



HUG Primer Global Data Synchronisation Network (GDSN)

Berlin, 30 January 2007

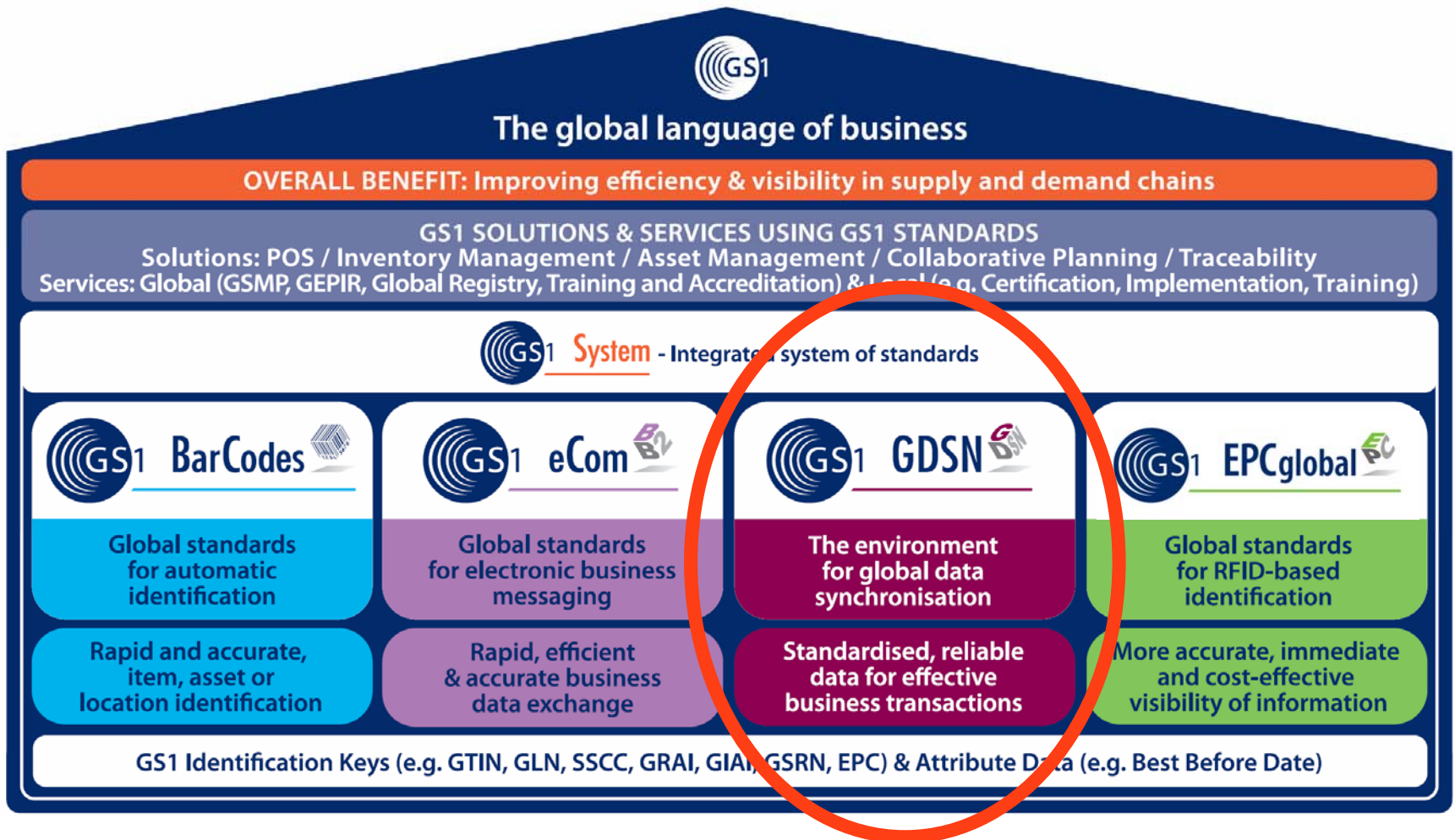
Rolf Stark, CEO SINFOS GmbH

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GDSN: A pillar of the GS1 System



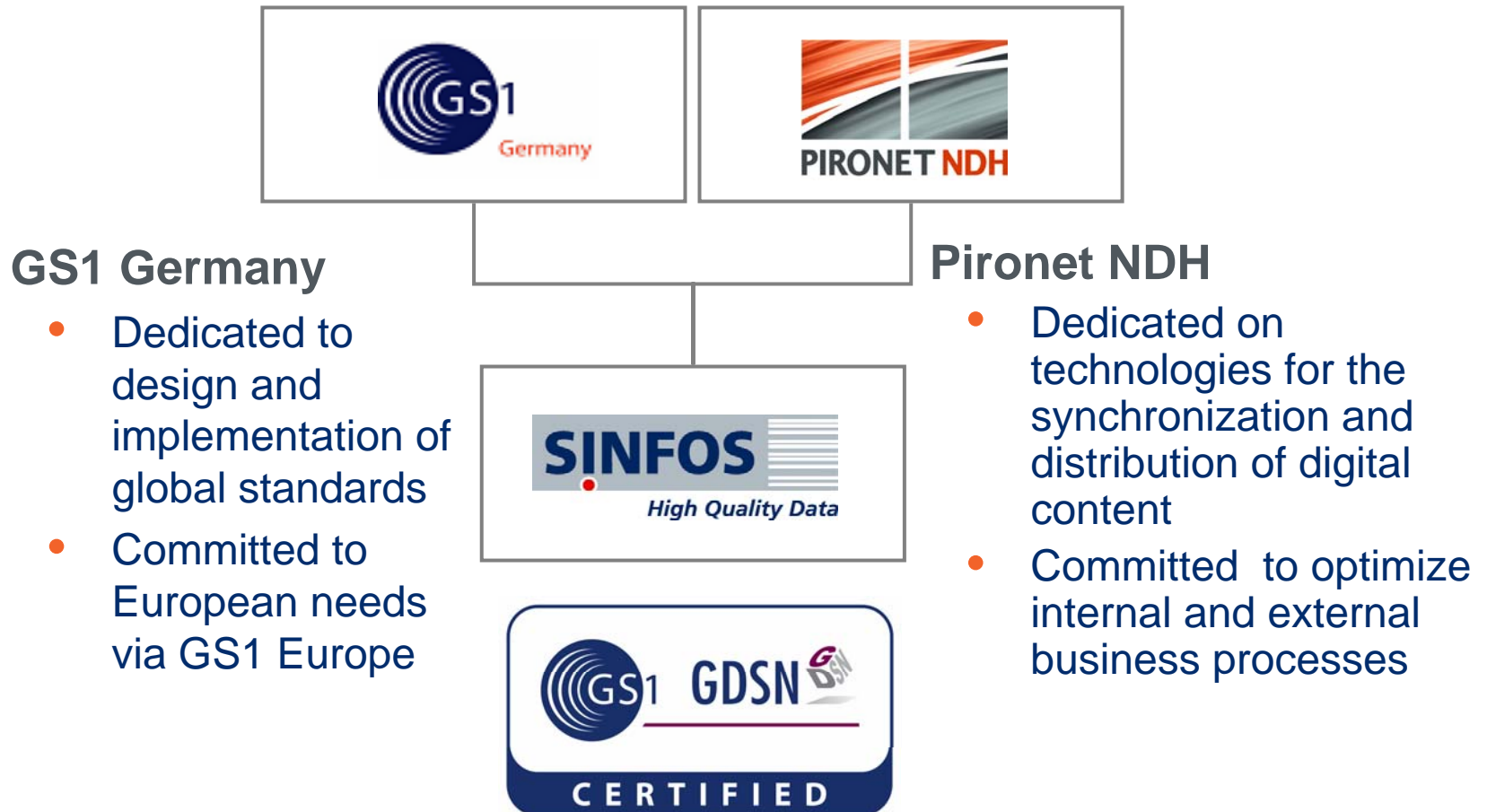


SINFOS: GDSN certified Data Pool

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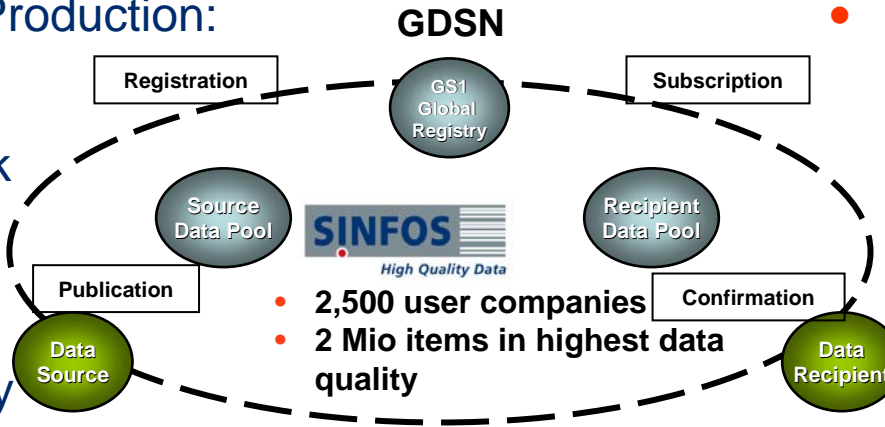
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Strong Partnership in Standards and Technology



• SINFOS in Production:

- Austria
- Denmark
- Estonia
- Finland
- Germany
- Ireland
- Italy
- Poland
- Romania
- Russia



- 2,500 user companies
- 2 Mio items in highest data quality

• Connection with other GDSN Data Pools

- The Netherlands
- UK
- 1Sync
- agentrics

• Soon to come:

- Iceland
- Czech Republic





GDSN Organization and Activity

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What is GDSN, Inc.?



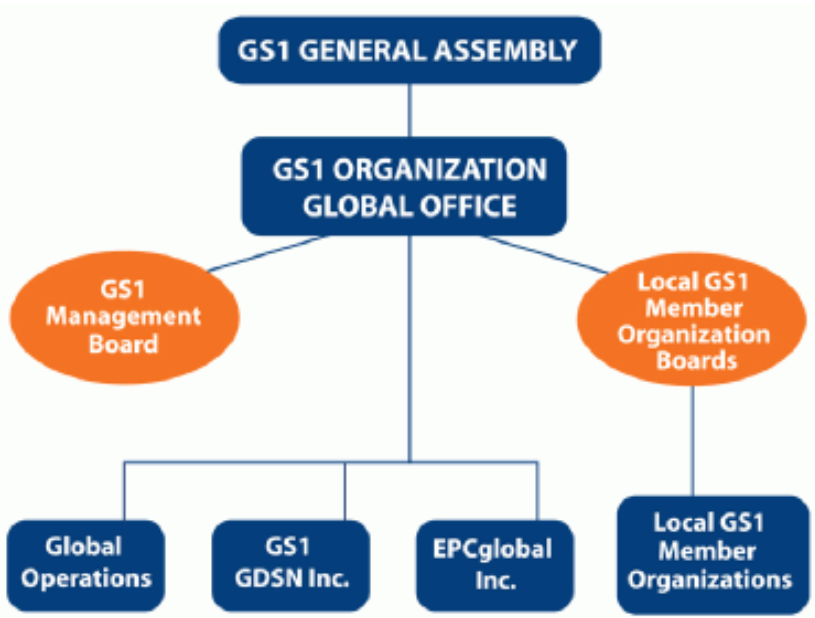
Not-for-profit business chartered to promote and guide standards-compliant GDS activity across the globe via the GDSN

Provides oversight of the Global Registry, GDSN Community collaboration, Global Product Classification (GPC) and the industry Data Quality Protocol

Business unit of GS1 Global Office



GDSN Within GS1



Board of Directors



A collection of logos for the Board of Directors members, including:

- Ahold
- Nestlé
- Unilever
- WAL*MART
- Wegmans
- AGENTRICS
- METRO Group
- TESCO
- GXS
- groupe carrefour
- P&G
- SMUCKER'S
- KRAFT
- Australia, Colombia, France, Germany, US (GS1)



GDSN and Global Registry Background

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Current Communications Process

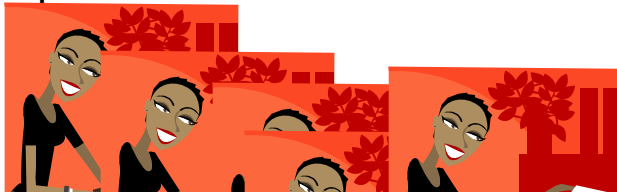
Manufacturer sells product to Retailer and sends product information to Retailer via EDI, fax, paper form



Retailer inputs product information into computer (POS, etc) systems



Manufacturer makes change to product and sends changes to Retailer via EDI, fax, paper form



Retailer inputs changes into computer



Numerous interactions leads to numerous errors



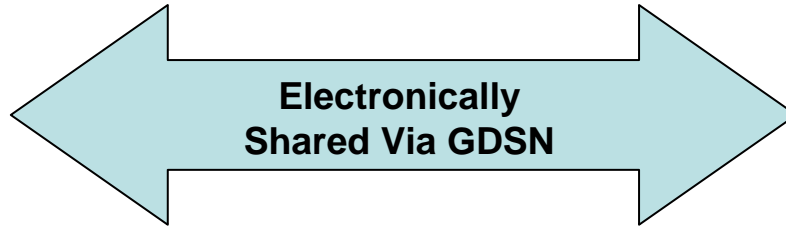
Data Synchronization is....

- Electronic transfer of standardized item and location information AND the continuous harmonization of that data over time
- Involves sharing standardized information
 - Item information (GTIN) including attributes controlled by the brand owner/data source (e.g. net content, dimensions, weights)
 - Location information (GLN) including locations involved in trade (e.g. headquarter, billing, ship to)
- Facilitates communication among trading partners



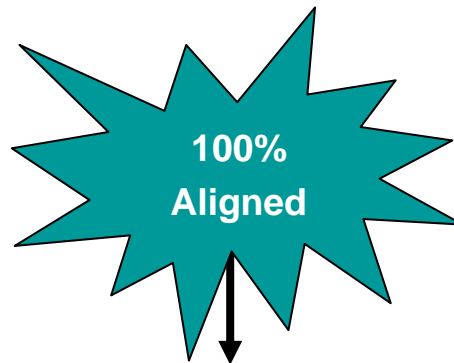
Data Sync Overview

Retailer



Manufacturer

- GTIN Case Code
- GTIN Package Code
- Package dimensions
- Product Weights
- TI/HI



- GTIN Case Code
- GTIN Package Code
- Package dimensions
- Product Weights
- TI/HI

Ongoing Practices

- New Items/New Authorizations
- Product Changes/Updates
- Special Packs, Modules

Objective:

Improved Transaction Accuracy

- Invoice, Payment, Orders

Improved Speed to Market

Better Consumer Value



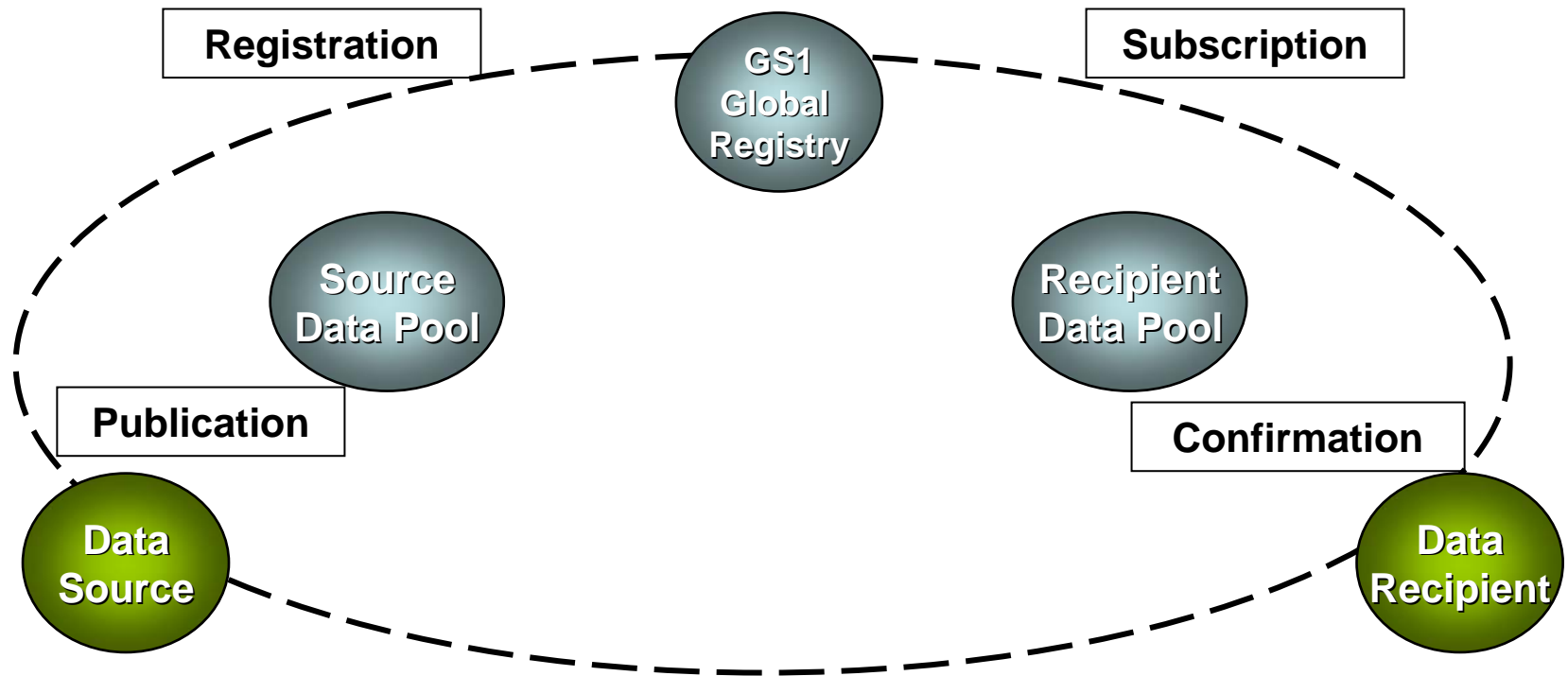
Global Data Synchronisation Network

- Registry for Registration of Items and Parties, and Global Search
- Retailers and Suppliers have single point of access via Certified Data Pools
- Standards compliant data and messages



Global Data Synchronization Network (GDSN)

The GDSN is comprised of a single registry (GS1Global Registry), Data Pools, and trading partners working together to establish technology solutions, business processes, and standards to support data synchronization.





GDSN Growth Jan 2005 – December 2006

	Jan 2005	Feb 2006	29 Dec 2006
Data Pools: Certified	10	10	24
Data Pools: “Trial Activity”	7	7	13
Data Pools: Frequent Activity	7	2	4
Subscribers / Users	200	3,778 <i>110 retailers</i> <i>3,668 manufacturers</i>	10,892 <i>135 retailers</i> <i>10,757 suppliers</i>
GTINs (Items) Registered	180,000	479,000	1,161,000



GDSN Participants

Retailers

- AAFES
- Ahold
- Albertson's
- Best Buy
- Carrefour
- Coop Italia
- Dairy Farm Group
- Exito
- Home Depot
- Lowe's
- Metro Groupe
- Safeway
- Staples
- Supervalu
- Target
- Walgreens
- Wal*Mart
- Wegmans

Suppliers/Manufacturers

- Alberto Culver
- Alcon
- Bayer
- Cadbury Schweppes
- Coca-Cola
- Colgate Palmolive
- ConAgra
- Clorox
- Danone
- Del Monte
- Eastman Kodak
- Energizer
- Eveready
- General Mills
- Gillette
- Glaxo Smith Kline
- Heinz
- Jergens
- Johnson & Johnson
- Kellogg Company
- Kimberly Clark
- Kraft
- Intuit
- Mattel, Inc.
- Nestle
- Memorex
- Neutrogena
- Parmalat
- Pepsi
- Philips Cons. Electronics
- Procter & Gamble
- Revlon
- J.M. Smucker
- Sony
- Unilever
- Zenith



GDSN Benefits and ROI

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The Steps to Collaborative Commerce



Source: GS1 US™ and AT Kearney



Catalog Disparities



- Incorrect - 30% of Item Data
- To Correct - \$60-\$80 per Error
- Cleanse - 25 minutes per SKU per year



Invoice Errors



- Incorrect - 60% have Errors
- Costs – 43% have Deductions
- To Correct - \$40-\$400 to Reconcile















Lost Sales Opportunity



- Product Roll-In – 4 Weeks on Average
- Lost Sales – 3.5% due to Inaccurate data



GDS Benefits Overview

BENEFIT	RETAILER	MANUFACTURER
Inventory Reduction	0.5 – 1.0% 	0.5 – 1.0% 
Out of Stock %	2 – 4% 	2 – 4% 
Cost of Reconciliation Errors	5 – 10% 	10 – 20% Customer service and finance 
Logistics costs	1% or more 	1% or more 
Receiving times	+1000 hrs 	+1000 hours 
Speed to Market	 2 weeks	 2 weeks

(Source: AT Kearney)

Accurate, synchronized data eliminates many manual processes item setup and maintenance



Sales Representative Value Add

- No need to fill out new item forms for all customers
- No need to communicate changes and corrections
- More time can be spent building sales



Merchandising Administration

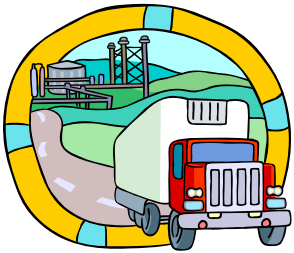
- No more data entry of new items forms
- Elimination of key entry errors
- No more paper trail from merch=>pricing=>logistics=>accounting



Improved Sales

- New item processes reduced
- Merchant administrative time can be reinvested in building sales
- Better visibility to more supplier catalogs

Synchronized and accurate cube and weight data will allow:



Inbound and outbound truckloads to be better utilized reducing freight costs and increasing efficiency



Inbound truckloads received and put away efficiently reducing time, handling, cost and improving shelf service levels

Accurate and synchronized data will improve invoice accuracy and associated reconciliation processes



Invoice reconciliation

- More invoices will be accurate
- More streamlined/timely processes for resolving invoice discrepancies
- Reduced out of period adjustments which will make financial information more actionable
- Reduced receiving quantity errors to be reconciled



Summary of GDSN Benefits

GDSN:

- Provides **standardized, reliable data** for effective business transactions in both local and global markets, **driving costs out of the supply chain**
- Ensures that **trading partners work in a standardised way** thereby reducing duplicate systems and processes
- Ensures that **item data is updated and consistent** between trading partners, and that the item is unique
- **Validates accuracy of data** against standards and business rules



Implementation

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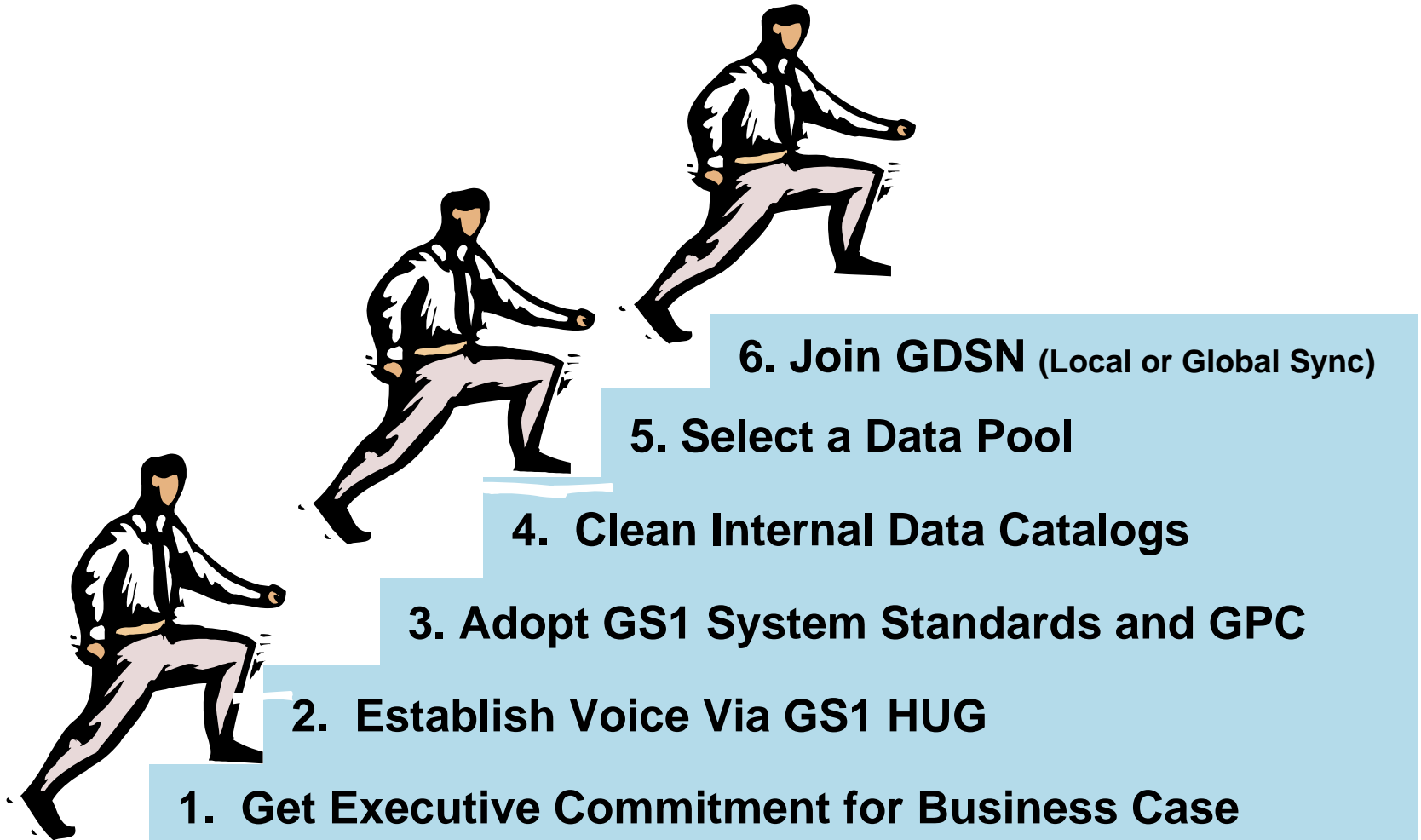
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The Players

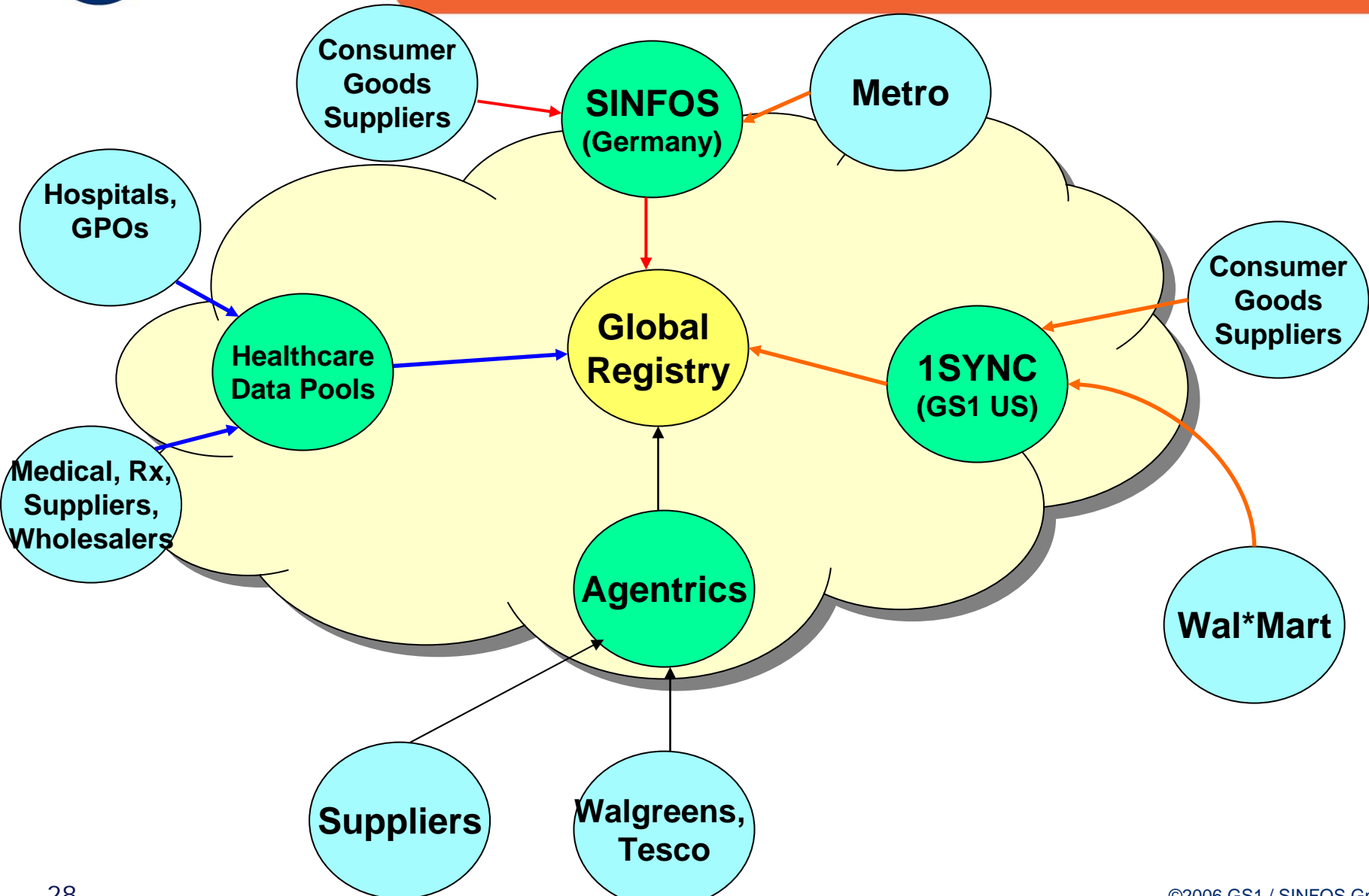
- Trading Partners
 - Suppliers and manufacturers
 - Wholesalers
 - Retail Pharma
 - Hospitals
 - GPOs
- Data Pools
 - Currently 24 certified data pools
- GDSN, Inc.
 - Global Registry
 - GDSN Governance
- GS1
 - GS1 System Standards
 - Classification (UNSPSC and GPC)
 - GS1 Healthcare User Group (HUG)

Users: Implementation Steps





GDSN for Healthcare: A Perspective





Trading Partner Actions

- Ready your organizations internally for data synchronization
 - Executive Commitment
 - Education
 - Sponsorship across Commercial, Supply Chain, IT and Finance
 - Develop business case
 - Begin internal process and data alignment
- Participate in industry initiatives to drive standards
 - GS1 HUG → GDSN User Group
 - Use GLN and GTIN standards
- Move to standards compliance, then to local synchronisation, and then to global data synchronization



GDSN and GS1 Actions

- Expand GS1 System Standards to support Healthcare Sector requirements
 - 85 Healthcare-applicable attributes currently available (dimensions, quantity, trade item core data, order, ship, storage)
 - Standards-compliant data synchronisation for local and global markets
- GS1 HUG continue to understand requirements and represent the collective community
- Communicate across network of 104 GS1 MOs
- Maintain established network of GDSN certified Data Pools
 - Currently 20 Data Pools supporting data sync in 30+ countries



Healthcare Attribute Support Today

agreedMaximumBuyingQuantity
agreedMinimumBuyingQuantity
brandName
consumerAvailabilityDateTime
deliveryToDistributionCenterTemperatureMaximum
deliveryToDistributionCenterTemperatureMinimum
deliveryToMarketTemperatureMaximum
deliveryToMarketTemperatureMinimum
depth
descriptionShort
diameter
endDateMaximumBuyingQuantity
endDateMinimumBuyingQuantity
endDateTimeOfExclusivity
firstdeliverydatetime
firstOrderDate
firstShipDate
functionalName
genericIngredient
genericIngredientStrength

goodsPickUpLeadTime
grossWeight
handlingInstructionsCode
hasBatchNumber
height
importClassificationType
importClassificationValue
ingredientStrength
invoiceName
isnetContentDeclarationIndicated
isNonSoldTradeItemReturnable
isPackagingMarkedReturnable
isPackagingMarkedWithIngredients
isTradeItemAnOrderableUnit
isTradeItemReorderable
lastOrderDate
lastShipDate
linktoexternaldescription
materialSafetyDataSheet
materialSafetyDataSheetNumber
maximumBuyingQuantity



Healthcare Attribute Support Today

minimumTradeltemLifespanFromTimeOfArrival
minimumTradeltemLifespanFromTimeOfProduction
netContent
netWeight
orderingLeadTime
orderingUnitOfMeasure
orderQuantityMaximum
OrderQuantityMinimum
orderQuantityMinimum
orderQuantityMultiple
orderSizingFactor
organicClaimAgency
organicTradeltemCode
packageMarksDietAllergen
packageMarksEnvironment
packageMarksEthical
packageMarksFreeFrom
packagingMarkedExpirationDateType
productRange
replacedTradeltemIdentification
retailPriceOnTradeltem

returnablePackageDepositAmount
returnablePackageDepositCode
securityTagLocation
securityTagType
sellingUnitOfMeasure
startDateMaximumBuyingQuantity
startDateMinimumBuyingQuantity
storageHandlingHumidityMaximum
storageHandlingHumidityMinimum
storageHandlingTemperatureMaximum
storageHandlingTemperatureMinimum
subBrand
suggestedRetailPrice
tradeltemCountryOfAssembly
tradeltemCountryOfOrigin
tradeltemFeatureBenefit
tradeltemFormDescription
tradeltemMarketingMessage
tradeltemUnitDescriptor
variableTradeltemType
variant
width



Thank you!

Contact details

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For more information on GDSN:

www.gs1.org/productssolutions/gdsn/

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Backup Slides

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Accurate Data Synchronisation Benefits at Wegmans

- **Transportation Savings: \$3.5 million dollars annually**
- **New Item Introduction: Improved speed to shelf**
- **Distribution Network: \$1 million in labor and inventory carrying costs**



Suppliers Are Finding Significant Benefits

Transportation Savings:

- One company corrected a weight error on a top selling item and saved \$2.5 million in transportation costs for one product line – with a potential to save an additional \$1.5-3 million for additional product lines

New Item Introduction:

- Improved the speed to shelf of new products from 4-8 weeks to 2 weeks
- Increased the number of new items introduced in one year by 50%, with no new headcount

Order Administration:

- One company will increase administrative productivity by 59,000 hours annually by reducing inspection time of each order by just 5 minutes

Distribution Network:

- One company improved information transfer through its distribution network from 5-6 days to 2 days



Acronyms

GDSN – Global Data Synchronization Network

- The GS1 Global Registry™ and a network of interoperable certified data pools that enable data synchronization per GS1 System standard

GSMP – Global Standards Management Process

- The procedures, methods, and practices that develop and maintain the GS1 System standards. GS1 manages the Global Standards Management Process.



Acronyms

GTIN[®] – Global Trade Item Number

GLN – Global Location Number

GPC- Global Product Classification Code

CIS – Catalogue Item Subscription

CIN – Catalogue Item Notification

CIC – Catalogue Item Confirmation



Additional Information on GDSN and GSMP

For more information on GDSN

- www.gs1.org/productsolutions/gdsn/

For more information on GSMP

- http://www.gs1.org/global_smp/gsmg_smp.htm/