



Introduction: ECR Baltic and GS1 Latvia

Riga, Tallink Hotel
15 September 2011
Edgars Pentjuss

Competition Law Caution

- **IMPORTANT COMPETITION LAW CAUTION: ECR Baltic** will not enter into any discussion, activity or conduct that may infringe, on its part or on the part of its members and participants, any applicable competition laws. By way of example, members and participants shall not discuss, communicate or exchange any commercially sensitive information, including non-public information relating to prices, marketing and advertisement strategy, costs and revenues, trading terms and conditions and conditions with third parties, including purchasing strategy, terms of supply, trade programmes or distribution strategy. This applies not only to discussion in formal meetings but also to informal discussions before, during or after meetings.
- **Message to new members, participants and/or people taking part for the first time:** Please note that taking part in ECR Europe's and **ECR Baltic** activities is subject to having read and understood ECR Europe's EC Competition Law Compliance Programme. If you have not done so, please do so now. <http://www.ecr-baltic.org/f/docs/clcp.pdf>

Competition Law Do's and Don'ts

- The ECR aim of developing standards, business tools and sharing best practices to bring efficiencies in Supply and Demand chains (if not commercially sensitive information exchanged and not restricting competition!)
- Developing and application of common **standards** is not a subject of competition law restricting agreements no matter if you have or not so called dominant position (market share).
LV MK 798 point 17.



What is ECR?

ECR Baltic is an Efficient Consumer Response Initiative in Estonia, Latvia and Lithuania.

ECR Baltic is a collaborative retailer-manufacturer platform with a mission “to fulfill consumer wishes better, faster and at less cost”. It is a non-profit organization which aims to help retailers and manufacturers in the FMCG sector to drive supply chain efficiencies and deliver business growth and consumer value.

ECR Baltic is a member of ECR Europe.

Since November 2010, ECR Europe is the regional platform for collaboration of the Global Consumer Goods Forum.

Learn more: www.ecr-baltic.org and www.ecr-all.org



ECR Baltic members?



ECR mission and objectives?

Collaboration

Consumer focus

**Working together to fulfil consumer wishes better,
faster and at less cost**

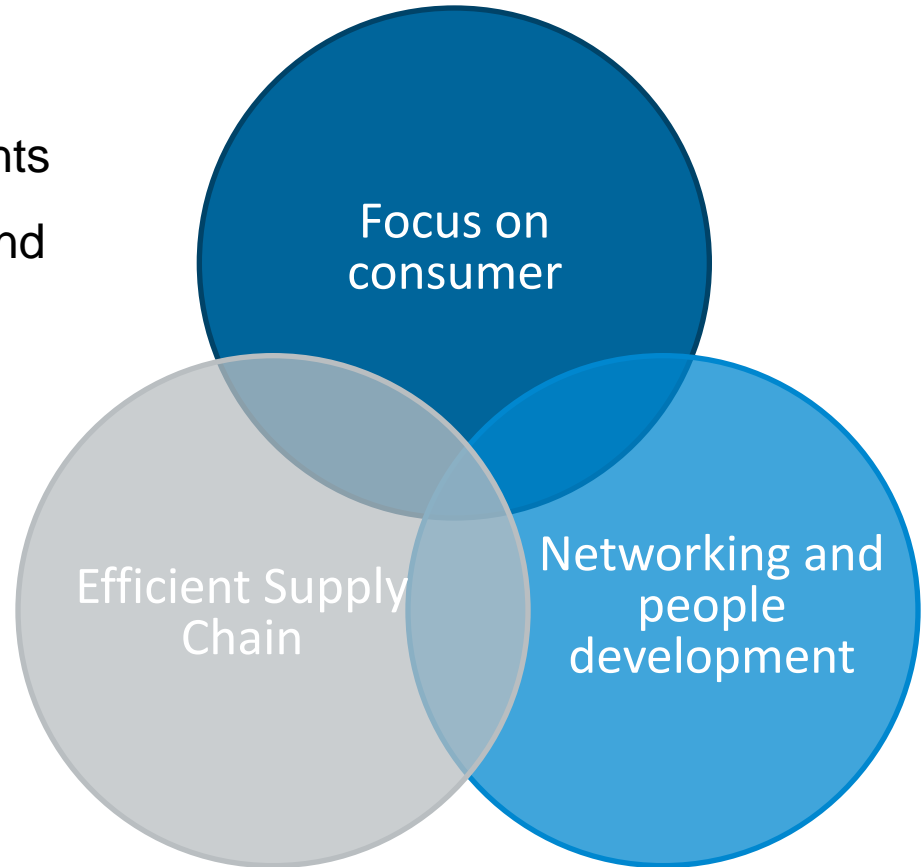
supply chain efficiency

**with a shared business process leading to
shared benefits across the value chain.**

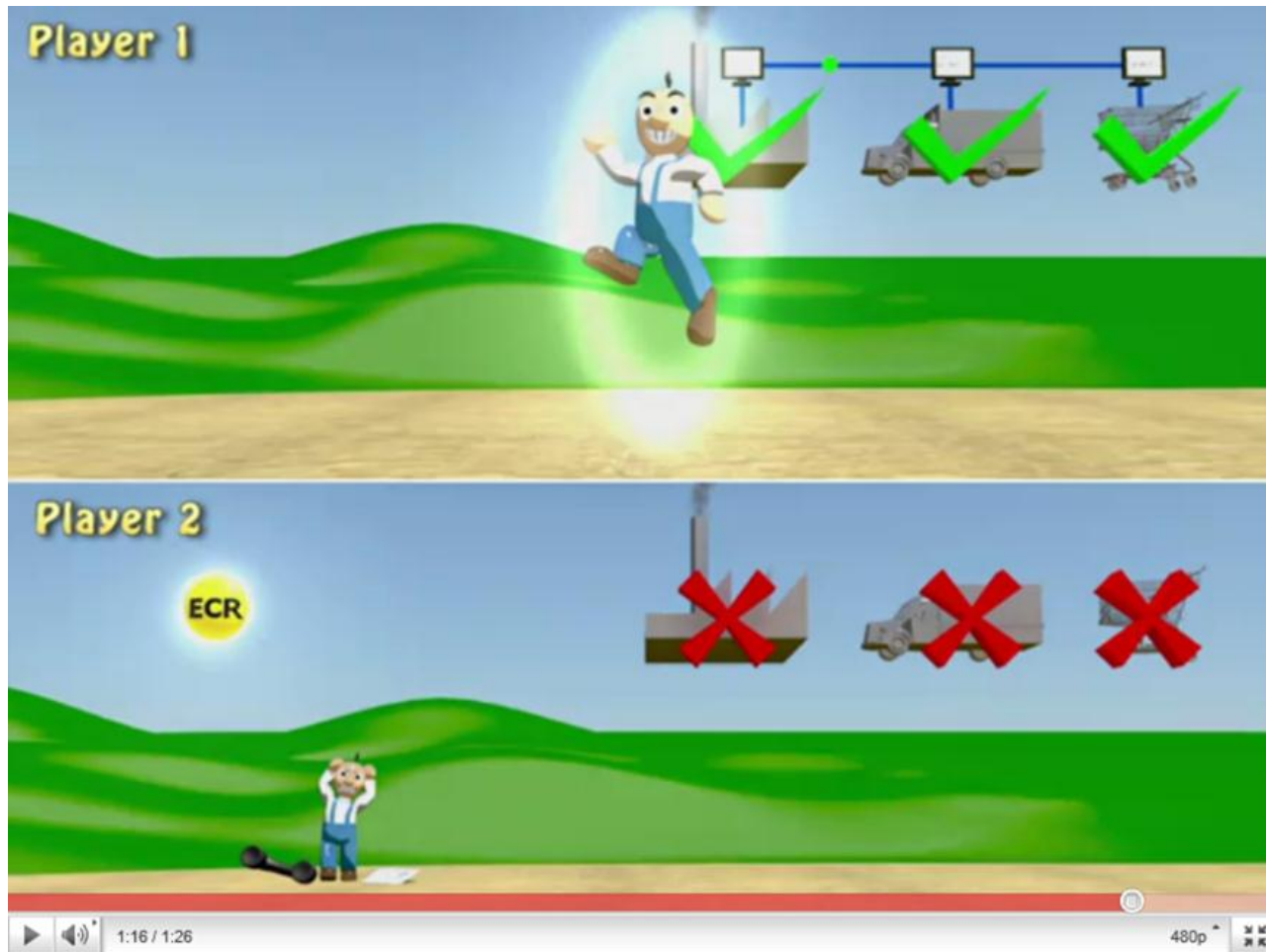
Win - Win

ECR Baltic work streams

- ✓ Category Management, OSA, Shopper engagement, Shopper insights
- ✓ Supply Chain Committee: Pallets and secondary packaging unification, DataSync
- ✓ **EDI – Electronic Data Interchange working group**
- ✓ Trainings and Education
- ✓ Academic partnership with Industry
- ✓ Annual ECR Baltic Forum



What ECR is all about?



ECR Basics and GS1 standards



Why Standards?

Standards and collaboration are key success factors



*“Once a standard takes hold, people start to focus on the quality of **what** they are doing as opposed to how they are doing it”*

Thomas L. Friedman, The World is Flat

Standards GS1 success story?

- Estimated annual cost savings of **\$17 billion** (USD 17'000'000'000) in the grocery sector alone, *according to the GS1 US and PWC survey.*

Europe/World

UPC-A



EAN-13



UPC-E



EAN-8





ECR Baltic EDI working group progress and challenges for EDI in Baltics

Riga, Tallink Hotel
15 September 2011
Edgars Pentjuss

ECR EDI working group

- Aim: to promote EDI for business process automation and efficiency between trading partners in FMCG sector.
- Step 1: EDI business model for CP&R (Order to Cash)
- Step 2: Message standards and content alignment (i.e. Retail eInvoice and other messages)
- Step 3: Tax compliant (lobby to tax authorities where necessary)
- Extra: Electronic document achieving

Regular
members:



Lietuva



Latvia

What is EDI?

By definition:
'Transfer of structured data, by agreed message standards, from one computer application to another, by electronic means, with a minimum of human intervention'



Classic EDI and XML

EANCOM (UN/EDIFACT) piemērs:

BGM+220+128576+9'
DTM+137:20080530:102'
PAI+::42'
ALI+++136'
RFF+CT:652744'
DTM+171:20080425:102'
NAD+BY+5412345000013::9'
NAD+SU+5712345001110::9'
CUX+2:GBP:9+3:EUR:4+1.3'
DTM+134:2008050120080530:718'

GS1 XML piemērs:

```
<order:order creationDateTime="2003-11-03T11:00:00.000"
documentStatus="ORIGINAL">
  <contentVersion>
<versionIdentification>2.4</versionIdentifi
cation>
  </contentVersion>
  <orderIdentification>
    <uniqueCreatorIdentification>PO-02109</uniqueCreatorIdentification>
    <contentOwner>
      <gln>5412345000013</gln>
    </contentOwner>
  </orderIdentification>
  <orderPartyInformation>
    <seller>
      <gln>4098765000010</gln>
```


Key learnings from previous EDI seminars

- Start using EDI like email or Internet – it's here!
- Quick win if well implemented
- Governments (Public sector) in general is very similar to big retailer (GS1 Denmark case: all invoices addressed to the public sector should be only in EDI)
- For retail and suppliers EDI is core enabler for efficient replenishment
- Use ID standards (GTIN, GLN) for EDI routing and replacing product/party details on every message

Learn more: <http://www.ecr-baltic.org/en/publications/edi-seminar-presentations/>

EDI business model for CP&R

1. Product **(GTIN)** and Party
(GLN) Masterdata: PRICAT,
PARTIN

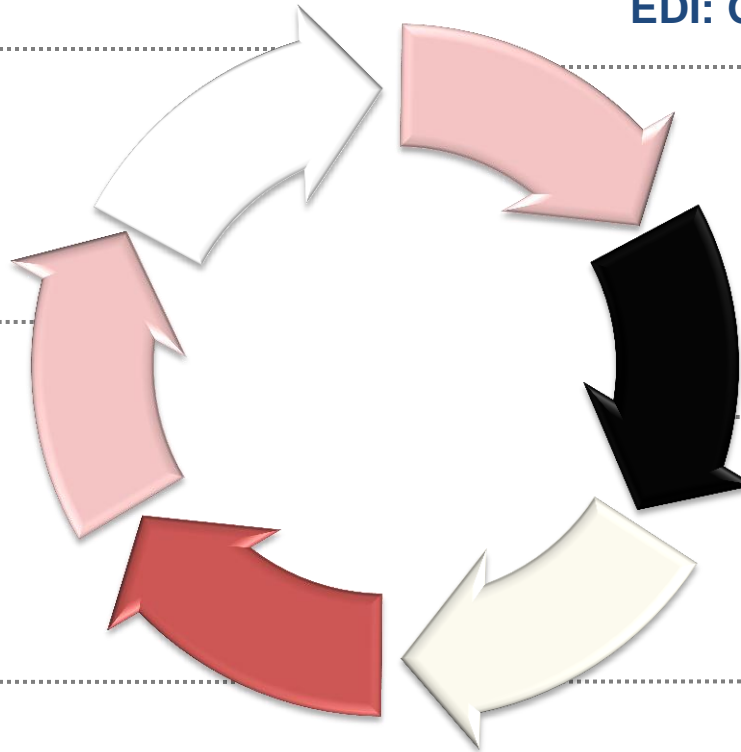
2. Electronic Orders
EDI: ORDERS un ORDRSP

3. EDI: DESADV
(Despatch advise) +
corresponding
Logistic Label
(SSCC).

4. Receiving
Advise. EDI:
RECADV

6. Planning and
Forecasting
messages

5. Invoicing.
EDI: INVOIC (copy to
bank in case of
factoring). Wire
confirmation from
retailer



EDI benefits (Invoic sample)

outbound

	Izdruka, aploksne, pasts	Maksāt atgādinājumi	Pārskaitījumu un sk. naudas apstrāde	Arhivēšana	
Papīra formātā	€ 3,90	€ 0,50	€ 4,50	€ 2,20	Kopā: € 11,10
Elektroniski	€ 0,00	€ 0,40	€ 3,00	€ 0,80	Kopā: € 4,70*
Economija uz vienu izejošo e-rēķinu ir 57%, jeb € 6,40					

* Pieņemot EDA (Elektronisko Dokumentu Apmaiņas) pakalpojuma sniedzēja izmantošanas izmaksas ir € 0,50 par dokumentu avots: Billentis 2009

Inbound paper vs eInvoice

Saņemšana	Datu ievade, kodificēšana	Rēķinu informācijas pārbaude	Strīdu risināšana	Pārskaitījumu un sk. naudas apstrāde	Arhivēšana	
€ 1,10	€ 3,00	€ 4,00	€ 2,50	€ 4,80	€ 2,20	Kopā: € 17,60
€ 0,00	€ 0,00	€ 1,20	€ 2,00	€ 2,00	€ 0,80	Kopā: € 6,70*
Economija uz vienu ienākošo e-rēķinu ir 62%, jeb € 10,90						

* Pieņemot EDA (Elektronisko Dokumentu Apmaiņas) pakalpojuma sniedzēja izmantošanas izmaksas ir € 0,50 par dokumentu avots: Billentis 2009

ECR EDI working group

- Aim: to promote EDI for business process automation and efficiency between trading partners in FMCG sector.
- Step 1: EDI business model for CP&R (Order to Cash)
- Step 2: Message standards and content alignment (i.e. Retail eInvoice and other messages)
- Step 3: Tax compliant (lobby to tax authorities where necessary)
- Extra: Electronic document achieving

Regular
members:



ECR EDI working group challenges: Telema sample

Baltics Retailers' requirements, extract

This is an extract from 65 additional requirements
(on top of what is required by law)

Field description	RIMI	SELVER DC	PRISM	Condition
Document Subtype	C	C	C	Has to be filled if its credit invoice
Factoring clause	M	C	C	Has to be filled if factoring is used
Unique branch code	-	M	M	
Buyer branch GLN	M	-	-	
Seller branch GLN	M	-	-	
Warehouse branch code	-	C	C	Has to be filled if 3PL is used
Currency code	-	M	M	
Document row item number	-	M	-	
Supplier product code	-	M	M	
GTIN	M	M	M	
Name of unit	-	M	-	
Item VAT type	-	-	M	=TAX, TAXEX, NOTTAX
Base sum for calculating VAT	-	M	M	
Item VAT rate	M	M	M	
Item VAT amount	-	M	M	

IKI requires Buyer product code

Telema E-invoice full specification: 1500+ rows

Important: By the end of the day

- Mr. Staffan Olsson (GS1 Sweden) is here for us to share the best EDI practice in Sweden retail sector, please do not hesitate to ask any question you may have! Let's do not leave unanswered questions.
- Since the current EDI working group activities were led almost always by one leading retailer. Herewith I would like to address all present retailers (RIMI, MAXIMA, IKI, JR) to take a chance and stay longer after public part of this meeting to draft the next steps towards EDI standardization and mass rollout.

Proposed agenda topics:

- Summaries and take aways from morning seminar for ECR Baltic EDI working group;
- EDI business model – Baltic best practices development updates
- EDI messages (documents) archiving best practices development
- EDI working group on ECR Baltic Forum 2011
- Next Steps



Thank you!

Edgars Pentjuss
+371 26546645
edgars@ecr-baltic.org