It is All About the Data

Despite the ubiquitous success of the GS1 identification system, it is the data that enables the full benefits to be realised by all trading partners across the retail supply chain. Buyers and sellers of goods need to order, deliver and pay (order to cash).

However, today many companies are still passing orders, sending despatch announcements and processing payments manually and using methods that are unnecessarily time-consuming and error-prone. Others deploy closed, proprietary systems which quickly prove difficult to manage, expensive to maintain and almost impossible to use interactively with outside suppliers or customers.

The same standardised data already used in GS1 identification can be used to implement a paperless supply chain – thus allowing for all partners to **increase the speed and accuracy** in their supply chains, as well as **lower costs** for orders, delivery and invoicing.

Demonstrated Savings

In France, the bar code enables €11 billion in savings every year for the retail supply chain.

The Swedish Retail Institute conducted a study 'Bar codes and modern goods distribution' in 2006 showing that the introduction of the GS1 numbering system with bar code labels on consumer packages, traded units and pallets led to savings in the flow of goods from producer to checkout of between 5 and 10 billion Swedish kronor per year.

GS1 bar codes are also used as part of traceability programmes, extended packaging initiatives, adaptable couponing schemes and much more.

Business leaders today have a wide range of challenges to face. They need to reduce costs, increase profitability and optimize processes. They need to do their best to ensure the safety and satisfaction of their customers. They need visibility over their supply chain and want to make international trade easier and smoother. They need to ensure that their invoices are paid on time, and that they settle their own accounts due on time. They want to reduce their environmental footprint and achieve their goals for sustainability.

The GS1 System of standards is a key part of the solution to the concerns that business leaders face today. With our neutral global standards on their side, companies and organisations around the world have seen real benefits.

Over 30 Years Partnering with Industry

For more than thirty years the GS1 supply chain standards, such as identification system, bar codes, electronic messaging helped our members to generate true savings and reduced the cost and complexity of supply chain processes. The contribution of GS1 to boosting profitability and solving business issues is undisputed.

Proven EDI Costs Benefits

£650 billion saved by the retail sector	A study of the UK's top 15 grocery retailers covering 90% of the sector has found that the sector saves £650 million per year in costs by using EDI instead of manual, paper-based processes for its orders, invoices and despatch advices. *Source : GS1 UK EDI Cost Savings Report, Sept 2010*
€14 to €18 less per transaction	A study in France found that EDI generated a cost savings of €18 per order, €16 per despatch advice and €14 per invoice. *Source : GS1 France*
€25 to €65 (order/payment)	A study in Italy estimated a saving of €25 to €65 for cycle order/payment ; this involves the dematerialization of all documents, plus the electronic storage of invoices (required by law if you implement the processes of electronic invoicing). *Source : Politecnico of Milan, in collaboration with GS1 Italy*
€12 to €16 less per transaction	Companies in Germany using GS1 eCom standards realised a per-transaction cost savings of €12 per Order, €15 per Despatch Advice and €16 per Invoice. *Source : Data from the PROZEUS project*
SEK 500-600 million (55-65 million euro) per year savings	Companies in Sweden realised savings through accurate item data amount to approximately SEK 500-600 million (55-56 million euro) per year. Invoice delivered savings in the grocery industry of SEK 552 million per year and Order saved SEK 136 million per year for the grocery industry. *Source : GS1 Sweden*
€181millions saved by the retail sector	Regarding the EDI benefits, GS1 Spain calculated that in 2010 the annual cost saving for retail sector was estimated to 181 millions €/year and in details cost savings for invoice is €3,52/document, orders, €3,12/document, desadv €22,5/document and recadv €3,13/document.. *Source : GS1 Spain*

ROI as much as $50 when used for visibility and automated receiving	ROI for the despatch advice is estimated from $5 when used for simple confirmation purposes to as much as $50 when used for visibility and automated receiving. *BP - Electronic Commerce Best Practices – Scott Koegler, ASN - The Most Valuable EDI Document, Written by Marlow Atticus	21 February 2011*
Delivery 61 hours faster	A 2010 industry survey revealed that delivery time was shortened by an average of 61 hours when EDI processes were deployed. *Source : Global Scorecard survey run by The Consumer Goods Forum together with IBM*
5% fewer out-of-stock situations	"A 2010 industry survey showed that a 5% reduction in out of stock situations was achieved by companies using GS1 eCom for orders." *Source : Global Scorecard survey run by The Consumer Goods Forum together with IBM*

How to Get Started

Seize the competitive advantage that order to cash can bring to your company. Get started on your GS1 eCom deployment project today! Contact your local GS1 Member Organisation to get information and support: **www.gs1.org/contact**

Going Paperless

The order to cash process can be automated, eliminating errors and dramatically speeding things up for all trading partners. This type of automation is most efficient when data is exchanged directly between computer applications of a buyer and seller. However, since the human intervention is limited or eliminated in this process, the information needs to be structured and defined in a standard way that any computer can understand. This kind of automated exchange of business messages between computer applications is called Electronic Data Interchange (EDI). GS1 provides standardised messages (GS1 eCom) needed to enable EDI. Unlike working manually or with proprietary methods, neutral, global GS1 eCom standards allow efficient and accurate electronic exchange of business data between trading partners. The result is an added value for both sides of a business relationship.

GS1 eCom standards comprise a multitude of business messages, but the most frequently used are **Order, Despatch Advice** and **Invoice**. Implementing these three messages can significantly improve supply chain efficiency, shorten the waiting time for delivery or payment and cut costs.

Don't Break the Data Chain

EDI using GS1 eCom provides the most benefits when it is linked to the data already encoded into the GS1 bar codes, either on item-level packaging or on shipping cases or pallets. A company's computer application can link data scanned from the product package directly with information received in electronic messages. This means that instead of breaking the data chain, companies using GS1 standards for their order to cash automation continue to use the flow of data that accompanies the flow of goods.

The Benefits

Order-to-cash automation with GS1 eCom gives companies a competitive advantage. Moving from manual, paper-based processes to EDI built upon the trusted and proven GS1 System of standards can help you save money on creating paper documents, postage, photocopying and administrative fees associated with archival storage, filing, or retrieving documents. Automated order to cash also greatly reduces the errors and delays associated with human intervention. As an added benefit: replacing paper exchanges with electronic based system supports your global efforts to run a sustainable, responsible business.

Benefits include:

Shortening Delivery Time
By shortening delivery time using eCom in orders, companies reduce the time by an average of **61 hours** (*)

Better Customer Satisfaction
By reducing out of stock using eCom in orders companies gained **5% points**. (*)

Lower Distribution Costs
By using eCom in distribution, companies gained **5 % points**. (*)

Cost Savings
By using EDI and GS1 eCom standards companies have realised incredible transactions cost savings.

Sustainability
Creating a Paperless Supply Chain helps organisations in reaching their sustainable development goals.

Source : Global Scorecard survey run by The Consumer Goods Forum together with IBM

Demonstrated Benefits
of a Paperless Supply Chain

**Saving time and money
with GS1 Order to Cash Standards**

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