

Case: Global distribution of clothes directly from manufacturer to stores

Background

The Company

The Company is one of Scandinavia's biggest retailers in the area of Clothes. The Company has 9 different chains concepts, and about 1.000 stores. The Company is operating in the following countries Norway, Sweden, Denmark, Finland, Iceland, Latvia, Poland and Germany. 490 stores are located in Norway.

The Company does not own any factories. The products are manufactured in about 400 factories situated in 27 different countries in Europe and Asia.

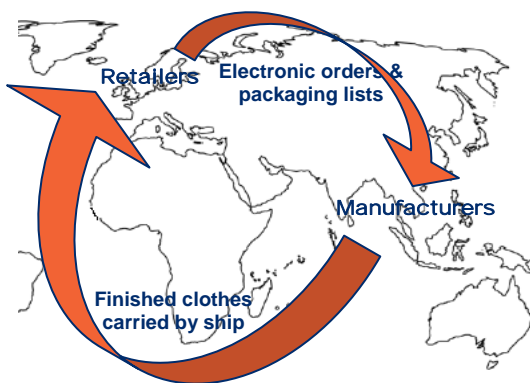
The Company has for many years been a heavy user of the GS1 system. All clothes are identified by GTINs, the stores by GLN, the transport units by SSCC, and the electronic communication are done by EDI and EANCOM.

The Transport sector Norway

The major transporters in Norway have already since end 1990's co-operated using the GS1 system, and decided to use the SSCC code as their primary identification of transport units. Hence the GS1 Logistic Label has been mandatory in the Norwegian transport sector for 7 years.

From WAREHOUSE Seljeveien 6 NO-3940 PORSGRUNN
To: Outlet Romsdalsgaten 8 NO-0556 OSLO
Customer's reference 12345 Gross weight: 460 kg Temperature requirement - 18° C SSCC - code 370123451234567809
 (00) 370123451234567809

Ordering, manufacturing and packing of clothes (e.g. in China)



Based on individual orders from the stores, the Company prepares consolidated orders, specifying which goods have to be delivered to which individual store. The manufacturer produces clothes to meet order requirements. When the finished clothes are ready, they are sorted and packed according to an electronic packaging list – in fact EANCOM ORDERS - submitted by the Company. At the dispatch point each transport unit (e.g. carton) is labelled with a GS1 Logistic Label. The Shipper of the

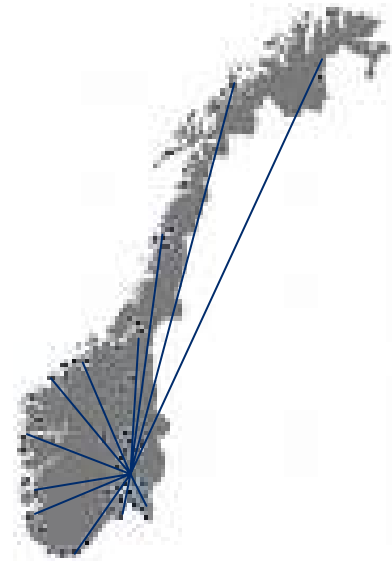
goods printing of the labels using Internet developed application for accessing the Company's delivery information database. The GS1 Logistic Labels contain address information of the sender and the ultimate destination of the store, in addition to the SSCC-code. All transport units are consolidated in the maritime cargo containers and transported to Europe by ships.

Distribution in Europe (e.g. Norway)

Using EDI, the Company sends to the contracted transporters the Transport Instruction message, which links the content of the incoming transport units with the SSCC – codes. This information allows carriers efficiently handle shipments at the destination port in Oslo, to deconsolidate and to deliver the relevant goods to their central distribution centres in Norway.

From there the goods delivered either directly to each store or via local distribution centres. .

The Company has contracted the number of transporters/carriers in Norway for its distribution network. With all of them, the Company uses the same GS1 Logistics Label including the SSCC-code as well as the same EDI-message (IFTMIN).



The Benefits of using GS1 Solutions:

The use of standardised GS1 identification and communication solutions bring number of benefits to both Company and transporters/carriers :

- The same reference number – SSCC-code and GS1 Logistics Label - can be used with all transporters/ carriers
- Increased efficiency of the distribution network on goods arrival to Europe
- No need to repack the goods at the national central warehouses,
- Increased speed of goods delivery to the individual stores
- More transporters/carriers can compete for the same service without adjusting systems and routines

The benefits for the transporters/ carriers :

- Deconsolidation and distribution of transport units from China may be done in the same way as with domestic goods
- No special adjustments of the IT applications are needed!
- New potential business is possible!