



Case study

Mitchells & Butlers implements Advanced Shipping Notices (ASNs) using GS1 standards to improve stock visibility and efficiency

With 15,000 orders raised by its pubs and pub restaurants every week, it is vital that Mitchells & Butlers has full visibility of its stock throughout the Company to be able to run an efficient business. The Company has implemented a centralised stock control system using GS1 standards with significant savings already identified. The implementation of Advanced Shipping Notices (ASNs) has allowed the Company to detect any ordering, delivery or invoicing errors quickly and efficiently.

Background

Mitchells & Butlers is the leading operator of managed pubs and pub restaurants in the UK with around 2,000 businesses offering food, drink, entertainment and accommodation in prime locations across the country. The company was founded in 1898 from the merger of two Midlands' family businesses, both owning breweries and pub estates. Today, Mitchells & Butlers runs many of Britain's leading licensed retail brands including All Bar One, Browns, Vintage Inns, Ember Inns, O'Neill's, Sizzling Pub Co., Toby Carvery and Scream.

Improving stock accuracy with Advanced Shipping Notices (ASNs)

Mitchells & Butlers is rolling out a centralised order and receipt system that uses ASNs across its 2,000 pubs throughout the country. The ASNs are received in GS1 XML format, a GS1 standard for electronic business messaging. The Company's major food and drink suppliers have implemented the system with support from Mitchells & Butlers' IT department, to ensure that their systems are compatible.

Pub managers use the ordering system to raise orders with Mitchells & Butlers specified suppliers. Within half an hour of the order being made, an acknowledgement note is sent to the ordering system electronically. The supplier will then send Mitchells & Butlers an ASN with the delivery details including the product codes or GTINs (Global Trade Item Numbers) either the evening before or on the morning of the delivery.

Once the delivery arrives at the pub, the manager will go through the delivery note with the driver, if there are any changes then these are noted on the delivery note before both parties sign it. The manager will then review the ASN with the delivery note. These documents should be identical unless any amendments have been made to the delivery note. Using the ASN (altered if necessary to reflect any changes noted on the delivery note), the products are accepted into stock. Once the manager has completed the process, the system will automatically update the stock levels in the pub.





Centrally, the Company has visibility of the pubs' orders and receipts. When the invoice is received, it should automatically link to the accepted ASN and, provided they are a perfect match, the invoice will be processed for payment. If for any reason they do not match, an alert system is in place to ensure the source of the error is identified, through checking the signed delivery note which is available online. Each supplier is required to provide Mitchells & Butlers with a web link to scanned copies of all the signed delivery notes.



GTIN (Global Trade Item Number) :
identifies trade items (products & services)

ASN (Advanced Shipping Notice) :
lists the details of a forthcoming delivery of goods in an electronic document

GS1 XML (eXtensible Markup Language) :
messages which can be used to communicate business transactions between trading partners electronically

If a pub error is found where the manager has mistyped any changes or mismatched the ASN to the delivery note, then payment is made to the supplier as invoiced. However, if a supplier error is found, a request for credit within five days will be sent to the supplier immediately.

Smaller suppliers that are currently not implementing ASNs are being encouraged to join wholesale networks that are able to meet the requirements. Pub managers that make small and ad-hoc purchases from local suppliers such as speciality breads continue to make payment in cash.

Business benefits achieved

"We have identified significant cost savings already from the roll out of our automated goods receipt system. With the implementation of GS1 compliant advanced shipping notices at pub level, we have been able to avoid unnecessary costs by spotting any ordering, delivery and invoicing errors in advance," says Richard Pratt, Commercial Director, Mitchells & Butlers

With the automated goods receipt system in place, any errors can be identified immediately by matching the invoice to the ASN and credit is received from the supplier within five working days according to the service agreement. Mitchells & Butlers' overheads are also reduced because employees no longer have to manually match supplier invoices with their delivery notes.

The Company has also benefited from a faster, more accurate and efficient ordering and stock control process through the ASN implementation. It has reduced the amount of administrative work for pub managers, allowing them to spend more time on managing the pub itself. Previously pub managers had to manually match the delivery note with the original order line-by-line to ensure that they received the correct delivery. The automated system has also benefited suppliers by reducing administration and improving customer service levels.

Benefits of ASN implementation for M&B and its suppliers:

- Improves visibility of stock
- Enables reallocation of stock
- More accurate forecasting
- Less invoice and delivery errors
- Less administration
- More efficient process
- Improved customer service

The Company also has visibility of stock at pub level which enables the reallocation of stock between pubs to reduce wastage. It also provides accurate data that allows for effective stock forecasting which is vital during busy seasonal periods.

Future plans

Mitchells & Butlers is currently working with its drink suppliers on a data pool pilot to ensure that its master data is consistently accurate and up-to-date. The GDSN certified Data Pool will enable product information within the supply chain to be managed, aligned and exchanged electronically between trading partners.



For more information on GS1 UK log on to www.gs1uk.org or call the GS1 UK Service Team on Freephone 0808 178 8799

