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EAN INT: IS NOW CALLED GS1

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GS1 Forum 2005 assembled this week in Brussels with a new name and a global vision for a jointly-developed business language. 420 delegates from about 90 countries immersed themselves in the most important themes of the EAN-UCC world. The focus was on traceability, RFID, global master data synchronisation and the cooperation between consumer goods manufacturers and their suppliers.

Although competitors in real life, Wal-Mart, Carrefour, Metro Group, Ahold and Tesco met and worked together at the GS1 foundation forum this week in Brussels along with representatives from industry such as Nestlé, Kraft Foods, Procter & Gamble, Unilever and Gillette.

The message is clear and is supported by the most powerful consumer goods companies in the world. Without uniform global standards, which GS1 is intended to guarantee, nothing will work in the future.

Ambitious goals

While the former EAN International organization understood its role principally as the custodian of barcodes, the new GS1 organization has adopted much more ambitious goals: uniform, globally-valid standards and services for business communication should be developed, spread and introduced by the members in cooperation with the regional organizations.

Particular projects worth mentioning in this connection are the network for the synchronisation of master data GDSN, the electronic product codes (EPC) for RFID, traceability and the upstream integration of the suppliers of the consumer goods industries.

Speaking with one voice

The new GS1 organization has been formed from EAN International and its 101 local member organizations, including the UCC from USA which had earlier reservations about joining. All these will gradually adopt the new name, latest by 2006.

The German CCG, for example, will be renamed "GS1 Germany" next Monday at the Düsseldorf trade fair, Euroshop. This change concerns corporate identity but also "the need to speak with one voice," as GS1 CEO Miguel Lopera and GS1 president Tim Smucker explained.

For the largest companies of the sector, GS1 has a strategic meaning. This was stressed by Hugh H. Roberts, President International Commercial of Kraft Foods Inc. and by Bob McDonald, Vice-Chairman Global Operations at Procter & Gamble.

The bigger a company is, the less can it tolerate special local arrangements. Take Nestlé for example. The food manufacturer supports the huge integration project “Globe” which has its highly complex value creation chain in its sights.

About 120,000 SKU’s, 511 production sites and more than 900 warehouses need to be taken into account. Logistic services providers, copackers and other business partners also need to be incorporated.

A common global vision

For Nestlé, GS1 is a common global vision, explained Lionel Lehot, the manager responsible for the Globe programme. The GUSI project (upstream cooperation between industry and suppliers), in which Nestlé is involved, is currently proceeding too slowly according to the Swiss.

A concern like Nestlé also expects practical services, such as introductory and training material from GS1.

Clear commitment to standards

Ruud van der Pluijm, Vice-President B2B E-Commerce at Ahold made a clear commitment to standards for his company. Formerly, many resources were wastefully employed in the company in developing internal standards, according to van der Pluijm. Today, in GSMP working groups alone, Ahold has eight employees involved in helping to develop international standards.

Reaching 80 per cent of the suppliers is not sufficient, because the remaining 20 per cent would disrupt internal processes and erode the expected benefits. GS1 member organizations should train the suppliers and pave the way for global implementation, stipulated van der Pluijm.

First the housework needs to be done

Ahold is particularly advanced in the topic of master data exchange between retailer and supplier (Global Data Synchronisation).

“Without mutual standards as the basis, we cannot be competitive in the future,” stressed William J. Grize, CEO of Ahold USA. Ahold does not count itself as a RFID pioneer, but rather as one of the fast followers. As a first step it needs to “clean its house,” i.e. to clean up its master data globally.

The new GS1 organization also wants to penetrate other sectors, for example the pharmaceutical industry, the public services and the military.