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GDSN IN ACTION

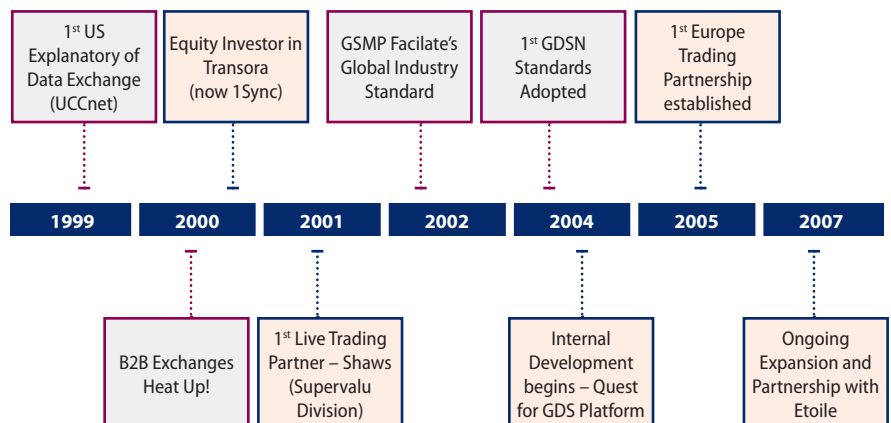
Synchronising data at Kraft Foods: an ongoing journey



Jochen Rackebrandt of Kraft Foods, spoke at the GS1 General Assembly in May 2008 where he shared the history of data synch at Kraft, which he qualified as a "journey" that is still underway:

Industry Driven

Kraft Driven



Currently, Kraft is live with GDS in 12 countries, with a great deal of future potential. In the Americas, Kraft has full catalogue implementations with major customers in both the U.S and Canada; and more limited activity in Mexico and South America. In Europe, Kraft is using GDSN with customers in France, Belgium, Netherlands, Italy and U.K. with the Kraft Global System, and using local Data Pools in Germany, Finland, Denmark, Sweden with local Kraft systems. With their "Project Etoile" partners, Kraft is developing implementation plans for Spain and exchanging test data with Makro in U.K. They are also exploring opportunities in Russia.

Kraft has an end-to-end GDS Process Flow, which is built around master data that has a common infrastructure. There is continuous harmonisation of data by one data owner with one internal and external feed; and there is also at Kraft a true effort to provide certified data quality via ongoing compliance tracking against policies as well as periodic audits.

There is in fact a data certification pilot that is underway at Kraft in the US as an ongoing process through which the values of key product attributes are verified through sampling and inspection, in order to continuously understand and track the accuracy of a product at any stage in its development. Kraft began with a data accuracy audit as this “point in time” verification of product attributes is a key starting point for gauging data quality. 4,000 cases of samples (2,000 SKUs) from multiple manufacturing plants were audited, with nearly 150 attributes collected for all package levels: case, inner pack, even each unit.

“GDS will not work when companies are not doing their homework.”

The audit confirmed that many inaccuracies exist in weights and dimensions; and proved that poor data quality causes inefficiencies. For example, one setup error in a product specification impacts 20 functions. The audit allowed Kraft to gain valuable experience, identify values for “new” attributes not currently maintained, and perhaps most importantly, obtain senior management awareness, commitment and funding.

Among some of the many lessons learnt in the data certification audit:

- Products need to be grouped and harmonised by “family,” whether it be brand, consumer unit, dimensions or functional name
- Consistent certification environments and methods must be utilised: the same tools at every collection site, the same processes for measuring
- Education and Training are essential
- Internal Master Data certification indicators (such as certification date and status) are critical to maintaining and tracking data quality

“Global Data Synchronisation will not work when companies are not doing their homework,” Jochen noted in conclusion, adding “Kraft is committed to working hand-in-hand with its trading partners to drive mutual data synchronisation benefits.”

COOP and Mars: committed to global data synchronisation



Coop is a Swiss cooperative which operates the second largest supermarket chain in Switzerland. Close to its customers and organised in five sales regions, Coop operates over 1,500 stores and has a workforce of more than 48,000, making it the country's third-largest employer. Coop is a market leader in environmentally friendly and fair-trade products.

Mars, Inc. is a worldwide manufacturer of confectionery, pet food and other food products with US\$25 billion in annual sales in 2007 and 48,000 associates. Headquartered in McLean, Virginia, U.S., the company is entirely owned by the Mars family, making it one of the largest privately owned U.S. corporations.

Both companies are committed to global data synchronisation. Coop is aiming to be synchronising data with 70 business partners by the end of 2008; Mars is live with various U.S. customers (including Wal-Mart and Wegmans) with petfood at COOP Italy, with snackfood and food at COOP Switzerland; and is performing tests with Makro in the UK. At the GDSN Summer Meeting in June, Simone Sporing from COOP Switzerland and Martina Gerndt from Mars Europe spoke about the trustful relationship between their companies which enabled a true collaborative effort.

“For a GDSN programme to be successful, a special commitment to data quality is a must.”

In their work on GDS, the two companies have seen the many benefits of global data synchronisation, such as integrated and automated processes; highly improved data quality and therefore reduced out of stocks, reduced warehouse and distribution costs and reduced financial reconciliation time and cost; increased speed to market and therefore better shelf availability, especially if there are last minute changes; and one single source of data entry leading to improved information productivity.

They have also learnt a number of important lessons. For example, they feel that for successful GDSN projects, a special commitment to improve data quality is a must; as are lean processes that align information, people and technology. The companies find it is wise to start with the smallest number of attributes for a fixed number of items, and to thoroughly test the connectivity between the datapools before beginning.

Global GDSN Healthcare pilot successfully completed

The Healthcare sector is facing inaccurate or bad data at many points in the supply chain. These do not only add cost (e.g., inefficiencies, manual work-arounds), but may also impact patient safety (disruptions may result in the unavailability of products). The Global Data Synchronisation Network (GDSN) allows the sharing of reliable master data between the supply and demand functions. The objectives of this Healthcare pilot study were to demonstrate how the GDSN supports the Healthcare supply chain and product data needs (data flow, data standards, data accuracy and product and location identification) and to demonstrate how the GDSN works across international boundaries (interoperability among data pools in different countries/continents).

"The main problem today, related to master data, is the lack of consistent data standards which are causing inefficiency in the supply chain. Without standards it is almost impossible to streamline electronic processes", said Volker Zeinar, B.Braun, "We also want to avoid uploading data again and again. We trust the methodology of GDSN and are convinced that this model has the potential to become a success story in Healthcare."



"Premier has learnt, from this pilot, that the technology works in various settings and that we are in a good position to connect to and receive data from the GDSN", said Lance Richey, Premier, Inc. "We have also learnt that the content of the data received varies depending on the supplier. We will work with our suppliers and the industry to improve and standardise the attributes flowing through the GDSN. A high level review of just two of the processes within Premier will net a saving of US\$250,000 in labour in the first year".

Participating suppliers were Baxter, B.Braun and BD (Australia). Participants from the demand side were Amerinet, Ascension, Mayo, Premier and Sister of Mercy (USA). The pilot team consisted of representatives from 1SYNC, US Department of Defense, GS1net (GS1 Australia GDSN-certified data pool), GS1 US and Ontuet.

UK survey results reveal importance of Data Quality Programmes

To ascertain the state of data accuracy in today's UK supply chain, and gain a true idea of the extent of the problem, the GS1 UK Data Synchronisation Group recently carried out a survey of UK retailers, suppliers and food service operators. Participants included ASDA, Makro, Cadbury, Boots, Compass, Woodwards, Reckitt Benckiser, Unilever, Procter & Gamble, Heinz, Nestlé, R&R Ice Cream, L'Oréal and Mars.



The survey results demonstrated the extent of the work to be done by both retailers and suppliers to improve the processes that deliver supply chain ultimately the data quality itself. Consider these figures: 30% of the product information resident in retail catalogues is incorrect. On average, data errors cost organisations £40 per item to be manually corrected. The biggest worry over data quality that emerges from the survey is that data is not being delivered by suppliers in a timely manner before a new product launch. Ultimately, the cost of the top four retailers of the resulting data errors and the shelf unavailability is up to £10 million a year, this equates to £43 million of sales.

Read the complete report in the Summer edition of GSQ, (<http://edition2a.intellimag.com/?id=gsqsum08&page=26>) the quarterly magazine from GS1 UK.

NEWS FROM GDSN-CERTIFIED DATA POOLS

Data is foundational: synchronising Hardlines with Big Hammer



Big Hammer Data is a GDSN-certified data pool and a wholly-owned subsidiary of Edgenet, Inc, a Nashville, Tennessee company providing data, media and software solutions. The firm has a 15-year heritage in building supplies retail and manufacturing. The Big Hammer Hardlines Marketing Data Pool is the largest private data pool in the hardlines industry,

with 5,500 suppliers and over 300,000 product items, which include 21 million product attributes.

Jay S. Yanko, Director of Global Data Synchronisation at Edgenet / Big Hammer Data, puts his company's philosophy bluntly: "Data is foundational, and as a result, GDSN is important to us and to our customers."

Beyond just a method of identifying products and packaging, Big Hammer knows that global data synchronisation provides a common ground for accurate information used in optimisation efforts and cost reduction programmes.

"Create an internal vision and involve all the right stakeholders, from the start."

The hardlines industry faces a number of challenges: They exist in what Yanko calls "a CPG World," a difficult task considering the very different nature of the business. Hardlines means large ticket items and highly configurable products and projects; very diverse suppliers; and a current focus on increasing sales, improving the customer experience and boosting follow-through and communication.

When asked about what advice he could give to companies beginning a data sync programme, Jay Yako replied that they should start by creating an internal vision and involving all the right stakeholders, including people from Sales and Marketing, Product Development, Logistics and Business, because GDS is not a silo activity. Companies engaging this process need to know what product data means to their business and to their trading partner's business, because. A data quality programme is also important.

For more information, visit www.bighammer.com

Commport in Canada expecting a great 2008



Commport provides its customers with Electronic Data Interchange (EDI) and Electronic Commerce (EC) solutions; data warehousing; and complete customer care

facilities. A privately owned corporation based in Ontario, Canada, Commport serves firms located across the North American continent. Commport has been promoting the paperless work environment for over 15 years.

Commport became a GDSN-certified data pool in 2005. The first few years were slow, but Alison Bartlet, the company's Director of Marketing, says that 2008 is off to a fantastic start: "Sales are up by 250%, mostly thanks to our efforts on a few key initiatives including the Book industry, our efforts to reach out to GDSN Retailers and our work with Canada's largest industrial supplies distributor."

The company offers its customers a core GDSN-certified data pool solution as well as a range of value-added services that are customised, flexible, and multi-lingual.

Commport is active in a market where there is an established local closed data pool in operation, which presents a challenge, as does the fact that they are a commercial enterprise in a field dominated by not-for-profit data pools.

"2008 is off to a fantastic start!"

For more information, visit www.commport.com or www.cgsdatapool.com

GHX to become GDSN-certified data pool to accelerate use of GS1 Standards in Healthcare

GHX has announced plans to become part of GS1's Global Data Synchronisation Network (GDSN) as a GDSN-certified data pool for the Healthcare industry. At the core of all GHX services is an Internet-based trading exchange, which is open to, and owned by, representatives from all members of the Healthcare supply chain including; providers, suppliers, distributors and group purchasing organisations (GPOs). Globally, GHX is connected to over 5,000 hospitals in North America and nine European countries. This includes hospitals representing more than 80% percent of the licensed beds in the U.S. and 350 suppliers that sell more than 85% of the products purchased regularly by hospitals.

"The Healthcare industry has recognised that adopting GS1 Standards for product and organisational identification and synchronising data through the GDSN can address many of the most challenging problems facing the healthcare supply chain," Bruce Johnson, GHX Chief Executive Officer. "GHX is pleased to help accelerate GS1 Standards adoption by not only becoming a data pool, but also through our membership and participation in global and local GS1 working groups." Many of GHX's 20 equity owners are already engaged in GS1 Healthcare and encouraged GHX to become part of the GDSN to leverage what the Healthcare industry has already built to facilitate more accurate electronic commerce and communication.



GHX will build out its current infrastructure to meet specific GS1 GDSN requirements, with certification as a data pool expected in 2009.

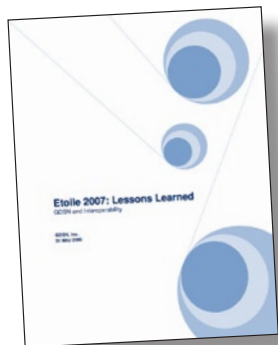
Equity owners of GHX are Abbott Exchange, Inc., AmerisourceBergen Corp., Baxter Healthcare Corp., BBraun Medical Inc., Becton, Dickinson & Co., Boston Scientific Corp., Cardinal Health, Inc., Covidien, C.R. Bard, Inc., Fisher Scientific International, Inc., GE Healthcare, HCA, Johnson & Johnson Health Care Systems Inc., McKesson Corp., Medtronic USA, Inc., Owens & Minor, Premier, Inc., Siemens, University HealthSystem Consortium and VHA Inc.

For more information, visit www.ghx.com

STATUS UPDATES & ACCOMPLISHMENTS

First results from Project Etoile: "GDSN works."

Project Etoile is the premier GDSN adoption programme backed by the Boards of GCI, GS1 and GDSN, Inc. Over the course of 2007, 8 data pools, 12 retailers and 25 manufacturers in France, Germany, Netherlands, Spain, the UK and the USA participated in Etoile.



Etoile 2007 demonstrated that the GS1 GDSN infrastructure is in place and that it works: trading partners who are internally aligned and focused on executing data synchronisation through the GDSN are seeing results. It proved that through the existence of the GS1 GDSN, businesses can achieve growth,

realise efficiencies and cost savings, and see business process improvements, even from the very first synchronisation event. As just one example, active trading partner synchronisation connections by participants in Etoile 2007 increased from 34 to 100 in one year.

Participants found that companies or regions just beginning the global data synchronisation journey learnt different lessons than those companies with some level of GDS experience. For example, new trading partners connecting to the GDSN learnt that acceptance and use of it depends heavily on retailer commitment and readiness, and that successful implementation of GDS projects is complex to manage and requires support from top level executives, as well as involvement and engagement from every level of the organisation. The project also revealed that in order to truly eliminate disruptions in data flow enabled by GDS, successful companies have changed their internal systems to integrate information from GDSN directly into back-end systems.

The earlier adopters learnt that proactive suppliers benefited from more GDSN connections with retailers than those who wait for retailer mandates. They saw that sharing accurate product data is a strategic imperative. Etoile 2007 also demonstrated that the internal business process automation made possible by full implementation of the GDSN allowed them to eliminate non-value added work.

In 2008, Etoile is continuing to focus on connectivity and interoperability and beginning to address the other two project components: Data Quality Key Performance Indicators (KPIs), and Business Process Automation improvements. Etoile will also expand to include Belgium/Luxembourg and China.

For more information, read the Etoile 2007 Report on lessons learned at http://www.gs1.org/docs/gdsn/Etoile_2007_Report_Lessons_Learned_GDSN_and_Interoperability.pdf.

Call to Action: GSMP Healthcare GDSN Extension Work Group

GS1's Global Standards Management Process, or GSMP, has issued a call-to-action for the GSMP Healthcare GDSN Extension Work Group, in order to define additional healthcare data requirements and to build a Healthcare Extension for the GDSN.

Once the new data requirements are properly defined, including supporting attributes and rules, they will become part of a Healthcare Extension for the GDSN and will enhance the GDSN's ability to support the needs of the global healthcare sector. For more information, contact Peter Alvarez at peter.alvarez@gs1.org or read the Call To Action itself at http://www.gs1.org/services/gsmpp/involve/call_to_action.html.

Preparing GDSN for future expansion

GS1 GDSN, Inc. and GSMP published a position statement in support of a project created to assess opportunities to improve the flexibility of the infrastructure of the GS1 Global Data Synchronisation Network (GDSN) and develop means to facilitate future expansion of the network. Given the GDSN focus is on growth and adoption, the network must ensure it is positioned to accommodate the additional growth and associated volume. A more flexible trade item data model would provide the opportunity to more efficiently support GDSN expansion, in particular to easily enter into new sectors or adjacent sectors, increasing the adoption of GDSN, particularly by new industry sectors and geographies, to reduce the time required to introduce new attributes or code values into the network, and to minimise the re-mapping effort required to implement new versions of the standard. GS1 GDSN, Inc. and GSMP are committed to work closely with the community to facilitate the development and a smooth implementation of a new and much needed trade item data model.

Read the complete position statement at http://www.gs1.org/docs/gdsn/GDSN_GSMP_Position_Statement_Modular_Item.pdf.

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GS1 GDSN
Blue Tower, Avenue Louise 326, b10
BE 1050 Brussels, Belgium
T +32 (0)2 788 7800
F +32 (0)2 788 7899

Publisher: Sally Herbert, sally.herbert@gs1gdsn.org
Editors: Jan Denecker, jan.denecker@gs1.org

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