



Case study

Mondelēz UK and Tesco

Mondelēz UK and Tesco working together to improve supply chain operations through the GS1 certificate of excellence programme



Mondelēz UK is one of the world's leading suppliers of food and drink and Tesco is the UK's largest supermarket. GS1 UK has worked with them both to improve and certify the efficiency of their supply chain operations, and to identify key areas where the supplier-retailer relationship could be further enhanced. This was completed when Mondelēz UK was successfully certified in their use of GS1 supply chain standards through the GS1 UK Certificate of Excellence programme.

Mondelēz UK was tested in three key areas: the ability to correctly and consistently deploy Electronic Data Interchange (EDI) between the two companies; the accuracy of their product data and the quality of their shipping labels and barcodes.

For Mondelēz UK, certification of their use of GS1 standards means the company experiences quicker turnaround times on deliveries and has fewer items rejected by Tesco. In turn, certification means that Tesco now places more trust in Mondelēz UK as a supplier and receives its deliveries faster, thereby reducing labour costs and getting goods to customers more quickly.

As a result both companies have succeeded in significantly improving and then maintaining the number of deliveries that are received without any problems, while reducing the number of checks that Tesco performs on receipt of the deliveries.

Background

Mondelēz UK, Inc. is a world leader in chocolate, biscuits, gum, candy, coffee and powdered beverages. The company comprises the global snacking and food brands of the former Kraft Foods Inc. following the spin-off of its North American grocery operations in October 2012. Mondelēz UK's portfolio includes several billion-dollar brands such as Cadbury and Milka chocolate, Jacobs coffee, LU, Nabisco and Oreo biscuits, Tang powdered beverages and Trident gums. Mondelēz UK has annual revenue of approximately \$36 billion and operations in more than 80 countries.

“We joined the Certificate of Excellence programme believing our processes and procedures were very robust, but the insights for me were that retailers and suppliers have become adept at working around data issues, rather than tackling them.

Whilst we may have experienced very few issues as a result of data errors, this was still causing avoidable downstream activity. As a result of the Certification process we are now easier to do business with for our retail partners”

Rob Bullen
Director Customer Supply
& Centre of Excellence
MEU, Mondelez UK

Tesco opened its first store in 1929 and now operates more than 2,900 stores in the UK alone. Initially a grocery retailer, the company now trades in a range of areas – from clothing and petrol to finance – and operates in 12 geographical markets.

The challenge

Tesco and Mondelēz UK wanted to ensure their deliveries were correct and that minimum time was spent on checking them on arrival. The process was traditionally time consuming and prone to error as a result of human participation.

While Mondelēz UK already had a reduced check status with Tesco in effect, they wanted to further improve the accuracy and quality of its deliveries, and ensure its status with Tesco is maintained.

Both companies were particularly keen to decrease the amount of duplicated effort that was spent on quality checking of Mondelēz UK's deliveries and products. Since both parties adopted different procedures in the way that they checked items for their size and weight, it meant that items were often measured and weighed both by the supplier and also as they were received at the retailer's distribution centres, wasting resources and increasing check times. Both companies were looking to standardise their measurements, thus reducing the need for repeat checking and building a greater level of trust between the supplier and the retailer.

“Certificate of Excellence supports many strands of our new in-bound processes. It allows us to reduce dwell time from vehicle arrival to the product being available to pick-up. It also helps us to reduce claims and support other product availability initiatives.”

Jim Dickson

Tesco E2E Supply Chain
Development Manager

The solution

Mondelēz UK and Tesco collaborated with GS1 UK to define the Certificate of Excellence programme. The objective was to create an industry supported supply chain certification service for leading suppliers which would drive process improvement and enhancement – ensuring right first time deliveries from suppliers into retailers and enabling greater use of reduced checks.

The first part of the programme assessed the business and operational processes, with GS1 UK examining three key areas: EDI messages between Mondelēz UK and Tesco, product data quality and the use of shipping labels and barcodes.

Simultaneously, GS1 UK trained over 30 members of staff at Mondelēz UK, and accredited them for their knowledge of the global supply chain standards set out by GS1. The three areas of training included EDI, product data quality and barcodes.

The largest element of the certification programme was the physical checks of the products that Mondelēz UK produced and delivered to Tesco. The checks applied to the products, as well the cases and pallets that were used to package and deliver the products. GS1 UK used the Lansa DQ Inspector App to ensure data was captured consistently and correctly. 10 percent of the complete product range was tested, to ensure they were meeting the agreed GS1 data quality standards for attributes such as height, width, depth and weight. Every barcode on the sample set of products was also tested, at item, case and pallet level, to again check conformance against the agreed GS1 barcode quality standards.

By checking the business and operational processes and testing such a large sample size, GS1 UK was able to show that Mondelēz UK was able to correctly and consistently reach accuracy and quality levels. This meant that Tesco could be confident that its deliveries would meet agreed standards and that it would not be necessary to perform additional quality or process checks.

With both parties using GS1 industry standards, for product data attributes, barcodes and EDI messages, the process of ensuring that items meet standards became a swift and automated one requiring minimal manual input, thus eliminating the risk of human error and lowering labour costs.

Conclusion

Both Tesco and Mondelēz UK have expressed their satisfaction with the Certificate of Excellence programme and the business benefits it is bringing to their on-going trading relationship.

For Mondelēz UK, it has helped improve their internal operations, and has minimised the number of manual procedures that need to be carried out before its products reach Tesco stores – such as the need to manually check pallets in the warehouse.

Similarly, Tesco is now confident that Mondelēz UK will maintain its trusted supplier status, without reverting back to the need for regular checking of deliveries. Tesco is now working with GS1 UK to roll out the Certificate of Excellence programme to its other leading suppliers.

Contact us

GS1 UK

T +44 (0)20 7092 3500 | E info@gs1uk.org

Service Team (Freefone) 0808 178 8799

www.gs1uk.org

Connect with us



GS1 UK is a company limited by guarantee and registered in England and Wales under company number 1256140.

Registered office Staple Court, 11 Staple Inn Buildings, London, WC1V 7QH.
VAT number GB287940215.