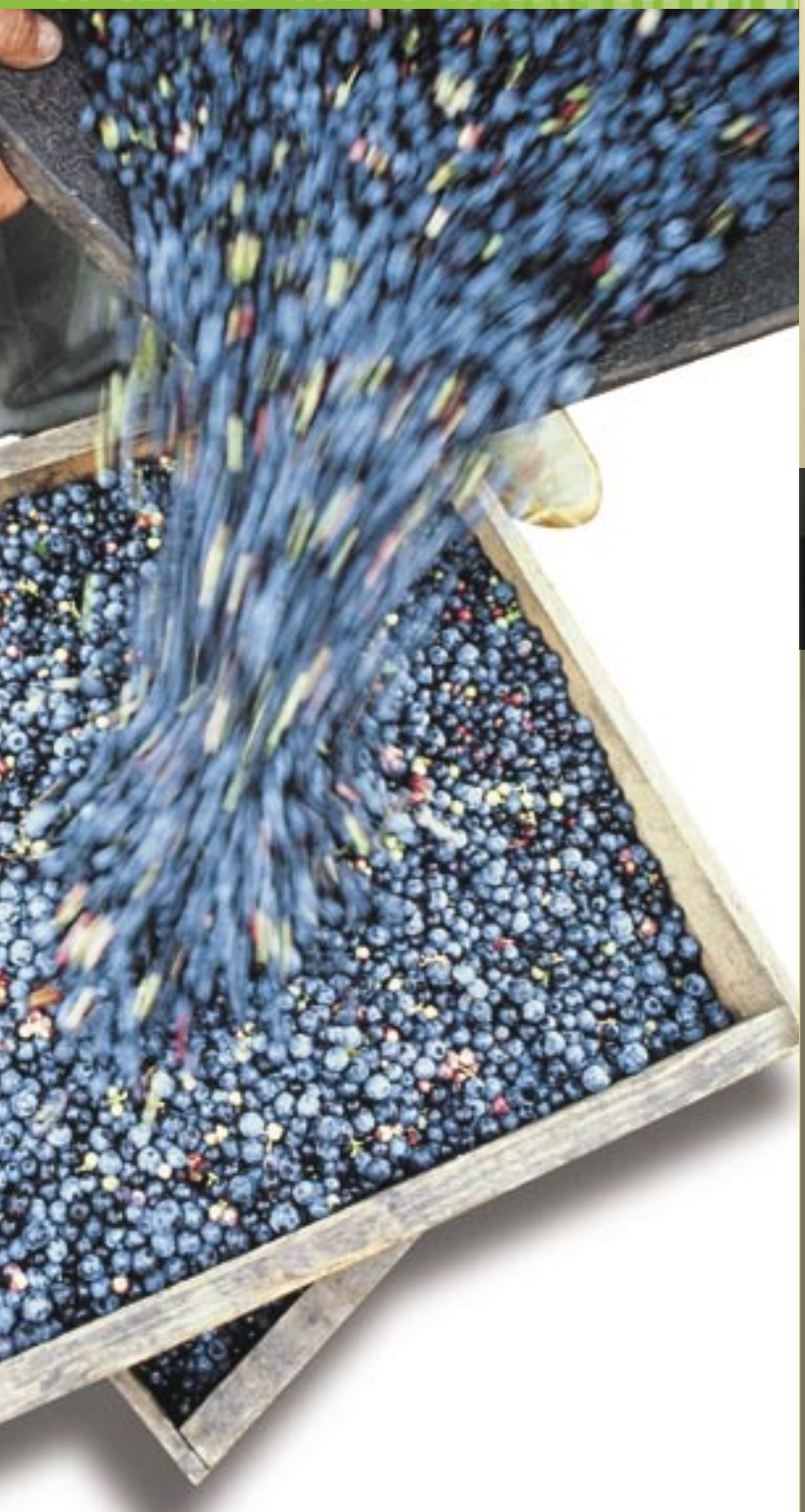
"While people have been talking traceability for some time, the fact that two major markets will soon have regulatory requirements in place brings a real focus on the issue," Catherine says.

The global conference, organised by the Canadian Produce Marketing Association in conjunction with its US counterpart, was attended by EAN International and UCC representatives as well as regulators and major suppliers, growers, packers and retailers from around the globe.

"Some of the key messages were that traceability systems need to be consistent and uniform and that traceability should become an integral part of your business," Catherine says. There were also some real challenges in ensuring traceability is maintained right through the chain to retail shelf.

"The conference chair, one of the Senior Vice Presidents of Wal-Mart (Bruce Peterson), also stressed that people shouldn't try to leverage competitive advantage by developing their own traceability systems as this was just adding cost and complexity throughout the chain."

The New Zealand pipfruit industry has put a lot of effort into traceability systems for several years and, since deregulation in 2001, has continued that focus. Most recently, PGNZI and the Produce Industry IT Standards Association have been in discussion with EAN New Zealand staff to determine the best way to ensure that EAN-128 bar coding is effective at packhouse level (SCAN, December 2003).



Catherine said that meant the export pipfruit industry was slightly ahead of the game compared with other countries. "Some of the issues we've been grappling with over the last 12 months, such as whether a unit of traceability is a pallet, a carton or an individual piece of fruit, others are just starting on."

"However, it's important for us to stay in tune with what others are doing internationally; and that individual companies don't go off and find their own solutions in isolation."

For more information

- *www.producetrace.com for conference presentations and contacts*
- *www.ean-int.org to access EAN International's guidelines for fresh produce traceability*

New Chief Executive for EAN New Zealand

Dynamic marketer, academic and management expert Dr Peter Stevens is the new Chief Executive of EAN New Zealand. He replaces Margaret Fitzgerald, who now heads EPCglobal, an EAN International joint venture based in the USA.

Peter's extensive business experience spans the academic, commercial and public sector environments. For the past year, he has been a Senior Manager in the strategy and business transformation team at BearingPoint NZ (formerly KPMG Consulting) as well as a member of that organisation's management team. Before that, he was General Manager (Strategic Marketing) of Standards New Zealand between 1998 and 2002.

Peter's other recent positions include Adjunct Professor at Unitec Institute of Technology, Director of the Postgraduate Diploma of Marketing at Victoria University and Manager of Academic Technologies, Apple Computer.

Peter says the opportunity to lead EAN New Zealand is an exciting one. "I have had a strong interest in this organisation for some time, as it provides some key business enablers and a range of essential tools for improving supply chain management," he says.

"As businesses become more international in their operation and outlook, I also believe that the services we provide at EAN and the new technologies we have access to – as part of a neutral, high-integrity global standards organisation – are increasingly vital."

Peter took over as Chief Executive in mid January and already sees consulting as one of EAN New Zealand's core strengths.

"A huge challenge is also for EAN New Zealand and its members to secure the commitment and investment required to launch EPC technologies in New Zealand," Peter says.

EAN New Zealand Chairman Colin Robertson says Peter brings a unique blend of commercial savvy and academic rigour to this role.

"His extensive experience in consulting at all levels of government and industry, together with the expertise of the EAN New Zealand team, will provide EAN clients with practical solutions for data alignment and business-to-business communications."

The biggest thing since the bar code...

The biggest thing since the bar code, EPC technology will provide real-time, automatic identification of goods in the supply chain in any industry, anywhere in the world.

As previously reported, (SCAN August 2003, p19), EAN and the UCC formed a joint venture company EPCglobal Inc last year to bring EPC technology to market and to develop open, global standards for its use. The technology was developed by the Massachusetts Institute of Technology's Auto-ID Centre and combines radio frequency identification (RFID) technology, communications infrastructure and the EPC (a number for uniquely identifying an item).

EPC technology will be implemented in local markets with the help of EAN member organisations throughout the world, including EAN New Zealand. Chief Executive Peter Stevens says that the opportunities with EPC are phenomenal.

"What EAN, UCC and EPCglobal are trying to pull off is hugely ambitious," Peter says.

"The EPC system provides an integrated solution, with unique numbering, tags and readers, middleware software to "talk" to companies' existing enterprise resource planning (ERP) software and a worldwide information network to link it all together.

"I believe only EAN·UCC could possibly bring this off. We do have some very big "friends" in Wal-Mart, Tesco, Metro, the US Department of Defense, Gillette and others. These sure help!"

Peter says that, to help members learn more about the benefits of the system and where it's at, EAN New Zealand has lined up some top international speakers at next month's conference (see centre pages of this issue) and will be arranging further training sessions and seminars as the EPC Network develops.

General Manager Finance & Administration Jurjen Geerts has been appointed to an ECR Australasia "from bar code to electronic product code" implementation working group (members include New Zealand and Australian retailers, manufacturers and packaging providers) and similar work is underway in other countries.

A recent international development has been the selection by EPCglobal of VeriSign Inc to provide the Object Naming Service root directory (see box at right) for the EPCglobal Network. VeriSign is the leading domain name registry for the millions of Internet addresses in use worldwide.

While the retail industry is taking the lead with the new technology so far, endorsement for RFID-based systems has come recently from another quarter with the release of a US Food & Drug Administration report on ways to reduce the counterfeiting of prescription drugs. The report's recommendations, as outlined in the *RFID Journal*, include the use of radio frequency identification (RFID) to create a "pedigree" – a secure record documenting that the drug was manufactured and distributed under safe and secure conditions.

This year, the drug industry plans to start feasibility studies using RFID on pallets, cases and packages of pharmaceuticals. The FDA report says it should be feasible to use RFID to track all drugs at pallet, case and unit level by 2007. Results of pilots conducted by EPCglobal subscribers will be made available to the FDA.

The next generation of product identification – the EPC or Electronic Product Code – is moving a stage closer to worldwide adoption, with a number of pilot groups now underway and global standards being finalised.

Benefits of the EPCglobal Network

The EPCglobal Network is an RFID-based system that will allow trading partners to markedly improve their ability to track and share supply chain information. EPCs can be linked to databases that can store more detailed and accurate information about products than a bar code does. That leads to improved movement of goods in real time, better inventory management and replenishment practices, fewer lost sales due to out-of-stocks and improved ways to tackle counterfeiting and theft of goods.

How it works

The EPCglobal Network is made up of five key elements:

Electronic Product Code (EPC): the next generation of product identification. Like the bar code, the EPC is divided into numbers that identify the manufacturer, product, version and serial number. However, the EPC uses an extra set of digits to identify unique items (by contrast, bar codes only identify a group of products).

EPC tags and readers: The EPC is stored on a special tag applied to an item during manufacturing. Using radio waves, these tags "communicate" their EPCs to readers, which then pass the information to a computer or local application system.

Middleware: software technology that acts as the "nervous system" of the EPCglobal Network to manage the flow of information. It runs on different computers distributed throughout an organisation, rather than from one central computer.

Object Name Service (ONS): Since only the EPC is stored on the tag, computers need some way of matching the EPC to information about the associated item. This is the role of the Object Name Service, an automated networking service similar to the Domain Name Service that points computers to sites on the Internet.

EPC Information Service (previously Physical Markup Language or PML): a new standard "language" for describing physical objects, which will be based on the widely-accepted extensible mark-up Language (XML). Simply put, the EPC identifies the product, the PML describes it and the Object Name Service links them together. Standardising these components provides "universal connectivity" between objects in the physical world.

For more information on EPC technology:

- *Attend the EAN New Zealand conference and hear presentations by EPCglobal President Margaret Fitzgerald and Gillette Vice President Dick Cantwell (turn to our conference centre-section)*
- *Visit the EPCglobal website www.epcglobalinc.org*
- *Contact Jurjen Geerts at 04 801 0833 or jurjen.geerts@ean.co.nz*

making I.T. happen

getting the most out of your supply chain

A top line-up of national and international speakers, the latest on new EAN technologies that are transforming supply chain management plus a great location: all add up to make EAN New Zealand's inaugural conference a don't-miss event.

The two-day conference takes place at the Sheraton Hotel, Auckland on May 5 and 6 and has attracted strong support from members.

EAN New Zealand's former Chief Executive Margaret Fitzgerald and current head of EPCglobal in Boston is flying back from the US to share the latest on Electronic Product Codes (EPCs) – the hottest thing since the introduction of bar codes and on the way to being implemented globally.

Meanwhile, one of the first companies to commit to EPC technology was Gillette, whose products are chosen by more than a billion consumers daily. Gillette's Vice-President of Global Business Management Dick Cantwell will speak at the conference on his company's experience with Radio Frequency Identification and EPCs, while VeriSign's Brian Matthews will explain some of the practical side of implementing the EPCglobal Network.

Progressive Enterprises, The Warehouse, Nestle and Overstock.com will give valuable presentations on supply chain management and share their direct experience, while Foodstuffs and EAN Australia representatives will talk on synchronising item master data via EANnet. Further perspectives on supply chain management include addresses from the Minister for Economic Development Hon Jim Anderton, Professor Peter Thirkell from Victoria University of Wellington, SAP's Len Augustine and Efficient Consumer Response Manager Harris Boulton.

International speakers

The cutting edge of supply chain management: Gillette's experiences with RFID and EPC

Dick Cantwell, USA, Vice President of Global Business Management for Gillette, Chairman of Electronic Product Code Council and Auto-ID Center, Massachusetts Institute of Technology

Dick is responsible for developing Gillette's strategy and pilot implementation for Auto-ID or EPC (Electronic Product Code and EPC Network). He was elected Chairman of the Auto-ID Center Board of Overseers in 2001. Today, Gillette is a member of EPCglobal, the EAN.UCC organisation responsible for EPC standards and commercialising EPC technology. Dick currently serves as Chairman of the EPCglobal Board of Governors.

Taking on the competition online

Patrick Byrne, USA, Chief Executive Officer, Overstock.com

Overstock.com is ranked by Internet tracking companies as a Top 40 e-commerce site, with over seven million visitors a month. Managing the company's burgeoning growth is a team effort, combining bar code labelling, wireless data communication and a highly responsive, automated warehouse management system. Patrick will talk about how the company's rapid growth forced drastic changes in the fulfilment operation.

The promise of RFID: DELIVERED through EPC!

Margaret Fitzgerald, USA, President & Chief Executive, EPCglobal Inc

Open-standards-based RFID and Electronic Product Code technologies have come out of the lab and are being used today by leading retailers and manufacturers. This session will cover the EPCglobal organisation and EPC Network, and discuss opportunities to get involved in one of the most significant changes to impact supply chains since the development of computers.

Register now!

Vikki James, EAN New Zealand's Manager Education and Sponsorship, has worked hard to attract top calibre speakers to the conference and to create a programme that includes a mix of practical experience and case studies, management information, academic perspectives and even a site visit (to New Zealand's biggest distribution centre, The Warehouse' Wiri centre).

"This conference is essential for general managers, chief information officers, logistics managers and anyone who wants to increase their knowledge of supply chain management trends and future developments," Vikki says.

"If you haven't already registered, call me now on 04 801 2897 or email vikki.james@ean.co.nz to be included."

Vikki says the conference has been made possible by generous support from sponsors, without whom she would not have been able to attract such a strong line-up of speakers.

Supply chain management through RFID and EPC technologies

Brian Matthews, Australia, Vice President, Directory Services, VeriSign Inc

VeriSign delivers critical infrastructure services that make the Internet and telecommunications networks more intelligent, reliable and secure. The company has been selected by EPCglobal to operate the root Object Naming Service (ONS) for the EPCglobal Network: Brian will give an insight to the EPCglobal Network layers, including a demonstration of a EPCglobal Network client.

Data synchronisation in action: EANnet

Maria Palazzolo, Australia, Chief Executive, EAN Australia

Already well established in Australia, **EANnet** has been adopted universally by the Australian grocery industry and is achieving rapid take-up in other sectors. Maria will provide an insight into what has been achieved so far, and outline future business-to-business initiatives through the effective implementation of data synchronisation.

The pursuit of global best practice

Harris Boulton, Australia, Deputy Chief Executive Officer, Australian Food & Grocery Council and Manager, Efficient Consumer Response (ECR) Australasia

ECR is a business concept aimed at better satisfying consumer needs, through business and trading partners working together. ECR best practices deliver superior business results by reducing costs at all stages throughout the supply chain. Harris will discuss current projects ECR Australasia is working on, including the latest in RFID.

For a full conference programme or to register contact Vikki James on 04 801 2897 or vikki.james@ean.co.nz

Copies of the conference printed notes will be also available to purchase at $200 plus GST: please contact Vikki to arrange a copy.

The impact new technologies have on your business solutions

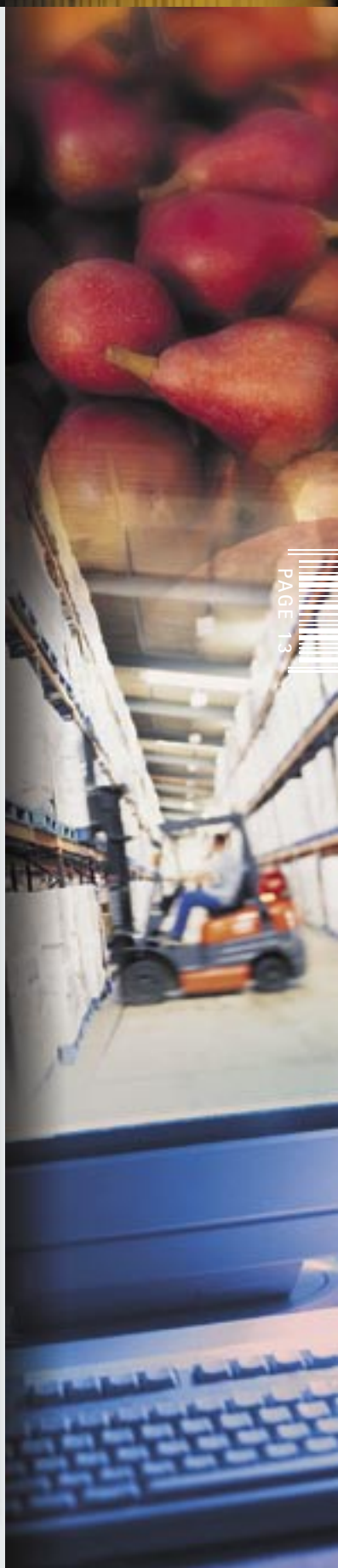
Len Augustine, Australia, Marketing Director Australia & New Zealand, SAP

What is "good enough" to meet the challenge of a real-time enterprise? What will you need to change to have an adaptive supply chain? Len will talk on these and related issues based on his 24 years' experience with enterprise software, 19 years in high technology marketing and more than five years' e-business experience.

New Zealand speakers

Local speakers and their presentations include:

- Hon. Jim Anderton, Minister for Economic Development: "How New Zealand supply chains must play in the global sandpit"
- Professor Peter Thirkell, Head of the School of Marketing & International Business and Professor of Marketing, Victoria University of Wellington: "The big picture – the role of the supply chain in the modern enterprise"
- Peter Egnelius, Logistics & IT Manager, Foodstuffs (South Island) Ltd: "The challenge of master product data synchronisation – the **EANnet** implementation"
- Scott Kerr, Logistics Manager, The Warehouse: "New Zealand's largest non-food retailer". Scott's presentation will be followed by a site visit to The Warehouse' Wiri distribution centre, the tallest, biggest and fastest in the country – a chance to see automated data capture and logistics in action!
- Graeme McGowan, Supply Chain Manager and Jason Enright, Customer Logistics Specialist, Nestlé New Zealand: "Using global standards to reach best practice"
- Progressive Enterprises: "Driving supply chain efficiencies throughout the organisation" (presenter to be advised)
- Owen Dance, Senior Consultant, EAN New Zealand: "Beyond bar codes – traceability, data synchronisation and Electronic Product Codes"
- Dr Peter Stevens, Chief Executive, EAN New Zealand: "One World. One system. One Global Language of Business"



EAN technology to help **haemophilia patients**

A pioneering project between EAN Ireland and local health bodies is using the latest EAN technology to trace expensive and time-sensitive clotting factor concentrate, the product used by haemophilia patients.

EAN Ireland is working with the National Centre for Hereditary Coagulant Diseases (NCHCD) on the project, which will kick off by using EAN-128 bar codes and later look at Electronic Product Code technology. EAN Ireland Director Jim Bracken believes the project, which is being launched this month, could be destined for global application.

" Dr. Barry White, the Director of NCHCD, is a real visionary in terms of pioneering the development of a fully traceable supply chain for clotting factor concentrate," Jim says.

"Barry was anxious to have the system developed as a global solution based on open standards; hence his commitment to the EAN.UCC System.

"To bring this about, we have organised a consultative group that includes representatives from the US Food & Drug Administration, the EU Commission and from EMEA (the European agency for the evaluation of medicinal products) as well as clinicians, medical informatics personnel and patient representative bodies – both local and global.

"Their role will be to validate the solution during its pilot phase and to specify the eventual system for global application."

There are a number of challenges with managing the supply chain for clotting factor concentrate. For starters, the small vials of product must be kept cold throughout their journey from manufacturer to patient, whether at hospital or at home.

Their availability at all times is critical; yet managing their supply is challenging as they are extremely costly and have a limited shelf life. The accurate tracing of clotting factor concentrate is also critical in the safe delivery of haemophilia care, as it supports rapid recall and identification of patients who receive "at risk" products.

In the Republic of Ireland, the product is mostly used by haemophilia patients in their own homes, with about 20% administered in the National Treatment Centre at St. James Hospital, Dublin or at 13 other centres attached to hospitals around the country.

In the first phase of the pilot, traceability will be achieved through EAN numbering to identify what products are being used, when they are used and by whom. The outer pack of product will be labelled with an EAN-128 bar code containing a batch number, expiry date and a unique serialisation number.

"As clotting factor concentrate is a cool chain product which has to be kept between two and eight degrees Celsius, the logistics company will record the product when it is picked up, deliver it in a truck with a GPS link and record delivery to the patient's fridge (which will have a Global Location Number or GLN) and against their GSRN (Global Service Relation Number)," Jim says.

" When the patient uses the product, they will scan it and their own GSRN and their electronic health record will be updated.

"The intention is to have the product marked at source, including a unique serial number. It will be an ideal pilot project for Electronic Product Code (EPC) technology, given the small number of patients and manufacturers as well as the distribution system it requires."

Towards a fully traceable supply chain

Key objectives of the project to trace clotting factor concentrate include:

- Real-time identification of the ***location of all clotting factor concentrate*** to facilitate rapid, accurate and validated product recall
- Real-time identification of ***patients' treatment history*** to allow rapid and accurate identification of all patients who have received an "at risk" product
- ***Data capture*** to validate cold chain storage and product delivery
- Providing a system that ensures the ***correct product*** is prescribed and administered to the patient (electronic prescription and administration)
- Providing a real-time stock management system that allows: ***correct dispatch and delivery*** direct to the patient, hospital and ward; ***optimal stock management*** with specified re-order levels and stock rotation to minimise wastage due to expiry dates limitations; and ***real-time stock consumption data*** with comparison of actual, budgeted and year to date variance presented in stock and cost terms.
- ***Analysis of patient treatment data*** to ensure appropriate usage and to flag clinically significant bleeding that requires hospital rather than home treatment.

Bar coding **for patient safety** now mandated

The US Food & Drug Administration has finalised a rule requiring bar codes on almost all prescription medicines and blood products.

The FDA said that bar code technology could prevent many medication errors by helping to ensure patients received the right dose of the right drug at the right time. It anticipated annual savings of close to US$4 billion from preventing adverse medical events due to such errors.

The rule on bar coding medications was first proposed last March, at which time the FDA also proposed a rule designed to improve reporting requirements for safety problems involving medicines.

The US move is just one example of how the healthcare industry worldwide is taking positive steps to implement the EAN.UCC system, recognising the benefits it offers in data management, cost efficiency and improved patient safety.

Japan moves to bar code medicines

In Japan, healthcare authorities have recently announced their intention to require bar codes on prescription medicines, the *Asahi Shimbun* reports. Officials explained that the use of bar codes should sharply reduce the number of wrong dosages, a simple human error that could have catastrophic effects.

The Japanese Ministry of Health, Labour and Welfare will form a panel composed of medical experts and pharmaceutical firms to finalise the system required. The first phase is expected to start as soon as next year.

Meanwhile, the Federation of Pharmaceutical Manufacturers Association of Japan is also studying bar code use, following changes to the Pharmaceutical Affairs Law that required sales records to be kept on blood and other products. The Federation plans to introduce bar code labels on injection solutions in 2005.

For more information on the latest EAN healthcare projects, go to www.ean-health.net

Seminar **Update**

Seminars to watch out for over coming months include:

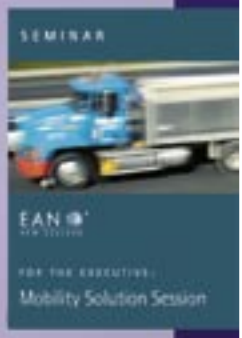
Traceability – when, what, how and why

August
Auckland, Wellington, Christchurch

With impending European and US regulations stipulating that fresh produce must be traceable, EAN New Zealand has scheduled a "basic guide" to traceability to brief members on some of the key issues.

This seminar will provide valuable information on what a growing number of retailers require to ensure that a product can be traced – from raw material supplier right through to the final consumer. It will explain the use of EAN-128 bar codes and how they can improve the efficiency of a supply chain, as well as provide better inventory control and traceability.

Case studies from manufacturers and retailers will give an overview of traceability and product recall in action.



Bar code foundation

May & August
Auckland, Wellington, Christchurch

The essential toolkit for understanding, using, printing and designing bar codes.

This course will improve your knowledge of bar code management and standards, and is designed to assist you in providing a smooth channel to market throughout your supply chain processes.

Attendees will learn how to:

- Create, allocate and manage item numbers
- Understand bar code standards
- Improve supply chain and inventory control within your organisation by using bar code applications
- Introduce creative bar codes into your packaging
- Eliminate errors before they cost you time and money

By attending this seminar, you will be equipped to get your bar codes right first time, every time and to develop the confidence to successfully manage your bar code operations.

This is the latest information available at SCAN's publication deadline: please visit the EAN New Zealand website www.ean.co.nz for current details on seminar dates, times and locations.

If you would like to sponsor a seminar, please contact Vikki James on 04 801 2897 or vikki.james@ean.co.nz

The **"yellow pages"** of the supply chain: you are listed!

All of EAN New Zealand's 4,100 member companies are now listed on the world-wide supply chain "yellow pages".

Jurjen Geerts, EAN New Zealand's General Manager Finance and Administration, says the information transfer to GEPIR (Global EAN Party Information Registry) has gone smoothly (SCAN, December 2003, p24).

"Benefits for our members include the fact that people from all around the world will now be able to contact them very easily," Jurjen says.

"What's more, by using GEPIR themselves, they can access information readily on other New Zealand companies."

More than one million EAN member companies from 62 countries can already be searched by name, country or bar code number - simply by clicking on the www.gepir.org website.

"The US (UCC) joined in late February, and all other EAN member organisations should be on GEPIR by next January," Jurjen says.

GEPIR has been described as "the e-glue of the global supply chain" and is operated by EAN member organisations. It helps everyone in the global supply chain keep track of each other and is used daily to identify and locate companies, to synchronise ordering, procurement and dispatch operations, and in e-commerce with trading partners.

Like an on-line international phonebook, GEPIR lets you look up companies by their name or EAN bar code number. The registry only contains information that is publicly available, but centralises and indexes it electronically for easy access.

In later developments, GEPIR will allow you to search by a range of company contact details, such as address, postal code and key words. It will also provide product images, dimensions, carton sizes, and tracking and tracing data where a company wants these to be available.

For more information

Jurjen Geerts on 04 801 0833 or jurjen.geerts@ean.co.nz or www.gepir.org (you can limit your search to New Zealand companies by using the "choose your country" menu at the bottom of the home page).

A guide to **verifiers**

We are often asked by members for information on equipment. The following article, written by EAN New Zealand Technical Consultant Owen Dance, follows on from our recent guide to scanners (SCAN, August 2003). This time we put verifiers under the spotlight.

Verification should be used by anyone who is handling bar-code symbols and who has an interest in their performance, but especially:

> the printer of the symbols (the packaging manufacturer, or the product manufacturer if using an in-house printing system) for quality assurance and process control purposes

> the person on whose product or item the bar code is being applied (the brand owner) for assurance that customers can use and will accept the symbols

> persons receiving the bar-coded item or handling it along the supply chain, for assurance that the symbols will work satisfactorily throughout their operation

It is the responsibility of the "owner" of the bar code (usually the brand owner of the product being bar-coded) to ensure that it meets the quality requirements of the entire supply chain. Printers and designers should be able to give informed advice. However, at the end of the day, they will deliver what their customer asks for – so customers should ensure that they are asking for technically correct bar codes.

A verifier is, in simple terms, a very smart scanner that not only reads a bar code but that also analyses many of its qualities. The verifier conducts tests that are specified in an ISO standard that has been adopted by EAN International and written in to EAN General Specifications.

A full ***EAN verification report*** indicates the likely scanning performance of the symbol under a range of conditions, and is as near as science can come to a guarantee that the tested bar code will scan first time, every time, everywhere.

A ***verification report*** is the basic test report produced by the verifier. It should always be supplemented by additional observations to ensure that the bar code complies fully with the EAN specifications.

Verifiers and scanners – what's the real difference?

Why not just use a scanner to check readability? After all, the scanner (also known as a "reader") collects light reflected from the bars and spaces of the symbol and outputs an electric signal that matches every bar and space. It then decodes these electrical signals with a set of rules (the decode algorithm) that enable it to interpret the data that has been encoded.

If all of that works, it works – right?

Not really. Two different readers might well have different degrees of success with the same symbol.

[continued next page]

No two scanners are the same. The optical configurations of scanners vary widely, and different types can show noticeable differences in scanning performance. Also, manufacturers of some bar-code readers build extra features into their decode algorithms to help the equipment decode poorer-quality symbols, but not all of these work in the same way. Consequently, a bar code that is not of very high quality may be readable by some scanners but not by others (SCAN, August 2003 p23).

So, at best, an ordinary scanner can be used as a "go/no-go" test of whether a symbol can be read by that scanner in your environment, and to check the data content. However, it cannot be used to reach any wider conclusions and it does not provide diagnostic information that can be used to improve the bar code.

Because a verifier bases its assessment on a standardised reference decode algorithm and on a calibrated optical response, it makes consistent and objective quality assessments.

Choose your verifier

In selecting a verifier, we suggest you consider the following:

> ***Does it apply the ISO methodology?*** This is defined in ISO Standard 15416. Compliance with ANSI X3.182, ANSI/UCC-5, or EN 1635 is also acceptable (These are earlier iterations of what became the ISO Standard, which is sometimes referred to in verification circles - obsoletely but acceptably - as "the ANSI Standard").

The ISO methodology is the only one recognised by EAN. You should insist that suppliers demonstrate that the verifier tests against the ISO standard required by EAN International General Specifications, not some other verification "standard".

The word "verifier" is sometimes used loosely to describe what are really elaborate scanners capable of monitoring some arbitrarily selected and non-standard aspects of bar code performance. Even when the term is correctly applied to equipment, the issue of standards remains: the ISO standard replaces an earlier testing method, generally called "traditional verification", that EAN and the Uniform Code Council (UCC) now consider obsolete.

> ***Does the equipment report in conformance with ISO Standard 15426-1?*** This standard defines the individual parameters of the bar code that the verifier should test and grade. It is important that reports are in the language of the ISO standard and of EAN's technical literature. That means "apples are compared to apples", ensuring effective diagnoses and correct technical advice.

> ***What is the optical arrangement in the verifier's scanner?*** (Examples are wand, mouse, laser or motorised head). Generally speaking, lasers, linear imagers and CCD scanners are unacceptable for verification to EAN standards, because they are hand-held and do not operate at a fixed distance from the bar code. This means that some aspects of measurement, especially those concerning contrast, cannot be controlled.

> ***Does the verifier suit your products?*** For example, a symbol on a tin cannot be scanned easily with a mouse because of the curve, while a wand may be difficult to use on a soft pack such as a bag of chips.

> ***Does the verifier suit your testing conditions?*** Can you convey the samples easily to a test bench where fixed equipment is set up, or do you need a portable verifier that staff can carry back and forth to different workstations or printing presses?

> ***What wavelength light source does it use?*** The EAN specifications require 670 nm ± 10 nm. Most verifiers on the market have 660nm light sources, which are within the ± 10 nm tolerance and are therefore acceptable.

> ***What aperture sizes are available for the verifier's scanner?*** To test EAN bar codes, you will need some or all of 6 mil, 10 mil and 20 mil sizes (where "one mil" equals one thousand of an inch – the corresponding metric sizes are 0.15mm, 0.25mm and 0.5mm). Contact EAN New Zealand or ask the equipment supplier which size or sizes you need for the bar codes you intend to test.

> ***What form of output is available?*** (Examples are LEDs, display, print-out of details and individual scan profiles, PC connection). For adequate diagnosis of results, your verifier should provide individual results for:

- decode
- symbol contrast
- minimum reflectance
- edge contrast
- modulation
- defects
- decodability
- bar width gain/loss
- an overall "symbol grade" based on the averaged results of 10 separate scans

- ***What symbologies is the verifier able to verify?*** Make sure that it can test EAN-128, and not just the generic Code 128 bar code.
- ***What customer service does the supplier offer?*** Verification is not rocket science, but it does require initial training and most users want access to a help line (EAN New Zealand would need to charge for any on-site training, so this should be sought from equipment suppliers in the first instance).

Remember to ask around before purchasing - talk to EAN New Zealand staff and to other verifier users to ensure you have a clear understanding of your requirements and the products available. It is also worth comparing prices, as equipment costs may vary between suppliers and with fluctuations in the exchange rate.

Verifiers capable of testing to ISO/ANSI specifications

The Uniform Code Council (UCC) has evaluated a number of verifiers sent to it for testing by manufacturers: those assessed as compliant with EAN.UCC requirements are described in the table below. As there may be other equipment that complies but which is not listed, please contact EAN New Zealand for further advice if you are considering any verifiers not shown in the table.

Please note:

- A 6 mil (0.15mm) aperture is required for testing EAN·UPC bar codes (EAN-8, EAN-13, UPC-A & UPC-E)
- A 10 mil (0.25mm) aperture is required for all ITF-14 bar codes printed at less than 62.5% magnification and all UCC/EAN-128 bar codes
- A 20 mil (0.50mm) aperture is required for ITF-14 bar codes greater than, or equal to, 62.5% magnification

As stated, this list is by no means comprehensive and other units may also be capable of testing to the requirements highlighted above. Please consult EAN New Zealand for comment on other types of verifier.

For more information

Owen Dance, Technical Consultant on 04 801 2894
or owen.dance@ean.co.nz

Verifiers capable of testing to ISO/ANSI specifications

MAKE/MODEL	APERTURES AVAILABLE (MIL)*	ISO/ANSI CAPABLE	BAR WIDTH CHECK FEATURE	COMMENTS
Axicon PC 6500	5,6,10,20	yes	yes	Maximum scan width 125mm including light margins
Axicon PC 6000	6,10,20	yes	yes	Maximum scan width 72mm including light margins
Axicon PC 7000	10,20	yes	yes	
Axicon PC 8000	6,10,20	yes	yes	For use with PC 6000 read head
Axicon CE-9000	6,10,20	yes	yes	For use with PC 6000 or PC 7000 read head
HHP Quick Check 200	6,10	yes	yes	
HHP Quick Check 350 (discontinued)	3,5,6,10,20	yes	yes	Interchangeable wands with fixed apertures
HHP Quick Check 600	3,5,6,10,20	yes	yes	Interchangeable wands with fixed apertures
HHP Quick Check 800	3,5,6,10,20	yes	yes	Linear imaging input device not suitable for EAN verification
HHP Quick Check PC600	3,5,6,10,20	yes	yes	
RJS Autoscan 11	6,10,20	yes	yes	
RJS Inspector 4000	6,10,20	yes	yes	
Stratix Xaminer 5500	6,10,20	yes	yes	
Stratix Xaminer 6500LS	6,10,20	yes	yes	Interchangeable wands Laser gun attachment not suitable for EAN verification

* One mil is equivalent to one thousandth of an inch

Certificate course broadens appeal

EAN's Certificate in Automatic Data Capture Standards course continues to grow and to attract favourable attention in New Zealand and beyond. Since Christmas, eight more students have completed the course to bring total graduate numbers to 16. Another 50 people are enrolled in the course, and there is continuing interest from employers all over the country.

EAN New Zealand's Bruce Pollock, appointed in December, achieved a personal goal – namely, to finish the course as part of his EAN induction in time to win one of the first ten certificates awarded. Students were encouraged to compete for the distinction of having one of these "first finishers" certificates, which were individually numbered.

Bruce pipped Phil Aldworth of Nestlé New Zealand at the post, submitting his final work less than twenty-fours ahead of him. However, Phil's certificate was also special, as it was the first one to be signed by EAN New Zealand's new Chief Executive, Dr Peter Stevens.

Course achieving wider recognition

Course coordinator Owen Dance says EAN New Zealand and the Printing and Allied Industry Training Council are cooperating to make the EAN certificate an optional component within the PAITC Diploma in Print Management, a qualification recognised within the printing industry throughout Australasia.

RECENT GRADUATES ARE:

- DON BARKER OF HANSEN PRODUCTS (NZ) LTD, WHANGAREI
- FIONA MATHESON OF CLOROX NZ LTD, AUCKLAND
- BRUCE POLLOCK OF EAN NEW ZEALAND'S CHRISTCHURCH OFFICE
- PHIL ALDWORTH OF NESTLÉ NEW ZEALAND LTD, AUCKLAND
- CRAIG WYLIE OF MCP NEW ZEALAND LIMITED, CHRISTCHURCH
- AMY HAIG OF HALLY LABELS, CHRISTCHURCH
- STUART BRIERLY OF HALLY LABELS, CHRISTCHURCH
- PHILIPPA AVIS OF MONTANA WINES, AUCKLAND
- DAVE KEAY OF MONTANA WINES, AUCKLAND

EAN Australia and EAN New Zealand are also comparing the content of their certificate courses with a view to harmonising their content. At the same time, EAN International is drawing together training initiatives from over 20 EAN organisations offering comparable courses to ensure international uniformity and mutual recognition.

Owen says the EAN International e-learning site that provides a major component of the course will be significantly upgraded this month, to incorporate more user-friendly software and additional modules on EDI and e-commerce. The course study guide will be expanded to incorporate these new topics.

"We are on the up and up," says Owen. "The future for the certificate course looks better every month, with more interest from people and organisations from all sectors and abroad."

Owen says his next challenge is to integrate the course into the National Qualifications Framework, so that completing it will count towards a variety of other qualifications in related fields.

TORLESSE WINES LTD
NUTRA NZ LTD
COBALT AGENCIES / IMPACT POSTERS
BIG RED TACKLE
SEA PRODUCTS 1998 LTD
MAXIM OPTICAL
HAHEI PLANTS LTD
HAFELE NZ (LTD)
ISLA SERVICES LTD
YOUNG & ROBINS LTD
THE PORK MARKET LTD
THOMSON ESTATE LTD
THAWLEY ORCHARD CO. LTD
8+ CREATIONS LTD
CAPITAL RACKING SYSTEMS
ASIAN IMPORTS LTD
BATH CULTURE LTD
ANCHORAGE WINES NZ LTD
METERMASTER NZ LTD
COKER FRUIT COMPANY LTD
MEDITERRANEAN CERAMICS LTD
FIDELITY ENTERPRISES LTD
PAPER MEDIA LTD
RINNAI NZ LTD
QUICKER LIQUOR
GLOBAL PHARMACEUTICALS LTD
NEW ZEALAND FRESH PIPFRUIT LTD
RIVERDALE FOODS
THE NEW ZEALAND SCALLOP COMPANY LTD
VIXEN DIRECT LIMITED
PISA MOORLINGS VINEYARD LTD

HANDLE IT LTD
BLACKENBROOK WINES LTD
J S T PLAIT
G N NETWORKS LTD
GISBORNE PACKING AND COOLSTORAGE LTD
BAGEL CRISP CO LTD
NEXT CONSULTING LTD
BEVERAGES OF NEW ZEALAND LTD
AUNTSFIELD ESTATE LTD
DJ & KM GREENWOOD
APPLEMAX LTD
SWANNANOA WINES LTD
PFM DESIGN LTD
TOTAL RETAIL SOLUTIONS LTD
ROLLEX GROUP (AUSTRALASIA) LTD
GOBBLE LTD
DURASET (NZ) LTD
PACIFIC BRANDS CLOTHING GROUP
NATURE CARE NEW ZEALAND CO LTD
THE OPINION NEWSPAPER LTD
LETTUCE GROW LTD
HEALTHWAYS PRODUCTS CO LTD
CARLUKE TASTES LTD
TITIRANGI MANUFACTURING LTD T/A RACEBRED
MAREXIM EXPORT-IMPORT LTD
KEW STEELE & CO LTD
MOUNT ERIN PACIFIC LTD
STANSBOROUGH FIBRES LTD
HORRELL FARMS (MOTUEKA) LTD
TREVOR MILLAR
PAFFONI NZ LTD

MP & CA MCGRATH LTD
GOLDEN HEALTH SOLUTIONS (NEW ZEALAND) LTD
THREE MINERS VINEYARDS LTD
SNOW COUNTRY GARDENS LTD
ARROW PHARMACEUTICALS (NZ) LTD
GRAEME WRIGHT LTD
DRAGON PACIFIC LTD
URBAN EDGE LIMITED
CLASSIC PLANTS 1998 LTD
AQUA SPORTS LTD
CAROL PRIEST NATURAL COSMETICS NZ LTD
KOREAN KIMCHI CO LTD
HEARTLAND FRUIT (NZ) LTD
HASTINGS DISTRICT COUNCIL - ENGINEERING
BERRY GOOD NEW ZEALAND LTD
CLEARWATER CONCEPTS PROPRIETY LTD
BRUNTWOOD NURSERIES
LITTLE PRODUCT
APATU FARMS
MM KEMBLA
HALLIDAY & BAILLIE LTD
MOTHERS INC
MILLS FARM
TROPER EXPORTS LTD (TOTAL TRADING DIV)
X FACTOR MASTERSTRIP LTD
SULTAN ZIBA LTD
DATA PROTECTION (SI) LTD
WILTON WELSH LTD
HEALTH BEYOND 2000 LTD

REBORNNE NEW ZEALAND LTD
DIRECTUS INTERNATIONAL LTD
METALLION LTD
SPOTLESS SERVICES (NZ) LTD
HALCYON LIGHTING LTD
APOLLO FRUIT LTD
BARKER TECHNOLOGY LTD
IMPEX INTERNATIONAL TRADING LTD
SIPS LTD
W & A MCFARLAND LTD T/A BLUEBERRY CORNER
EASY HEALTH PRODUCTS
THE GISBORNE WINE COMPANY
FOUNDATION FOODS
CARNEVALE FOODS
COPPERDOG LTD
NEW ZEALAND WINE ASPICS LTD
APPETITE LTD
FOODWISE LIMITED
THE RIM PACIFIC TRADING CO LTD
AZKA LTD
PEN PAL GAMES (NZ) LTD
PRYDA NZ LTD
TRUE MOSS PRODUCTS LTD
TANNER TRADING NZ LTD
MARLBOROUGH HERBS AND SALADS LTD
DE SPA CHOCOLATIER
TANNER TRADING NZ LTD
AMALTAL FISHING COMPANY LTD
KATIPO SPORTS (NZ) LTD

EAN-accredited **companies**

Our last issue of SCAN highlighted the 18 manufacturers and 38 suppliers now fully accredited under EAN New Zealand's ACERT programme and the further 28 companies enrolled in the programme.

In that article, Carter Holt Harvey Case South Island was incorrectly named – so we'd like to set the record straight! Carter Holt Harvey Case South Island is an EAN-accredited supplier: this means it can issue verification reports that prove that the bar codes it has produced are fully EAN-compliant when supplied to the customer, so the risks and extra costs associated with non-compliance are minimised.

EAN-accredited companies complete extensive training in the EAN.UCC system. They must have well-documented quality assurance procedures to ensure the integrity of their bar coding, and they must maintain these procedures on an ongoing basis. While of particular concern to grocery manufacturers just now, accreditation deserves consideration by all manufacturers because of its merits as a quality assurance strategy and also because of the likely future adoption of mandatory bar code quality reporting in non-grocery sectors.

For more information on the accreditation programme, please contact Owen Dance on 04 801 2894 or owen.dance@ean.co.nz, or visit our website www.ean.co.nz

NEW STAFF CLAIRE KELLY & JAY CARLSEN

Claire Kelly joined EAN New Zealand in January as Area Manager - Taupo to the top of the North Island.

Her background is in key account and customer business management in the FMCG, manufacturing and service industries for both national and international markets.

Most recently, she has carried out contract work with Coca-Cola Amatil (NZ) Ltd and Fusion Insurance Ltd (Royal and SunAlliance) in between crewing on international super-yachts in the Mediterranean and South Pacific.

Claire's last permanent position was as Regional Account Manager - Lower North Island for Faulkner Collins Ltd, where she was responsible for technical sales, area and customer business management in long-run wire and tube fabrication.

Jay Carlsen has recently been appointed to the position of Verification Services as part of the Member Services team.

Jay has been with EAN New Zealand for almost two years, working as a part-time employee in the verification room. He has just finished four years at Victoria University, where he completed a Bachelor of Commerce and Administration majoring in Marketing and Management followed by an Honours Degree in Marketing.

Jay's focus will mainly be in the verification area, offering members solutions to solve their bar coding problems. He will also work closely with the member services team, helping them with membership enquiries.

"My aim is to make verification a helpful service to all members by verifying products within 48 hours of arrival and by solving any problems which may arise from the bar coding process," Jay says.

Bar code basics

EAN-128 or ITF-14? Keep it simple...

Some users of corrugated board cartons are using EAN-128 bar codes when they may not have to.

The EAN-128 bar code is difficult to print on corrugated board to the standard required by the current ISO testing process specified by EAN.

Where an EAN-14 number is the only information that needs to be encoded, ITF-14 bar codes will be fine on the carton. They're much easier to print and are just as acceptable to scanners throughout the supply chain.

However, you will need to use an EAN-128 bar code when additional information such as batch numbers or use-by dates has to be encoded with the number in the same bar code. The ITF-14 bar code cannot handle this type of information.

"Several years ago, when the potential of EAN-128 first attracted the attention of the grocery trade, word went around that the trade was going to want suppliers to use it," says Owen Dance, EAN New Zealand Technical Consultant.

"Some suppliers began doing so in anticipation. However, in the event, the trade asked for EAN-128 only where supplementary information was involved. This is consistent with the purpose of EAN-128 bar codes: they don't need to be used in other cases."

Owen says that companies using EAN-128 bar codes on corrugated board units should talk to EAN New Zealand or to their packaging suppliers about whether they should switch to ITF-14. Making the change is likely to simplify their packaging printing and lower their costs.

EAN 128

ITF 14

NOTE: Bar codes shown are not actual size.

Do you need a new bar code?

As "brand owner" of your products, you know that a good bar code is an essential part of your high-quality product. However, sometimes it can be hard to know when it's time to create a new bar code. What change is important enough to warrant changing the bar code, and what changes are too trivial to worry about?

EAN New Zealand has just published a flyer to help you through these decisions, while EAN International has information on its website covering almost every conceivable possibility.

A common example where manufacturers sometimes make mistakes, according to New Zealand retailers, is what to do when the size of a product changes. Say, for example, that you've changed your packet of macaroni from 350g to 300g.

In this case you must provide a new bar code (based of course on a new Global Trade Item Number, or GTIN). That's because the change alters the consumer information on the shelf label. If retailers don't (or can't) distinguish between the "old" and "new" retail items, that could lead to inaccurate unit pricing and legal penalties. Everyone in the supply chain also needs a new GTIN to make sure they phase in the new and phase out the old product correctly.

In such a case, you also need to use a new GTIN for grouped units such as cartons and pallets, since their contents have changed significantly.

FOR MORE INFORMATION

> *Go to http://www.ean-int.org/gtinrules/i_index.htm*

> *Order EAN New Zealand's flyer "Do I need to change my bar code number?" from EAN New Zealand: ph 04 801 0833 or download a copy from www.ean.co.nz*

> *Contact Matthew Sheehy on ph 04 801 2893 or matthew.sheehy@ean.co.nz or Area Managers Claire Kelly (upper North Island) ph 021 711 169 or Bruce Pollock (South Island) ph 021 711 070*

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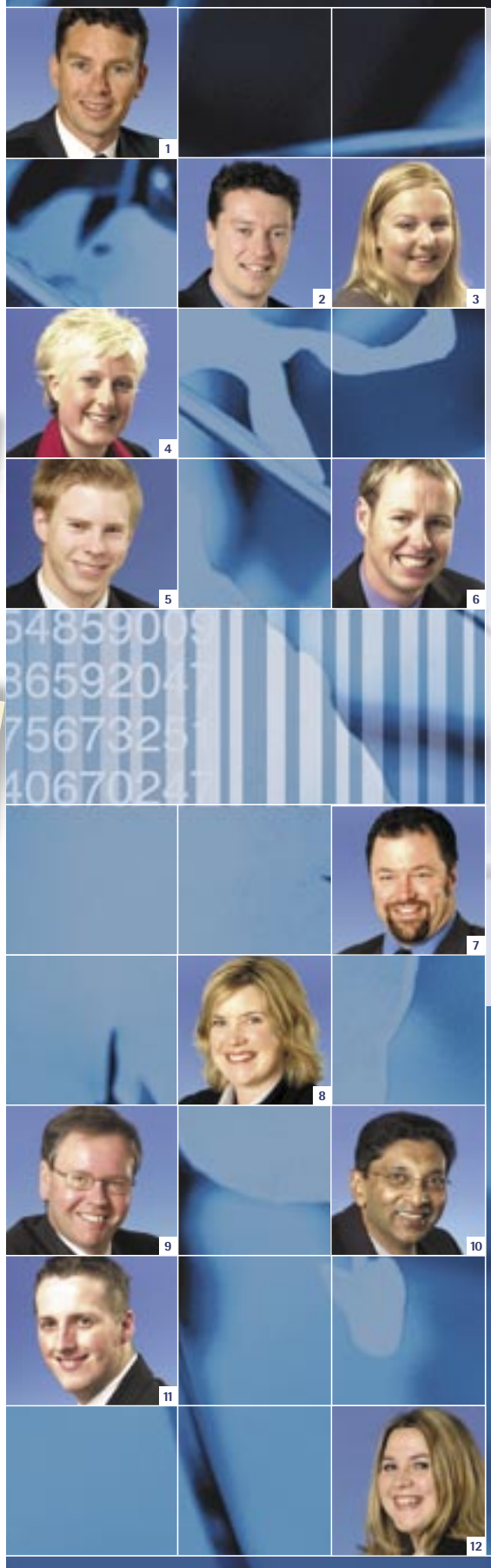

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