Proven EDI Costs Benefits

<table>
<thead>
<tr>
<th>Cost Benefits</th>
<th>Description</th>
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<tr>
<td><strong>€60 billion saved by the retail sector</strong></td>
<td>A study of the UK’s top 15 grocery retailers covering 95% of the sector has found that the sector saves £500 million per year in costs by using EDI instead of manual, paper-based processes for EDI orders, invoices and despatch advice. Source: GS1 UK/Tax Cost Savings Report, Sept 2010</td>
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<td><strong>€14 to €18 less per transaction</strong></td>
<td>A study in France found that EDI generated a cost savings of €18 per order, €16 per despatch advice and €14 per invoice. Source: GS1 France</td>
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<td><strong>€25 to €65 (order/payment)</strong></td>
<td>In France, the bar code enables €11 billion in savings every year for the retail supply chain. The Swedish National Institute conducted a study and bar code enabled savings included no paper documents or manual data entry, increased customer service, reduced despatch announcements and processing payments manually and using methods that are universally time-consuming and error-prone. Other deploy closed, proprietary systems which quickly prove difficult to manage, expensive to maintain and almost impossible to use interactively with outside suppliers or customers. The same standardised data already used in GS1 identification can be used to implement a paperless supply chain – thus allowing for all partners to increase the speed and accuracy in their supply chains, as well as lower costs for orders, delivery and invoicing. Source:GS1 France</td>
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<tr>
<td><strong>€12 to €16 less per transaction</strong></td>
<td>Companies in Germany using GS1 eCom standards realised a per-transaction cost saving of €12 per Order, €15 per Despatch Advice and €16 per Invoice. Source: Data from the PROZUS project</td>
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<td><strong>SEK 500-600 million (55-65 million euro)</strong></td>
<td>Companies in Sweden realised savings through accurate item data amount to approximate SEK 500-600 million per year for the Swedish industry. Source: GS1 Sweden</td>
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<td><strong>€18 million in savings</strong></td>
<td>Regarding the EDI benefits, GS1 Spain calculated that in 2010 the annual cost saving for retail sector was estimated to 181 million Euros in and in details cost savings for invoice is €3.5/document, orders: €3.1/document, despatch: €2.5/document and recibes: €3.1/document. Source: GS1 Spain</td>
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Over 30 Years Partnering with Industry

For more than thirty years the GS1 supply chain standards, such as identification system, bar codes, electronic messaging helped our members to generate true savings and reduced the cost and complexity of supply chain processes. The contribution of GS1 to boosting profitability and solving business issues is undeniably

Business leaders today have a wide range of challenges to face. They need to reduce costs, increase profitability and optimise processes. They need to do their best to ensure the safety and satisfaction of their customers. They need visibility over their supply chain and want to make international trade easier and smoother. They need to ensure that their invoices are paid on time, and that they settle their own accounts due on time. They need to reduce costs, increase profitability and achieve their goals for sustainability.

The GS1 System of standards is a key part of the solution to the concerns that business leaders face today. With our neutral and non-proprietary standards, companies and organisations around the world have seen real benefits.

Demonstrated Savings

In France, the bar code enables €11 billion in savings every year for the retail supply chain. The Swedish National Institute conducted a study and bar code enabled savings included no paper documents or manual data entry, increased customer service, reduced despatch announcements and processing payments manually and using methods that are universally time-consuming and error-prone. Other deploy closed, proprietary systems which quickly prove difficult to manage, expensive to maintain and almost impossible to use interactively with outside suppliers or customers. The same standardised data already used in GS1 identification can be used to implement a paperless supply chain – thus allowing for all partners to increase the speed and accuracy in their supply chains, as well as lower costs for orders, delivery and invoicing.

A study of the UK’s top 15 grocery retailers covering 95% of the sector has found that the sector saves £500 million per year in costs by using EDI instead of manual, paper-based processes for EDI orders, invoices and despatch advice.

A study in France found that EDI generated a cost savings of €18 per order, €16 per despatch advice and €14 per invoice.

Companies in Germany using GS1 eCom standards realised a per-transaction cost saving of €12 per Order, €15 per Despatch Advice and €16 per Invoice.

Companies in Sweden realised savings through accurate item data amount to approximately SEK 500-600 million per year for the Swedish industry.

Regarding the EDI benefits, GS1 Spain calculated that in 2010 the annual cost saving for retail sector was estimated to 181 million Euros and in details cost savings for invoice is €3.5/document, orders: €3.1/document, despatch: €2.5/document and recibes: €3.1/document.

Over 5% fewer out-of-stock situations

A 2010 industry survey showed that a 5% reduction in out of stock situations was achieved by companies using GS1 ‘eCom for orders.’

5% fewer out-of-stock situations

A 2010 industry survey revealed that delivery time was shortened by an average of 61 hours when EDI processes were deployed.

Delivery 61 hours faster

How to Get Started

Source : Politecnico of Milan, in collaboration with GS1 Italy

Source : GS1 France

Source : Data from the PROZUS project

Source : GS1 Sweden

Source : GS1 Spain


Source : The Consumer Goods Forum together with IBM

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Demonstrated Benefits

Going Paperless

The order to cash process can be automated, eliminating errors and dramatically speeding things up for all trading partners. This type of automation is most efficient when data is exchanged directly between computer applications of a buyer and seller. However, since the human intervention is limited or eliminated in this process, the information needs to be structured and defined in a standard way that any computer can understand. This kind of automated exchange of business messages between computer applications is called Electronic Data Interchange (EDI). GS1 provides standardised messages (GS1 eCom) needed to enable EDI. Unlike working manually or with proprietary methods, neutral, global GS1 eCom standards allow efficient and accurate electronic exchange of business data between trading partners. The result is an added value for both sides of a business relationship.

GS1 eCom standards comprise a multitude of business messages, but the most frequently used are Order, Despatch Advice and Invoice. Implementing these three messages can significantly improve supply chain efficiency, shorten the waiting time for delivery or payment and cut costs.

Don’t Break the Data Chain

EDI using GS1 eCom provides the most benefits when it is linked to the data already encoded into the GS1 bar codes, either on item-level packaging or on shipping cases or pallets. A company’s computer application can link data scanned from the product package directly with information received in electronic messages. This means that instead of breaking the data chain, companies using GS1 standards for their order to cash automation continue to use the flow of data that accompanies the flow of goods.

The Benefits

Order-to-cash automation with GS1 eCom gives companies a competitive advantage. Moving from manual, paper-based processes to EDI built upon the trusted and proven GS1 System of standards can help you save money on creating paper documents, postage, photocopying and administrative fees associated with archival storage, filing or retrieving documents. Automated order to cash also greatly reduces the errors and delays associated with human intervention. As an added benefit, replacing paper exchanges with electronic based system supports your global efforts to run a sustainable, responsible business.

Benefits include:

- Shortening Delivery Time
- Better Customer Satisfaction
- Lower Distribution Costs
- Cost Savings
- Sustainability

These benefits include:

- Shortening delivery time using eCom in orders, companies reduce the time by an average of 61 hours (†).
- Better Customer Satisfaction
- By reducing out of stock using eCom in orders companies gained 5% points (‡).
- Lower Distribution Costs
- By using eCom in distribution, companies gained 5% points (§).
- Cost Savings
- By using EDI and GS1 eCom standards companies have realised incredible transactions cost savings.
- Sustainability
- Creating a Paperless Supply Chain helps organisations in reaching their sustainable development goals.

† Source: Global Scorecard survey run by The Consumer Goods Forum together with IBM

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