



The Global Language of Business

GS1 Standards: The Logical Choice for Logistics



Logistics service providers (LSPs) play a challenging role in today's complex global supply chains. Many different players are taking part in the transport of products between suppliers and their customers. Consumers are using technologies - online, mobile apps, social media - to discover, evaluate, purchase and interact with products across physical and digital channels. Retailers are quickly transitioning to omni-channel commerce to keep pace with consumers and their demand for a seamless experience - with products delivered when they want them and where they want them.

While retailers are exploring new ways to connect with consumers, they recognise there's a significant opportunity to leverage LSPs for successfully executing omni-channel strategies in their supply chains. In fact, LSPs may be considered by many consumers to be the actual retailers themselves, representing their retailers' brands when delivering products to consumers.

Yet, LSPs may be the weakest links in the chain, adhering to proprietary systems they believe give them a competitive advantage. In truth, by using proprietary systems, LSPs believe that this will "lock-in" their customers, but this could in fact be the reason they get "locked out" of the global trend toward interoperability.

To navigate today's logistics landscape, LSPs must transition from proprietary systems to open standards.

With GS1 standards, LSPs can gain real-time visibility across the entire supply chain and conduct business seamlessly with trading partners. GS1 standards enable LSPs to quickly adapt to the challenges of e-commerce by linking the physical and digital worlds.

"Based on experience with multi-national, complex bids, we find the actual development of the integration is generally only about one percent of the total cost of the contract - a cost that will not prevent a customer from leaving a proprietary system for a standards-based one."

- Jaco Voorspuij, IT Business Development Lead in EMEA, DHL

GS1 standards are the logical choice for LSPs that want to provide sustainable, flexible services while controlling costs and minimising waste.

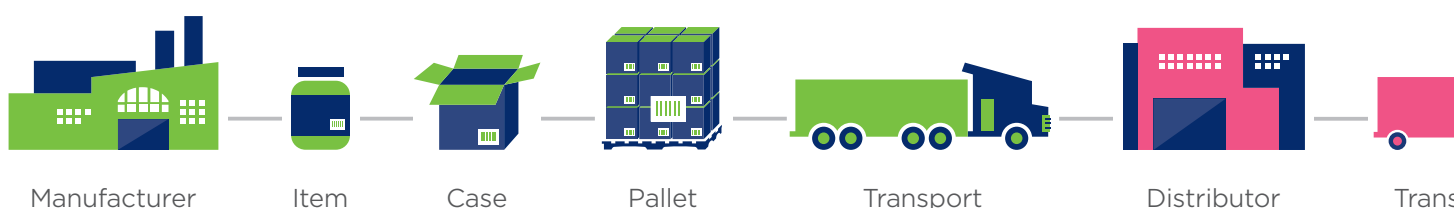
"The implementation of new [Unilever warehouse] sites has become significantly faster by using GS1 eCom message standards. Unilever can roll out more quickly thanks to 'develop once, deploy anywhere.' Costs for support and maintenance have decreased. Best practices identified in individual warehouses are now more easily transferred to other sites. These gains have led to a decision to deploy these standards to all relevant sites in Europe, and also to all relevant new sites worldwide."

- Fred Kempkes, Interoperability Manager, Business Excellence Services, Unilever

Clear visibility

To optimise the management of shipments, LSPs, their partners and customers need to know exactly where shipments are, at any moment.

GS1 standards provide common ways to uniquely identify things like pallets in the supply chain so that LSPs can track them as they move from manufacturing sites, travelling from port to port, onto trucks, into distribution centres, and to retail sites or consumers' homes.



Without standard identifiers, each time a pallet passes from an LSP to one of its logistics partners, the pallet tends to get re-labelled with identifiers that are used only within each partner's system.

With GS1 standards, the LSP and all partners avoid this wasteful re-labelling activity by using common identifiers like the GS1 Serial Shipping Container Code (SSCC). The SSCC enables companies to track each pallet for efficient order and transport management and automated delivery and receipt.

The SSCC also provides valuable information about the products on the pallet. SSCC information is encoded either in a GS1 Logistics Label or EPC (Electronic Product Code)/RFID (Radio Frequency Identification) tag, which is scanned to get and share product information that can be used by all partners. EPCIS - another GS1 standard - allows partners to know exactly where things are at any point in time, where they have been before, and why.

“One of our major priorities is being highly responsive to our customers when it comes to managing inventory levels for consumer demand. In today's challenging market, we need a logistics provider that is equipped to deliver operational excellence -a partner that can give us, at a moment's notice, visibility into our shipments.”

- David McNeil, Market Offer Execution Manager, Arrium Mining & Materials

With common identifiers and ways to capture and share information, LSPs can avoid or minimise wasteful activities and inefficiencies throughout the supply chain for cost and quality-of-service improvements. By optimising delivery models, LSPs are building the needed foundation for omni-channel commerce and serving today's consumer.

Smooth collaboration

LSPs can conduct business with partners and customers across organisational boundaries by using GS1 standards to easily collaborate and exchange information.

Consider that the SSCC with its product details can also be included in an electronic message such as a Despatch Advice for improved order fulfilment and customer service.

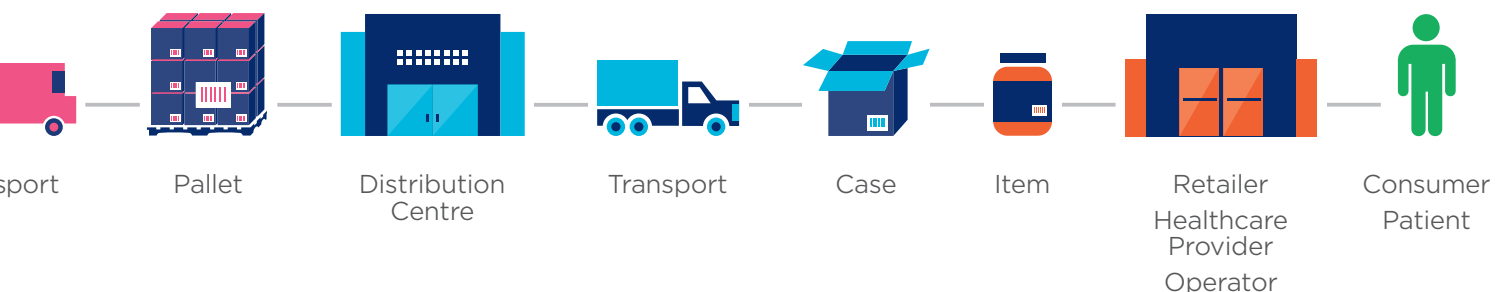
Using GS1 eCom messaging standards (EDI), the Despatch Advice alerts the receiving distribution centre of the pending shipment and its specific contents for a more streamlined, efficient receipt. This also helps the customer better manage its inventory and warehouse operations.

What's more is that LSPs can include the same SSCC-provided information in their invoices for faster payments and cash flow. By using GS1 standards, all partners can work together better with more accurate, efficient communication

With GS1 standards, LSPs can give their customers the advantage of quicker connections—integrating their systems within days compared to weeks or months. Standards-based interfaces are also scalable, enabling LSPs to cost-effectively add new customers.

“When considering a logistics provider, we prefer to work with companies that are using GS1 standards since they can provide us with the needed supply chain visibility to meet our required performance expectations.”

- Marc Cox, Senior Business Analyst, Warehousing / Logistics / MIS, Philips International B.V.



Stronger relationships

“There is a growing trend of customers requesting that LSPs take a position around open standards. It’s a noteworthy dynamic in that logistics service clients are starting to call on LSPs to take the lead when it comes to proposing and using open standards.”

- Jaco Voorspuij, IT Business Development Lead in EMEA, DHL

With standards, LSPs can be more agile when responding to customer needs. For instance, they can collaborate with other partners to bundle traffic and warehousing across operations for a more sustainable supply chain.

They can also expect increased consideration by potential logistics service customers. That’s because customers are adopting GS1 standards in growing numbers and expect LSPs to do the same. Customers realise that effective collaboration and end-to-end visibility are only possible when all trading partners use open standards.

Without standards, LSPs may have visibility into only their segment of the transport journey and not the parts of their partners.

They cannot provide end-to-end visibility, or if they do, it can be very time-consuming and costly process since they must combine information from various partners’ systems for the whole-chain view.

By using GS1 standards, LSPs can be much more efficient and manage costs better.

Take the logical step

LSPs should act now to take the logical step to adopt GS1 standards. They can thrive instead of simply survive in today’s challenging new marketplace.

Interested in getting started?

Contact your local GS1 Member Organisation see www.gs1.org/contact

Read more at www.gs1.org/transportlogistics

About GS1

GS1 is a neutral, not-for-profit, global organisation that develops and maintains the most widely used supply chain standards system in the world. GS1 standards improve the efficiency, safety, and visibility of supply chains across multiple sectors.

With local Member Organisations in over 110 countries, GS1 engages with communities of trading partners, industry organisations, governments, and technology providers to understand and respond to their business needs through the adoption and implementation of global standards.

GS1 is driven by over a million user companies, which execute more than six billion transactions daily in 150 countries using GS1 standards.

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