The Global Data Synchronization Value Proposition:
A retail perspective

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Wegmans
*helping you make great meals easy*

Agenda

- Who We Are

- Why We Do Global Data Synchronization?

- Benefits to Wegmans and our Trading Partners

- Summary of Key Insights

Wegmans Food Markets: Who We Are

- Founded in 1916, Privately Held

- ~$5 Billion Food Retailer, 73 Stores

- Headquartered in Rochester, New York

- Self-Distributing Chain with DC's in Rochester, Syracuse and Pottsville PA

- Last 5 Years, Top 5 on Fortune 100 Best Places to Work
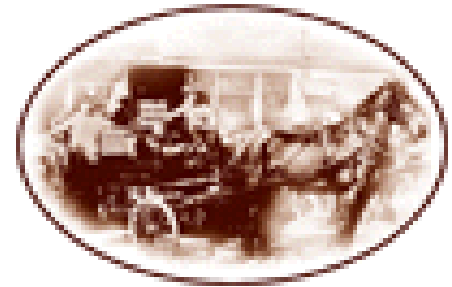
Why Do We Do Global Data Synchronization?

Information Driven Supply Network
… Starting and Ending With The Consumer

Leveraging our Information is Mission Critical

The World We Live In Today

➢ Every decision we make has our customer in mind. Including the decision to do Data Sync … will the impact affect our consumer in a positive way?

➢ Our consumers expect innovation, unique products, services, freshness and social awareness

➢ Leveraging information is a competitive Supply Chain advantage

➢ Resource availability is volatile and is changing the way we run our business
- Preserving Natural Resources
- Recruiting and Retaining People Resources
- Volatile Economy

Why Global Data Synchronization?

Connecting Our Business Information is Only The First Step!

- High quality, synchronized information is foundational to a productive trading relationship

- "Push Button" execution across enterprises is a competitive advantage

- Harnessing the true power of the Internet is mission critical

- Strategic sharing of data with partners will enable business growth

A Synchronized Relationship Enables Synchronized People

- We all speak the same language

- Our people collectively agree on goals & measures

- The information we share is timely, useful and accurate

What Attributes Are Wegmans Synchronizing Today?

- Mandatory Attributes
  - GTIN
  - Dimensions
  - Gross Case Weight
  - Net Content
- Plus …
  - EANUCC Code
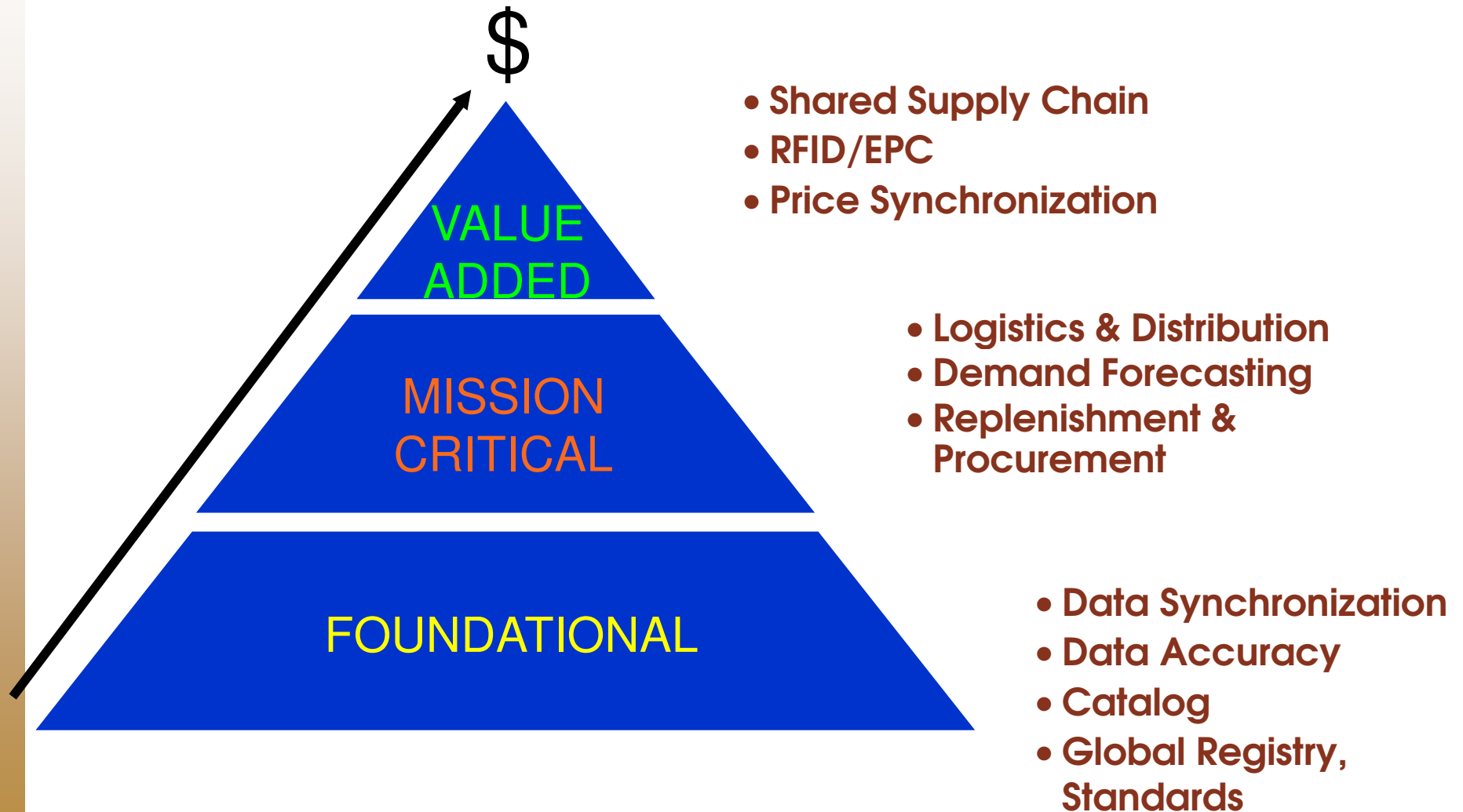 - TI/HI (pallet configuration)
  - Coupon Family Code

Mandatory Attributes

Global Trade Item Number (GTIN)	A particular Global trade item Number, a numerical value used to uniquely identify a trade item.
GTIN Name	Name of the GTIN
Product Type	Identifies the level of the hierarchy (Pallet, Case, Inner Pack, Each, etc.)
Target Market	Area where the product will be sold.
Language	Language on the packaging
Information Provider	Unique location number for the Information Provider
Owning Organization	GLN of the Brand Owner
Brand Name	Product's Brand Name
Pack	Number of Units inside this level of the hierarchy.
Global Item Classification Scheme/Code	Unique Code used to classify products
Manufacturer (GLN)	Unique location number for the Manufacturer.
Is Private	Yes/No: Is this GTIN private meaning no retailers can search for this item?
Ordering Unit Indicator	Yes/No: Is this GTIN orderable?
Length/Unit Of Measure	Measurement from Left-to-Right
Height/Unit Of Measure	Measurement from Top-to-Bottom
Width/Unit Of Measure	Measurement from Front-to-Back
Gross Weight	Gross weight of the level of the hierarchy.
Start Availability Date	Date when the product is available for the retailer
Parent Item	Yes/No: Is this GTIN a parent in the hierarchy?
Child Item	Yes/No: Is this GTIN a child in the hierarchy?
Quantity of Child Item	Number of units in the next lower level of the hierarchy
Product Name	Name of the Product
Product Description	Description of the Product
Base Unit Indicator	Yes/No: Is this the lowest level of the hierarchy?
Consumer Unit Indicator	Yes/No: Is this GTIN consumable?
Dispatch Unit Indicator	Yes/No: Is this GTIN the shipping unit?
Invoice Unit Indicator	Yes/No: Is this GTIN the billing unit?
Variable Weight Trade Item	Yes/No: Is this GTIN variable weight?
Packaging Marked Recyclable	Yes/No: Is this GTIN marked recyclable?
Packaging Marked Returnable	Yes/No: Is this GTIN's packaging marked returnable?

Benefits to Wegmans and Our Trading Partners

The Value of Synchronization

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VALUE ADDED
- Shared Supply Chain
- RFID/EPC
- Price Synchronization

MISSION CRITICAL
- Logistics & Distribution
- Demand Forecasting
- Replenishment & Procurement

FOUNDATIONAL
- Data Synchronization
- Data Accuracy
- Catalog
- Global Registry, Standards

Retail Benefit
Merchandising and Sales

Accurate and Synchronized Data will eliminate many manual processes in the item setup and maintenance process

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 item forms, paperless process
- Data changes and corrections flow through GDSN seamlessly
- Eliminate key entry errors

Improved Sales
- In some cases, new item processes reduced by ~14 days
- Former Merchant administrative time can be reinvested in building sales
- Better visibility to more supplier catalogs which will allow for more options for assortment and negotiation

Retail Benefit
Logistics and Distribution

**Synchronized and accurate cube and weight data will enable
An efficient and shared Supply Chain**

- Inbound truckloads to be better utilized reducing freight expense

- Flow through distribution will occur without frequent stops and starts of an unsynchronized supply chain

- Trucks will be loaded and unloaded more efficiently reducing time, handling, cost and improving shelf service level

- More efficient utilization of outbound trucks across enterprises, reducing cost, improving service, eliminating disruptions and improving efficiency

Retail Benefit
Store Operations

Accurate and Synchronized Data will improve Store Operations efficiency and the customer shopping experience

Improved Customer Shopping Experience
- Error free scanning at front end
- Improved shelf planning for ease of shopping
- Improved shelf tag accuracy for price comparisons
- Improved shelf service level, having the products our customers want

Front End Efficiency
- More items will scan, improving efficiency and increasing sales
- Improved coupon scanning efficiency eliminating double checks on customer order

Improved Back Door Management
- Reduced discrepancies which stop product flowing onto the shelves
- Reduced invoice discrepancies (DSD)

Retail Benefit
Accounting and Finance

Accurate and Synchronized data will improve accuracy and associated reconciliation processes

Invoice Reconciliation
- More invoices will be accurate
- Ability to handle complex financial relationships efficiently
- More streamlined/timely processes for resolving invoice discrepancies
- Reduced out of period adjustments which will make financial information more actionable
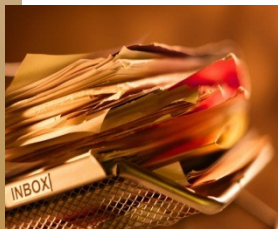
Coupon Handling
- Reduced time spent reconciling coupons
- Reduced time fixing family code discrepancies
- Improved reimbursement processes and accuracy

Retail Benefit
Qualitative

- Improved Service to Consumers

- Shared Supply Chain – Visibility and a Common Language

- Improved Inventory Management

- More Productive Trading Partner Relationships

Retail Benefits
Other Improved Processes

- Focusing on higher priority trading partner relationships

- Employees and partners working on value added activities

- Automated workflow and processes

- Aligning master data projects with business processes

Our Suppliers Are Finding Additional Benefits Too!

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:

- One company improved the speed to shelf of new products from 4-8 weeks to 2 weeks
- Another company increased the number of new items introduced in one year by 50%, yet did not require additional 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

And there is more!

Synchronization Is The First Step
How to Get Started

Manufacturer/Source

- Insure accuracy of information, no assumptions!

- Align quality controls

- Integrate internal data touch points

- Understand trading partner processes

- Set Goals and Measures

- Build organizational confidence in GDS and collaboration

Retailers/Recipients

- Spot audit on item characteristics received

- Single source of truth network architecture

- Integrate data touch points – starting with procurement

- Broadly share business processes, objectives & KPIs

- Build organizational confidence in GDS and collaboration

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JOINT ACTIVITIES

- **Work with industry groups to provide roadmap**

- **Clearly Define Measures and monitor mutually established goals**

- **Define process changes and timing**

- **Learn and build confidence through Pilots**

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Summary of Key Insights

- Tremendous Supply Chain value in making data *accurate*

- This is *not* about *technology*, get the business units engaged early

- Data should be used to *interact and operate differently inside and between companies*

- Leading companies are realizing the *greatest benefits*

Thank You!