

Labeling standard increases transport operations reliability

GEFCO is one of the leading transport and logistics companies in Europe. With a turnover of €3.5 billion in 2008, GEFCO has grown at a constant 40% per year since 1998, and currently has over 10,000 employees in 27 countries across four continents.

As a solutions architect and integrator, GEFCO is responsible for engineering, operating and implementing logistics solutions covering part or all of the supply chain for a number of strategic industries such as automotive, consumer goods, electronics, aeronautic and more.

A logistics integrator such as GEFCO guarantees tracking of goods along the whole supply chain, working closely with suppliers, manufacturers and retailers. The use of standards for labeling, messages and barcoding enables GEFCO to synchronise information exchanges between these different players and to secure information and transaction flows.

In 2009 the GEFCO group decided to implement the GS1 SSCC Identification Key for all of its transport activities in Europe. The implementation of this GS1 standard has been carefully adapted to the requirements of more than 2,000 GEFCO customers who use it as they ship over 100,000 parcels every day.

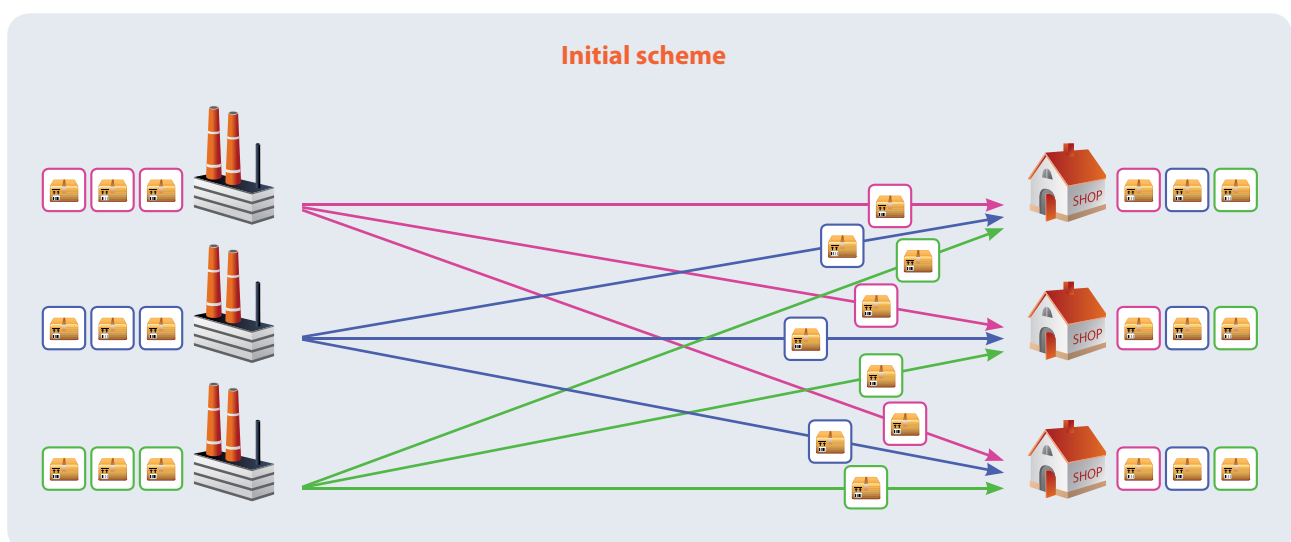
Building on the GS1 System of standards, GEFCO teams develop tailor-made solutions for customers, including:

- Modification and update of tools and client interfaces (EDI, computer systems, barcode scanners)
- Analysis of labeling system impacts on existing EDI messages and the systematic migration to GS1 eCom standards
- Communication and training of all internal and external logistics teams



An example of such an implementation was driven by the need for increased reliability of cosmetic goods distribution for one of the largest specialised distribution networks in Spain. Two large retailers, who had entered a partnership to launch a chain of retail stores in Spain, wanted to increase the performance of cosmetic goods distribution to their 84 retail outlets both in terms of quantity (with delivery of approximately 4,000 pallets per year) and quality, in order to improve their brand image.

The previous product distribution solution consisted of direct delivery from the suppliers to the retail outlets, utilising a multi-standard labeling system; this method suffered from high transport costs and excess complexity in flows and product tracking management.



The solution has increased the quality of service and the level of customer satisfaction

GEFCO's solution optimised both physical and information flows by better taking into account the needs of both suppliers and retail stores. The solution, based on the implementation of GS1 labeling and EDI standards for all suppliers and retail outlets, put in place a Flows Manager responsible for the follow-up of physical and information flows and a solution for consolidation supplier flows.

Under the new system, parcels are delivered by a requested date based on retail outlet orders to GEFCO's Madrid platform. At the same time, GEFCO receives a Receipt of Despatch Advice (DESADV) linked to each delivery. For those goods controlled by GEFCO, there is also a transmission of Reception Advice (RECADV) to the stores that describes the contents of each parcel. The system enables multi-supplier pallet consolidation for each retailer and transmission of a consolidated Despatch Advice (DESADV) for every truck departure. Each advice lists all the articles, orders and parcel references for each retail outlet. Pallets are then delivered to each individual retailer in specific time slots using dedicated means. In addition to that system, a client portal (web) has been implemented to track orders and messages in real time.

The new system has delivered significant benefits, including:

- Detailed visibility of shipped goods for each supplier and store
- Guaranteed follow up and tracking of all shipments by pallet and parcel
- Secured retail deliveries in quantity and quality
 - Reduced risk of loss or breakages
 - Product integrity and brand image is guaranteed to point-of-sale (close to 100%)
 - Respect of delivery time slots (close to 100%)
- Increased quality of service and client satisfaction
- Optimisation of physical/information flows and associated logistics costs
 - Supplier flows synchronised and consolidated
 - Message harmonisation between all parties in the supply chain
 - Reduced receipt, control and handling operations
- Sustainable development
 - Reduced CO² emissions (pooling and increased reliability of supplier flows)
 - Over-labeling has now been eliminated

Based on the demonstrated success of the Spanish solution, GEFCO will be working to implement GS1 standards with other European clients in order to help them to benefit from deeper integration in the supply chain and increased reliability of transport operations and tracking.

For more information, visit www.gefco.net/en

