eBusiness Overview

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1   eBusiness Overview

Over recent months Metcash has been finalising its eBusiness Strategy and is pleased to be in a position to share the strategy with our supplier community. This strategy comprises two key projects: eData and eTrade which collectively seek to unlock greater efficiency in our supply chain as well as positioning Metcash for future eBusiness initiatives with both our customers and consumers.

The focus of both projects will initially be on the Metcash Food and Grocery (formerly IGA and Campbells) and ALM divisions.

Metcash's **eBusiness strategy will provide the following benefits for suppliers**:

- ✓ Reduced administration costs for handling paper orders/UBFs
- ✓ EDI ordering system ensures orders are not missed
- ✓ Faster truck turnaround at DCs using ASN to manage inbound deliveries
- ✓ Reduced claims from misaligned pricing
- ✓ Reduced order errors from misaligned data (e.g. GTIN)
- ✓ Synchronised item and pricing data with suppliers
- ✓ Faster re-ordering from POA to reduce potential out of stocks
- ✓ Utilise industry standard eBusiness protocols
- ✓ Faster invoice processing
- ✓ Be in a position to utilise future developments such as Express Receipting

The diagram below highlights the exchange of electronic messages between Metcash and suppliers as part of the eBusiness program:

It is important to note that although the 2 projects are inter-related, they are mutually exclusive and will be implemented in parallel.
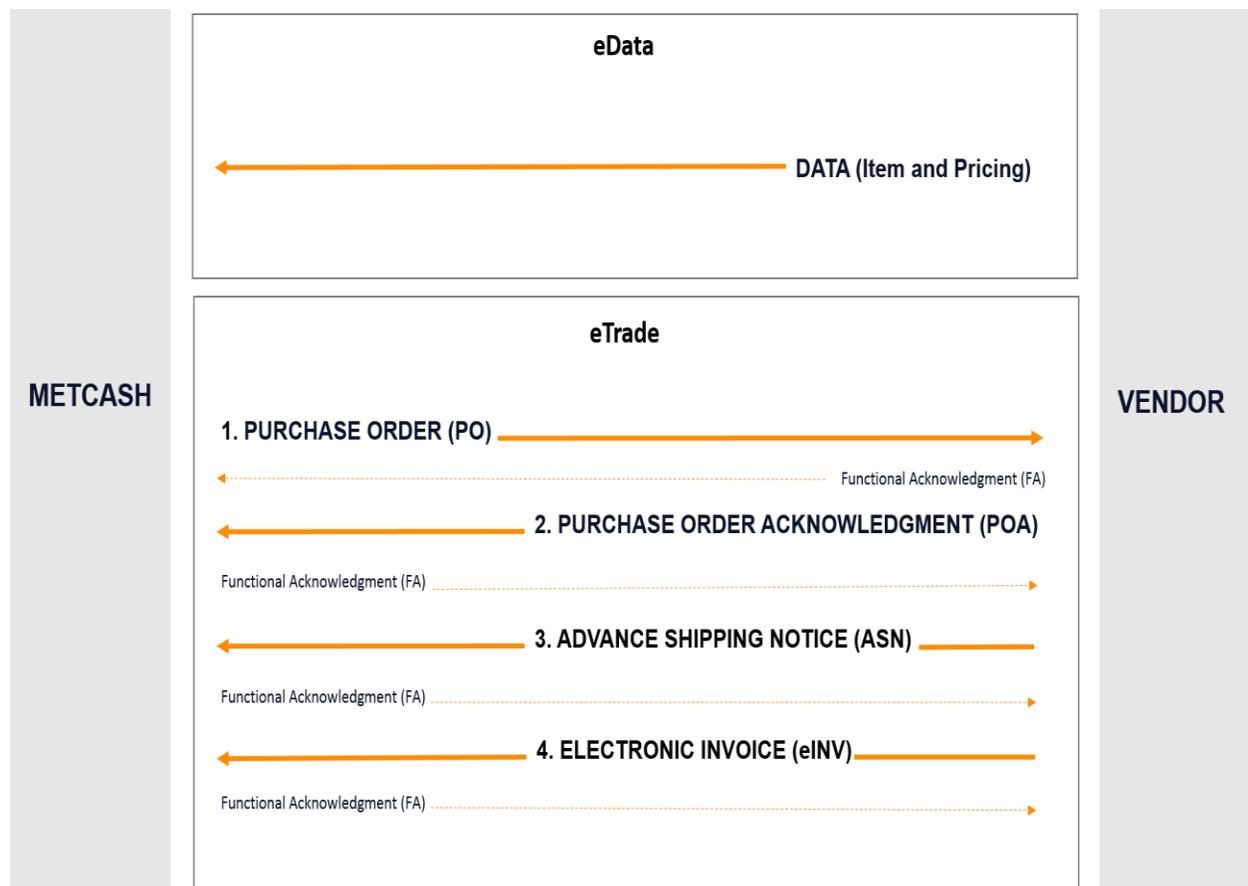
2 eTrade

The eTrade project focuses on streamlining supply chain processes from paper based communication to electronic protocols. The following key EDI documents will be used in our supply chain:

- Purchase Order (PO)   (ORDERS)
- Purchase Order Acknowledgement (POA)   (ORDRSP)
- Advance Shipping Note (ASN)   (DESADV)
- Electronic Invoice (eInv)   (INVOIC)
- Functional Acknowledgement (FA)   (CONTRL)

Below is a brief outline of each document and its content. For more details around technical requirements and business rules, please refer to Metcash's EDI Message Implementation Guidelines located at www.metcash.com/supplier-information/etrade/

2.1 Purchase Order (PO)

A PO is a sales contract issued by the buyer to the seller detailing the exact merchandise to be delivered from the supplier.

It will typically include:

- Item identification (GTIN)
- Item description
- Quantity
- Price
- Delivery date
- Delivery location

2.2 Purchase Order Acknowledgement (POA)

A POA tells the buyer who sent the PO what a supplier anticipates being able to fulfil. This sets the buyer's expectation on what and when to expect the delivery.

A POA typically contains the following information:

- Item identification (GTIN)
- Item description
- Quantity
- Price
- Delivery date
- Delivery location

A POA must be sent within 3 hours of the PO being received.

One POA is required for each PO. More than 1 POA can be sent for each PO (provided they are sent with the agreed timeframe), however each POA sent must apply to the entire PO. (I.e. Updated POAs can be accepted, but the most recent POA will supersede all other POAs sent before it).

POAs can be sent with one of three statuses:

- Accepted In Full
- Rejected In Full
- Accepted With Changes (where the lines returned are the changes to the original PO)

2.3   Advance Shipping Note (ASN)

An ASN is a message from the supplier to the buyer outlining the exact pick and delivery quantity to be sent for a shipment.

ASNs usually include:

- Expected date of delivery
- Delivery location
- Quantities
- Pallet information (SSCC label)
- ASN number
- PO number

ASNs are used by the DC (Distribution Centre) to receipt against.

2.4   Electronic Invoice (eInv)

An eInv is an electronic version of a paper invoice. These are sent from the supplier to the buyer for items that have been delivered as per the ASN issued.

An eInv typically contains the following information:

- ABN
- Vendor number
- PO number
- ASN number
- Invoice total
- GTINs
- Quantity
- Price

2.5   Functional Acknowledgement (FA)

An FA is an automated electronic receipt of a transaction or message that was sent. It tells the sender that the message was successfully sent, and confirms that the recipient has successfully received the message.

An FA is sent every time an eTrade document is sent (e.g. PO, POA, ASN, eInv).

2.6   Serial Shipping Container Code (SSCC)

An SSCC label is an 18-digit number used to identify logistics units. It comprises a GS1 company prefix, a serial reference and a check digit.
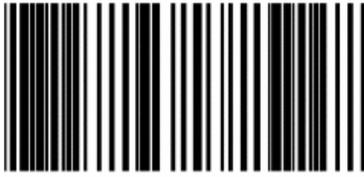
It also contains information as:

- A brief description of the item
- An item number
- Quantity
- A 'Use By' or 'Best Before' date (if applicable)

The SSCC label will be used in conjunction with the ASN as part of the scan-receipting process at Metcash DCs. Furthermore this information will be essential to Express Receipting.

Below is what a typical SSCC label can look like:

SUPPLIER PTY. LTD.

SSCC NUMBER

(00)393006753147066152

DESCRIPTION

1.25 X SOFT DRINK (PK 12)

ITEM NUMBER	QUANTITY
09300675001151	**48 CARTONS**

BEST BEFORE (dd/mm/yy)	BATCH NUMBER
28/09/08	**M8092**

(02)09300675001151(15)080928(37)048(10)M8092

(00)393006753147066152

SUPPLIER PTY. LTD.

3KG LEG HAM R/W	QUANTITY - 48 CARTONS
	NET WEIGHT - 563.25 KG

PRODUCTION ID.
M-8092-4E-19:55

SSCC
(00)393006753147066152

ITEM NO.
09300675001151

BEST BEFORE (dd/mm/yy)

28/09/08

(02)09300675001151(15)080928(37)048(3102)56325
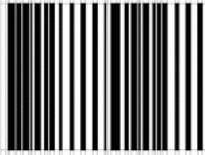
(00)393006753147066152

2.7   Community Management Tool (CMT)

The CMT is a GS1 Australia web-based tool that offers a service to help in the implementation of trading electronically. The service is used to test pre-production electronic trading, document validation and process flow robustness.

Suppliers will need to complete the Metcash-specific CMT certification as per the process outlined above. This certification is completed using a tool called the CMT.

For more information on the CMT, you can visit http://www.cmtau.org/

2.8   Express Receipting

The Express Receipting program is currently in development. Express Receipting involves the streamlining of the scan-receipting process of inbound goods into the Metcash Distribution Centres (DCs). This is a program that will drive many benefits to both Metcash and suppliers that include time reduction spent for trucks in the DCs.

For a supplier to be able to on board to the Express Receipting program there are a number of requirements that need to be met. This include:

- Supplier is eTrade live
- Accurate and compliant SSCC label on all inbound pallets
- Inbound deliveries continue to provide ongoing, accurate and compliant deliveries

3   eData

The eData project is focused on receiving key item information from suppliers via a GDSN-certified (Global Data Synchronisation Network) data pool. This data set goes beyond the Core and Pricing attributes Metcash have sought to date and includes additional information in the areas of: Marketing, Nutrition, Quality, Hazmat, Quarantine and Liquor.

The eData project will be focused on the Metcash Food & Grocery (formerly IGA and Campbells) and ALM divisions.

Suppliers that are currently using the GS1 National Product Catalogue (NPC) will continue to be able to utilise this solution to supply Metcash with all required data attributes for the eData project.

NPC is the Australasian industry data pool administered by GS1 Australia / New Zealand which was established in 1997. GS1 Australia are currently working with Metcash to further utilise the Food & Beverage and Local Data Dictionary (LDD) catalogue extensions to ensure all Metcash data requirements can be met. They will also be providing a range of additional support service to suppliers to assist with on-boarding to Metcash's eData initiative.

For more information, please refer to the link below:
GS1 Australia
https://www.gs1au.org/

4   Turn-in Orders (TIO)

A Turn-in Order (TIO) is an order placed by a supplier on behalf of a Metcash Customer (e.g. an IGA store). TIOs have become another area of focus for upgrading current supply chain processes from paper to electronic communications.

4.1   What is a TIO?

A TIO is an order submitted to Metcash by a supplier on behalf of a store. This is typically the result of an agreement between a store and a supplier representative, conducting an in-store visit, to have the supplier place an order on their behalf. The order will only ever contain items that are sourced from the supplier submitting the order.

4.2   How Can Metcash Receive TIOs?

Metcash uses a standard format XML TIO that can be sent to us via a Web Service for processing. Detailed documentation about both the XML file format and Web Service connection can be obtained by contacting the eBusiness team at: eBusiness@metcash.com

Documentation Available on Request:

Metcash_Turnin_Orders_XMLFormat_V_1.1

Metcash_Turnin_Orders_Web_Service_V_1.6

4.3   What Information is required on Metcash TIOs?

A number of key pieces of information are required to be submitted on each TIO. Each individual piece of information is fundamental in allowing the order to successfully reach its final store destination. Key information includes:

- Customer Number
- Order Number
- Product Code / GTIN
- Quantity Ordered
- Quantity Descriptor
- Business Pillar
- State
- Application Type

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Detailed requirements can be found in the above listed documentation.

The diagram below outlines the XML Turn-in Order process between Metcash, Customer and Supplier.

XML TIO

METCASH   **SUPPLIER**   **CUSTOMER**

1. Agree to TIO in store

2. Submit TIO (XML)

3. TIO Delivered
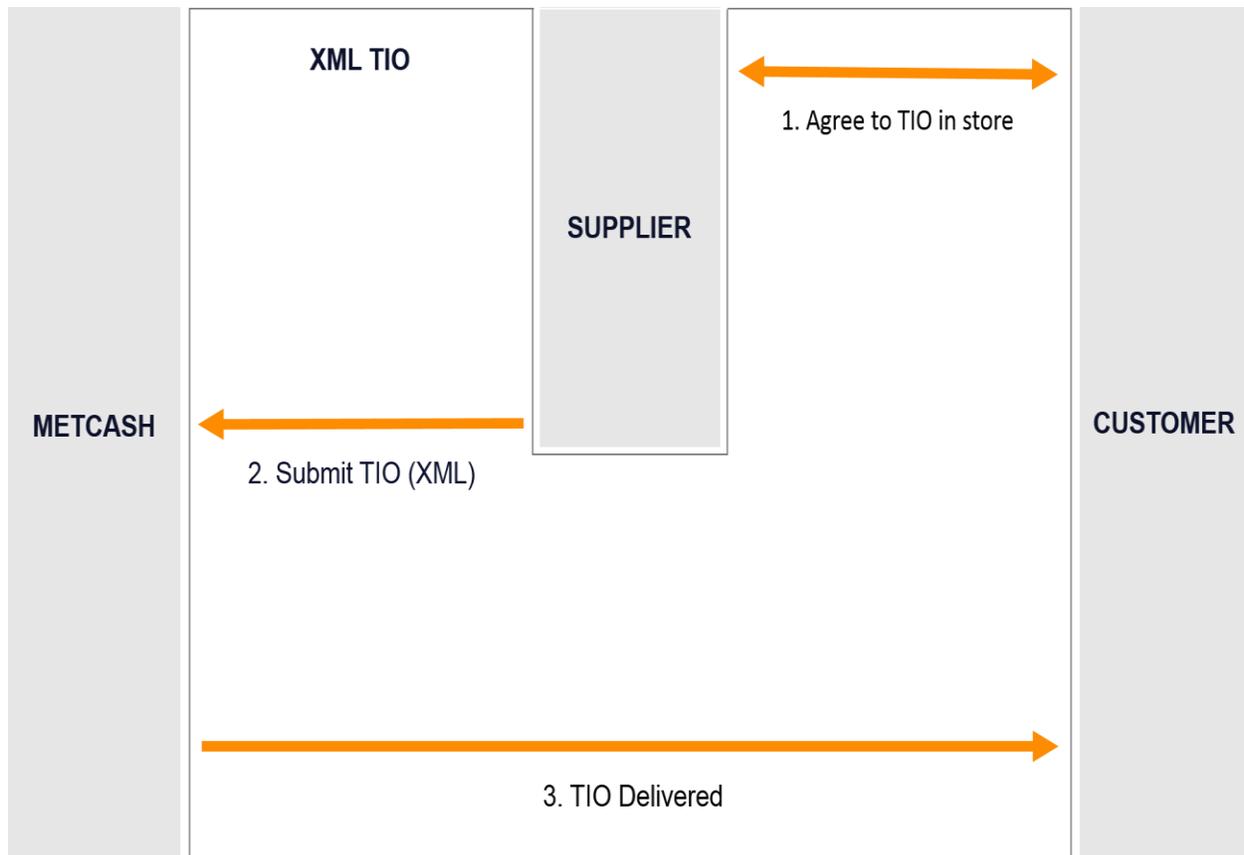
5   eBusiness Certification

There are a number of steps a supplier must go through to be ready to trade with the eBusiness processes.

For each of the eBusiness initiatives (eTrade, eData and TIO) there is a series of on-boarding steps to be completed.

Here is a brief outline of the steps that a supplier would need to complete to be eBusiness ready.

eTrade On-boarding Process

Steps	*Responsibility*	*Description*
Step 1:	Metcash	Begins engagement process to discuss timelines
Step 2:	Supplier	Develops EDI capability internally or through 3PL* for the following documents: - Purchase Order (PO) - Purchase Order Acknowledgement (POA - Advance Shipping Notice (ASN) - Electronic Invoice (eInv) - Functional Acknowledgement (FA)
Step 3:	Supplier	Performs own internal testing
Step 4:	Supplier	Completes CMT certification using the login details provided by Metcash
Step 5:	Supplier & Metcash	Setup and test integration connectivity for TEST environment with Metcash
Step 6:	Supplier & Metcash	Perform end-to-end testing
Step 7:	Supplier & Metcash	Sign off and agree on Go-Live date
Step 8:	Supplier & Metcash	Setup and test integration connectivity for PRODUCTION environment with Metcash
Step 9:	Supplier & Metcash	Communicate to relevant stakeholders on Go-Live date
Step 10:	Supplier & Metcash	Go-Live

 * If 3PL is Metcash accredited for eTrade, CMT certification can be passed and progressed to Step 5

eData On-boarding Process

Steps	Responsibility	Description
Step 1:	Metcash	Begins engagement process to discuss timelines
Step 2:	Supplier	Choose the preferred GDSN certified data pool and notify Metcash
Step 3:	Supplier	Loads supplier products onto the preferred GDSN certified data pool
Step 4:	GDSN Data Pool	Validates and publishes data in order to make supplier's catalogue ready for synchronisation with Metcash
Step 5:	Supplier & GDSN Data Pool	Advises Metcash of supplier's ready status
Step 6:	Metcash	Performs "Product Match"
Step 7:	Metcash	Performs "Attribute Match" on Metcash ERP system
Step 8:	Metcash	Advise supplier of discrepancies of product attributes if any
		- Repeat Steps 3 to 7 if discrepancies exist
Step 9:	Supplier & Metcash	Sign off and agree on Go-Live date
Step 10:	Supplier & Metcash	Communicate to relevant stakeholders on Go-Live date
Step 11:	Supplier & Metcash	Go-Live

TIO On-boarding Process

Steps	Responsibility	Description
Step 1:	Supplier	Engages Metcash requesting TIO (XML)
Step 2:	Supplier	Develops own TIO XML capability
Step 3:	Supplier	Performs own internal testing
Step 4:	Supplier & Metcash	Setup and test integration connectivity for TEST environment with Metcash
Step 5:	Supplier & Metcash	Perform end-to-end testing
Step 6:	Supplier & Metcash	Sign off and agree on Go-Live date
Step 7:	Supplier & Metcash	Setup and test integration connectivity for PRODUCTION environment with Metcash
Step 8:	Supplier & Metcash	Communicate to relevant stakeholders on Go-Live date
Step 9:	Supplier & Metcash	Go-Live

6   eBusiness Vendor Engagement Team

To support the implementation of the eBusiness Strategy, Metcash has on-boarded an eBusiness Vendor Engagement Team (eBVET) responsible for working with our supplier community to successfully deliver both eTrade and eData projects.

The eBVET will guide suppliers through obtaining their CMT certification, as well as testing the End-to-End (E2E) electronic trading process – from document validation and initiation of PO, right through to ASN and eInv creation. Once testing has been successfully completed, a 'Go Live' date is agreed on and signed off. The solution will then be implemented in the production environment and suppliers can begin to enjoy the benefits of working in a paperless environment.

7   Vendor Engagement Process

Engagement with our supplier community is key to the delivery and success of Metcash's eBusiness initiatives, and will be undertaken by the eBVET.

This engagement will be conducted in a collaborative and professional manner, emphasising the mutual business benefits for both Metcash and our suppliers.

8   Key Contacts

If you have any queries regarding Metcash's eBusiness strategy, please feel free to Will Cartwright or the eBVET directly as per the details below.

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