



GS1 UK Solution: Automated goods receipt

Understand how GS1 UK can help automate the goods receiving process, enabling:

- Faster receiving and storing of goods
- Better inventory management
- Fewer delivery and receiving errors
- Improved trading partner relationships
- Greater product availability
- Reduced costs

About GS1 UK



Our mission is to make it **faster**, **cheaper** and **safer** for our members to serve their customers. This is achieved by the industry wide adoption of global GS1 standards and locally delivered services.

Life is simpler when we all have the same information. GS1 UK licenses unique numbers to identify everything from products to patients to enable increased efficiency. These numbers are used to automate the flow of goods and information and are integrated into one or more GS1 UK Solutions to increase supply chain efficiency.



GS1 UK adds value

GS1 UK Solutions improve business processes by cutting cost and time and increasing revenue and efficiency.

We have teams of industry experts with multiple disciplines to tackle the most complex problems businesses face today. We work with them and their trading partners to increase efficiency in their business. Organisations approach us when they want:

- **innovative and sustainable efficiency:** we deliver solutions to improve efficiency, sustainability and traceability in areas such as asset tracking, data quality management and retail point of sale
- **a responsive approach:** we listen, and deliver positively and effectively to their needs
- **delivery of real results:** we produce tangible benefits to their business

We are independent, profit-neutral and part of a global organisation of over one million member companies world wide, operating in 108 countries.

The benefits of automating the goods receiving process



Receiving suppliers' goods at warehouses, distribution centres or retail stores is a demanding and complex process. This is particularly the case in a high-volume environment or where a large number of different goods are involved.

Understanding which goods are about to arrive, resolving delivery and receiving errors and reconciling deliveries against orders and invoices are all time consuming and costly to business. They require significant human intervention and resources which ultimately impacts on throughput of goods and product availability throughout the supply chain.

The use of GS1 standards can help automate the goods receiving process. This leads to a more streamlined and efficient operation, benefiting all trading partners in the supply chain and enabling:

- Faster receiving and storing of goods
- Reduced labour costs through less human intervention and fewer errors
- Enhanced cross-docking capabilities enabling faster turnaround times for incoming and outgoing goods
- Better inventory management with fewer delivery and receiving errors
- Automated checks for under or over deliveries and electronic proof of delivery
- Greater data accuracy through increased use of electronic messages and less manual keying of data
- Improved three-way reconciliation between orders, goods received and invoices leading to faster payments and few disputes
- Support for vendor managed inventories and other innovative business processes
- Improved customer service



How GS1 standards help to automate the goods receiving process



When people speak to each other in different languages progress can be very slow and misunderstandings are frequent. The same applies to companies doing business: when they can't understand each other, inefficiency and error results.

Standards are needed so that organisations can all refer to the same things in the same way when they do business. GS1 standards are the global language of business.

The GS1 System provides standard identification numbers for traded items and standard ways to represent these identifiers (for example, in the form of standard bar codes). In fact, the GS1 System goes further by enabling identification not only of traded goods but also of companies, locations, services, assets, logistics units and customers.

What's more, the numbers issued by GS1 are completely unique, so no product can be confused with another. And the system is international so this uniqueness applies around the world.

GS1 Identification Keys

The GS1 System includes a range of Identification Keys; special numbering systems which uniquely identify items, locations, logistics units and other essential components of the supply chain.

The use of three GS1 Keys is essential for automating the goods receiving process:

- **GTIN** (Global Trade Item Number), which identifies all products
- **GLN** (Global Location Number), which identifies all parties (buyer, seller and any third parties involved in the transaction) and all physical locations
- **SSCC** (Serial Shipping Container Code), which identifies all logistics units, such as pallets or roll-cages

The use of these GS1 Keys enables the data that is captured during the scanning of products and logistics units to match the data received through electronic business messages, for example, Advanced Shipping Notices (ASNs).

GS1 standards for electronic messaging

Companies using SSCCs to identify their logistics units can send details of each logistics unit in a single delivery to their trading partners before delivery arrives. This is done using ASNs.

These electronic messages can be processed automatically so that when the logistics units arrive, the GS1-128 bar codes on the labels are scanned and the SSCC for each pallet matched to the information that was sent in advance, in the ASN.

The GS1 electronic messaging standards – EANCOM and GS1 XML – fully utilise SSCCs, GTINs and GLNs to simplify the automation of business messaging. The despatch advice and receipt advice messages that are defined in both standards are essential for automating the goods receiving process:

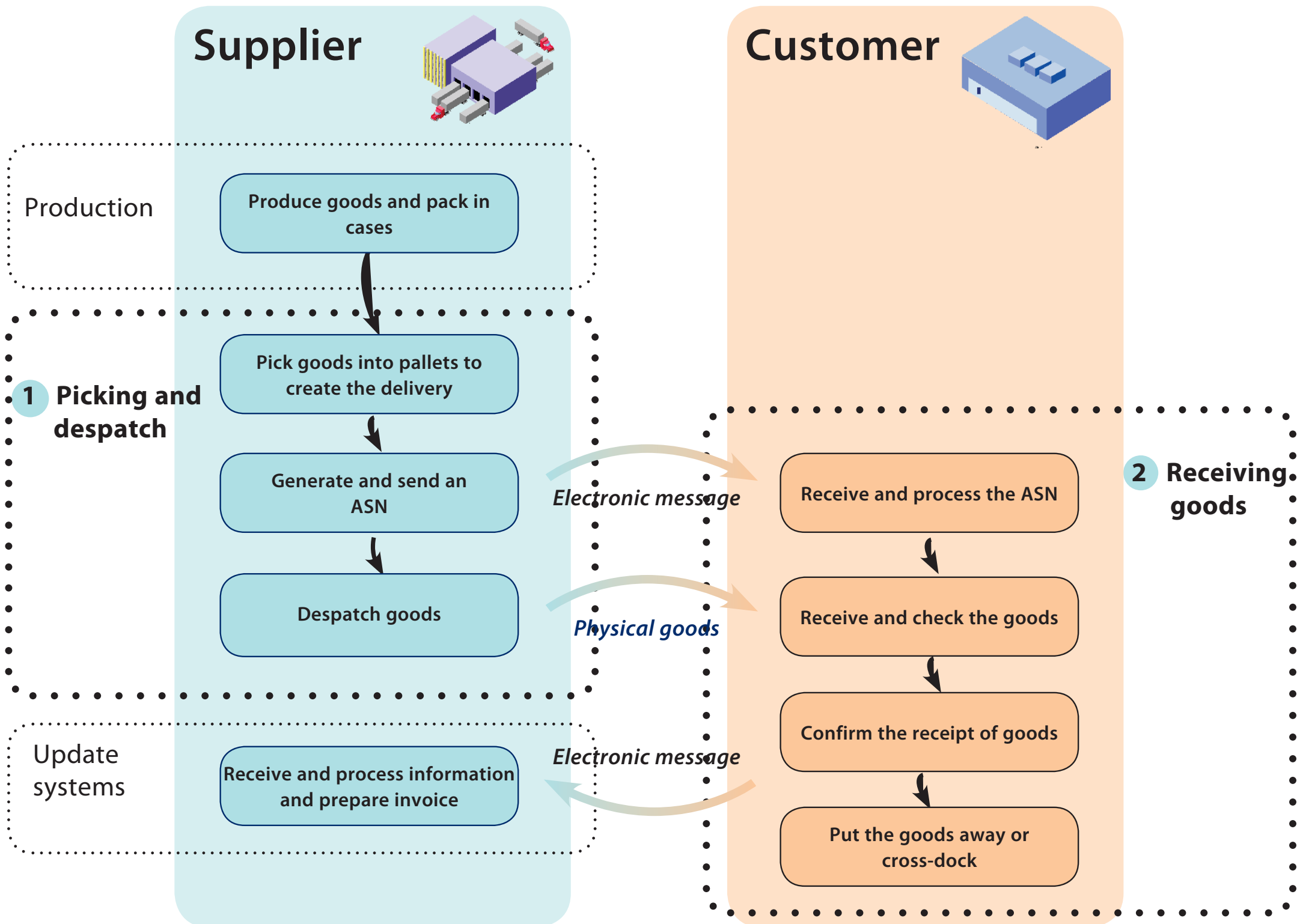
- A despatch advice message is used as the ASN to provide details of each delivery. The message uses SSCCs to identify each logistics unit. This electronic message also includes information about the contents of each unit, using GTINs to identify each product line and GLNs to identify the trading partners and the relevant addresses
- The receipt advice message is used in conjunction with the despatch advice message to confirm receipt of goods or to advise discrepancies following the receipt of goods



The goods receiving process



A typical goods receiving process comprises of a number of integrated stages and transactions between the supplier and the customer.





1 Picking and despatch

Typically, a supplier produces or picks goods in response to a customer's order. These goods are put into logistics units, such as pallets. These logistics units must be uniquely identified and labelled if they are to be received quickly and accurately. The GS1 Logistics Label is used to achieve this.

The GS1 Logistics Label includes an SSCC to uniquely identify each individual logistics unit. The SSCC is shown using a GS1-128 bar code which can be quickly and easily scanned when the goods are received. Details of the content of the logistics unit such as the products on the pallet, their quantity, batch number and expiry dates can all be shown on the GS1 Logistics Label in extra GS1-128 bar codes if required. Individual cases can also be identified using GS1 standard bar codes.

Once the goods have been picked into pallets and ready for despatch the supplier can send an ASN. This is an electronic document that details the goods that are about to be despatched. The use of ASNs is essential if the full benefits of an automated goods receiving process are to be realised. Typically, the ASN contains information relating to the original purchase order, content descriptions and transportation details. It also includes the SSCCs that identify each logistics unit

and which provide the link between the electronic message and the physical goods.

Exchanging ASNs in this way enables better planning for the receiving and warehouse operations. Additionally, ASNs can reduce delivery and receiving errors by providing better visibility and validation throughout the transportation process.

2 Receiving goods

When the receiving company receives the ASN from the supplier they can check this against their original order automatically. Any discrepancies can be highlighted at this stage and queried with the supplier. The receiving company can then plan to receive the goods at the agreed time.

When the goods arrive, the receiving company simply scans the GS1-128 bar codes found on the GS1 Logistics Labels on each

pallet. This allows the company's systems to link the SSCC codes found on the labels with the SSCCs in the ASNs received electronically in advance. The system immediately matches the physical product received with the associated information in the ASN – and highlights any discrepancies, so errors can be identified and rectified immediately.

The receiving company can also acknowledge the receipt of goods electronically. When discrepancies occur, suggested actions for those items that are queried can be sent automatically, including notification of the return of unwanted or faulty goods.

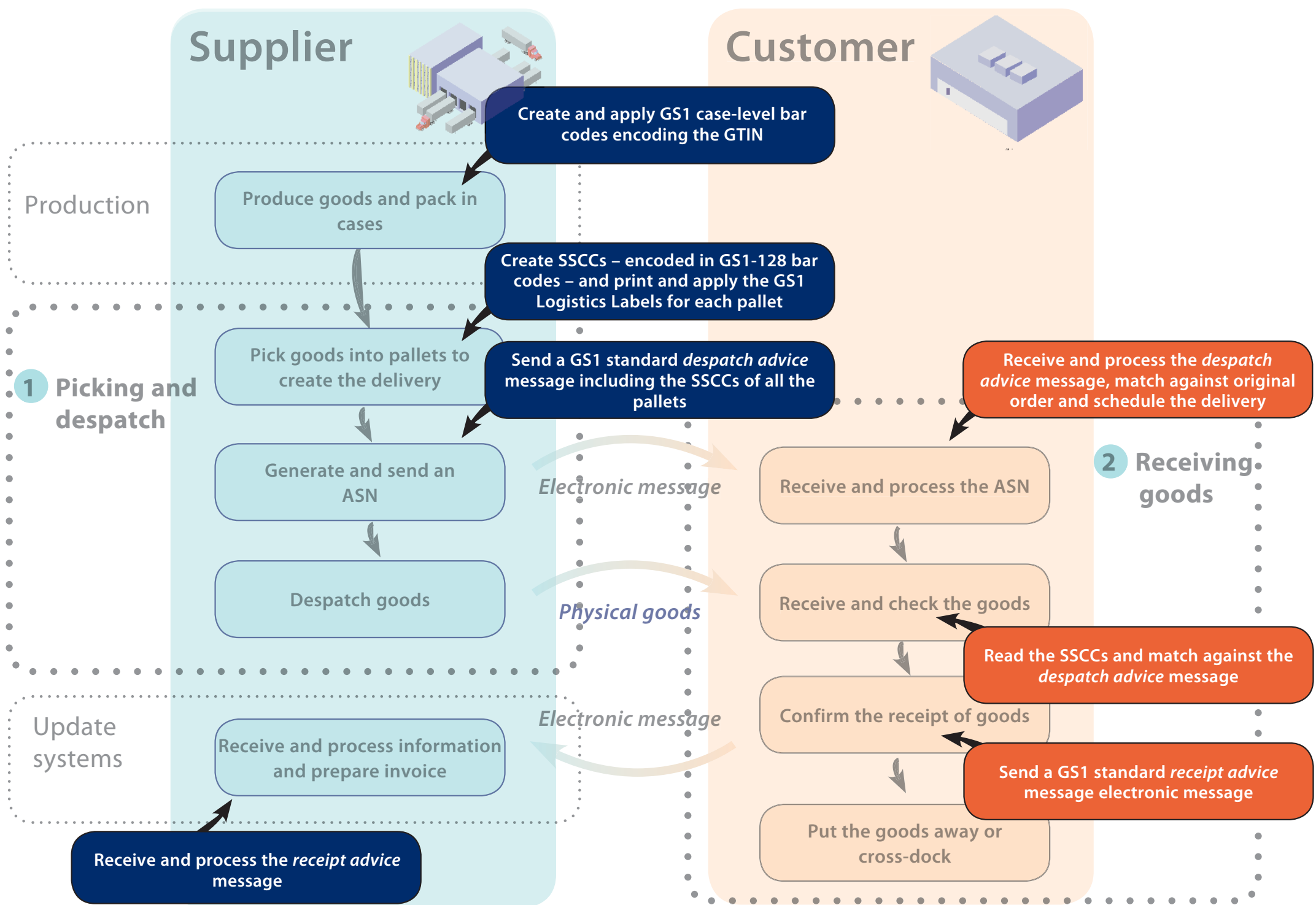
The goods can then be put away in the warehouse, or cross-docked for transporting on to different destinations, without checking every individual item contained in the pallets.

An increasing number of retailers, distributors and manufacturers are mandating that all trading partners use GS1 Logistics Labels and send ASNs prior to despatching goods. Larger suppliers tend to automate the exchange of ASNs with their customers through back-office integration.

Smaller suppliers can use web-based forms and desktop software which is available from many solution providers. This is a low-cost solution that enables smaller suppliers to generate SSCCs, to create and send electronic ASNs and to print standard GS1 Logistics Labels.



The diagram here shows where GS1 standards are used to connect the physical flow of the goods from one trading partner to another with the electronic information about the goods.



How GS1 UK can help



GS1 UK can help organisations of all sizes to identify ways in which they can benefit from automating their goods receiving process. We do this by:

- Identifying and proving the business case
- Providing expert advice and guidance on improving all business process flows connected to goods receiving
- Ensuring the correct use of GS1 standards, in particular the use of GS1 bar coding, labelling and electronic messaging standards within the organisation and with all its related trading partners
- Identifying ways in which the benefits can be extended to other business processes such as three way reconciliation, cross-docking and warehouse management systems
- Defining and project managing the implementation of the solution
- Educating and training staff and trading partners on all new processes

GS1 UK Professional Services

GS1 UK provides a range of professional services that deliver expert business consultancy, project management and community development capabilities to assist in the implementation and roll-out of all GS1 Solutions and standards. We do this by following a three-stage process:

1. Discovery Service

With a Discovery Service we carry out a thorough business analysis of the issues facing the client, and assess all opportunities for greater efficiencies. This may include the further adoption of a GS1 solution based on your supply chain issues and objectives.

We provide expert and impartial business analysis and recommendation relating to GS1 supply chain solutions and standards and their potential benefits.

2. Implementation Service

We provide project management and support to ensure the successful implementation of GS1 UK Solutions. We do this through a team of specialist professionals capable of providing guidance and support at all stages of the implementation. We can also provide independent advice and support in the selection of solution providers and vendors.

3. Community Development

We can also help organisations to ensure their suppliers all follow the same processes through a community development programme.

With an automated goods receiving process this means ensuring suppliers:

- Understand how to create and send ASNs
- Correctly and consistently apply GS1 Logistics Labels to all deliveries



Contact us



If your organisation is looking to increase supply chain efficiencies and reduce operating costs then the GS1 UK team can provide a strategic and pragmatic approach to delivering you a solution.

Contact GS1 UK for an initial discussion or visit
www.gs1.uk.org/solutions/solutions_overview.asp

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