ECR Europe blue book on Shelf Ready Packaging

Summary presentation

15 January 2007

Agenda

- ECR Europe SRP Initiative
- SRP Definition
- Project Team
- Methodological Framework
- Framework Highlights
- Supporting Tools Developed
- Success Factors
- Summary

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ECR Europe has leveraged ECR National and proprietary initiatives

SRP Landscape

i. Proprietary Initiatives

TESCO Sainsbury's ASDA Carrefour

ii. ECR National Initiatives

ECR Belgium, ECR Norge, ECR España, ECR UK, ECR France, ECR Sverige

ECR Europe Efficient Consumer Response

- Working group to align the multiplication of initiatives on SRP across Europe.
- Recognising the importance of the topic, and the need to act at a European level, the ECR Europe Shelf Ready Packaging (SRP) Project began in February 2006

ECR Europe Objective

- Provide common perspective on SRP across Europe
- Promote collaboration between Trading Partners involved in SRP initiatives

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The SRP Project Team has been comprised of more than 40 industry representatives.

- Significant participation, providing high quality SRP insights and content

Co-Chairs & Secretariat

KRAFT, Carrefour, AIM®

Guiding Principles

METRO Group – The Spirit of Commerce; Sara Lee; Kellogg's; ECR Sverige; Groupe Casino; Henkel; ECR España; ECR France; REWE Group

Business Case

Coca-Cola; Johnson & Johnson; Smurfit Kappa Group; Unilever; RAISIO; Masterfoods; Colgate-Palmolive; L'Oréal; BDF Beiersdorf; Atria; Barilla; P&G; VALIO; TESCO; ECR Norge; Reckitt Benckiser; ECR UK

Functional Requirements

SCA; ICA; Wilkinson Sword; Van Genechten Packaging; GS1 Germany; ECR Belgium; pac project; Nestlé; SC Johnson; Kimberly-Clark; Energizer; CHEP; Saatchi & Saatchi

Project Management

accenture

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The ECR Europe Blue Book provides a practical framework for collaborative engagements

How does the ECR Europe project differ?

- Methodological framework to support an end-to-end SRP assessment, including:
  - Comprehensive set of Guiding Principles *New*
  - Business Case evaluation *New*
  - Adapted Functional Requirements *Updated*
  - In-Store Execution *New*
- Practical Tools to support the methodology and assessment
- Shopper Impact and considerations

However…….

- SRP is not standalone Best Practice
- No Industry 'Size of the Prize' is available
- Evaluation is required on a product by product basis

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The scope of the Shelf Ready Packaging project encompasses a number of industry recognised definitions.

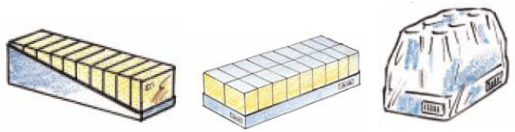
Project Scope

- Shelf Ready Packaging (SRP)
- Retail Ready Packaging (RRP)
- Ready to Sell or PAV (prêt-à-vendre).
- Display Ready

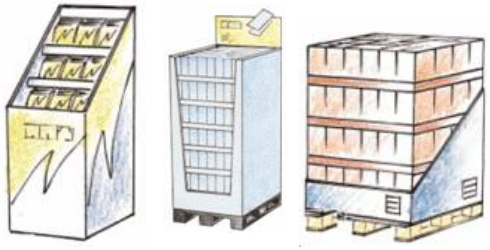
The definition is not limited to packaging which goes on the shelf, but includes sales support mechanisms in all major distribution channels

SRP Types

On-Shelf Tray / Case



MUs, Pallet, Dolly



Re-usable Plastic Tray

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An 8-Step approach to evaluating the Business Case for SRP has been developed

ECR Europe
Efficient Consumer Response

1. Validate with Guiding Principles
2. Adopt Value Chain Impact Approach
3. Perform High Level Assessment
4. Define & Evaluate Alternative Solutions
5. Agree relevant Business Case Drivers
6. Perform Business Case Assessment
7. Implement Solution or Selected Improvements
8. Track / Measure Implementation Success

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The SRP project has defined a Common set of Principles for Trading Partners……

- The Principles provide a common language and shared goals for Trading Partners to engage in discussions
- Their creation – a combination of best practice from a variety of sources

Headline Guiding Principles

- ✓ Always of Value to the Shopper, Retailer and Manufacturer
- ✓ Compliance with Environmental Legislation and Public Policy Concerns
- ✓ Avoid Fragmentation and Complexity
- ✓ Maintain Brand Identity
- ✓ Measure Implementation
- ✓ Requirement of Long-term Commitment from Retailers and Manufacturers
- ✓ Compliance with total Supply Chain Efficiency Principles

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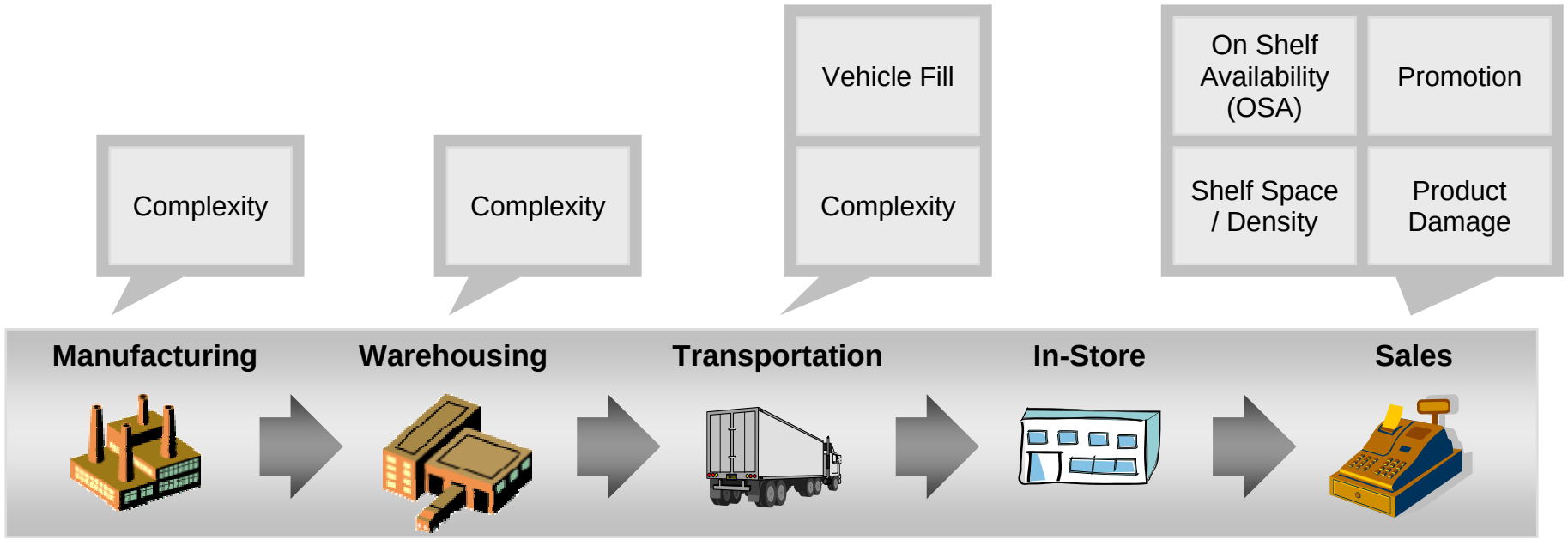
.....whilst the Business Case focuses on assessing the Value Chain drivers impacted.....



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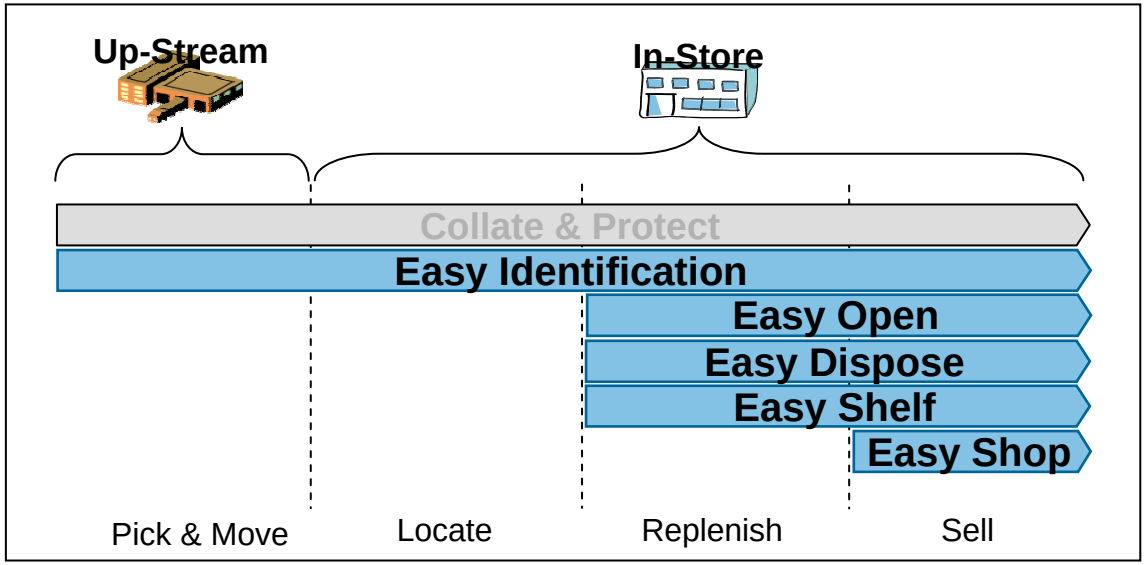
….with Functional Requirements to assist in solution design and assessment, and In-store Execution to support implementation

Functional Requirements

- The Functional Requirements move discussions away from technical solutions, and support the freedom to innovate
- Collate & Protect functionality should be considered in parallel to SRP requirements, (e.g. Efficient Unit Loads)



In-Store Execution

- Excellent In-store execution underpins the success of SRP implementations, promoting training, communication & regular store auditing.

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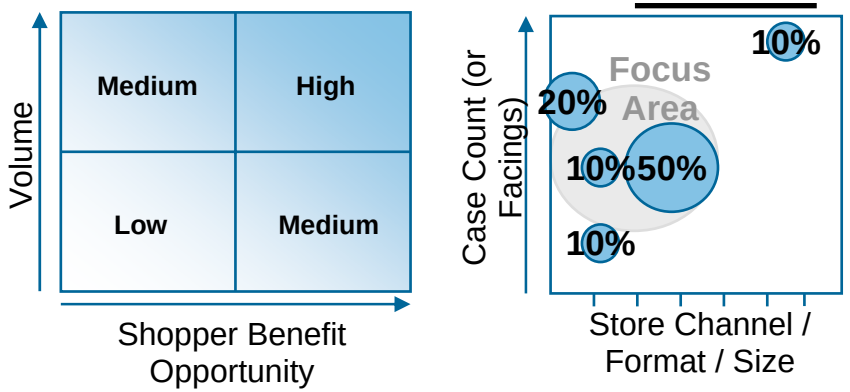
Several tools have been developed to support the Methodology and collaborative engagements

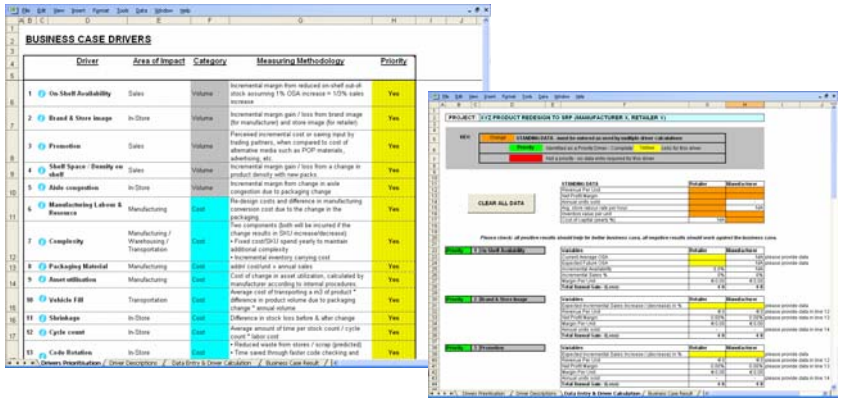
Supporting Tools

Business Case

High Level Prioritisation

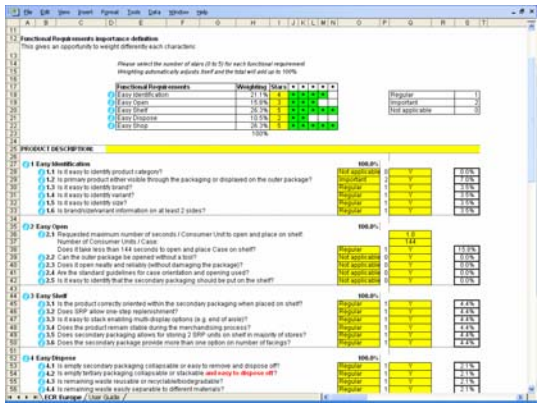


Business Case Evaluation

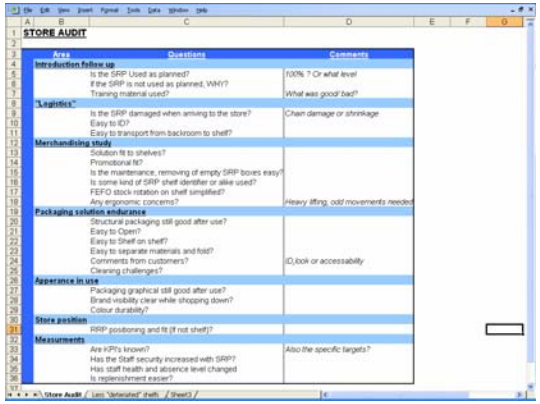


Solution Assessment & In-Store Audit

SRP Solution Assessment **



Store Audit & Checklists



** Adapted from ECR UK RRP Tool

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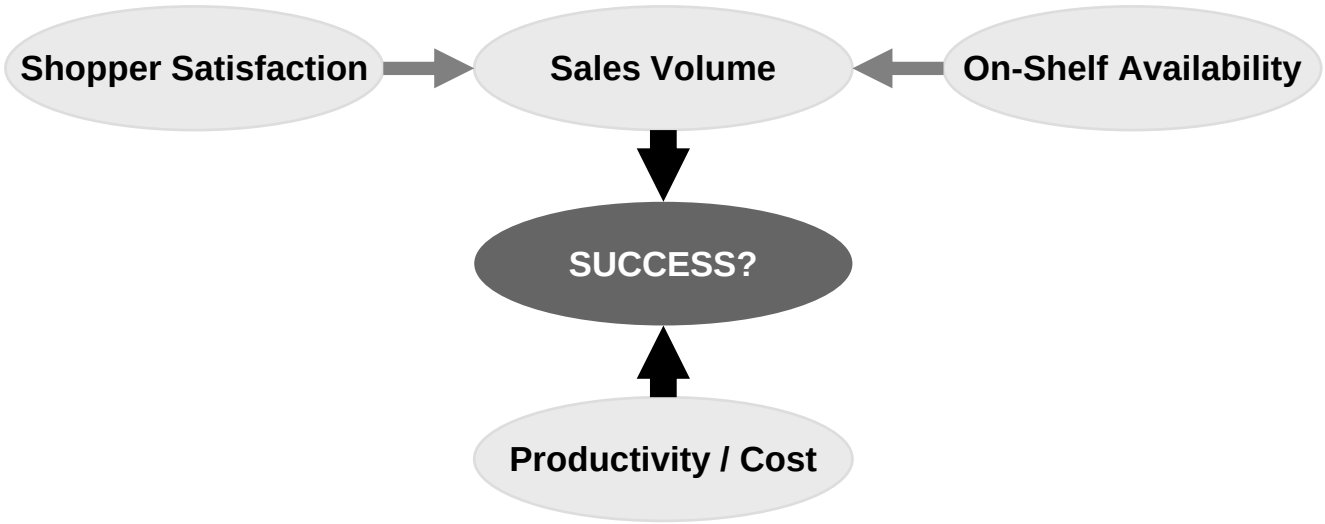
Finally, implementation success should be measured, not forgetting the Shopper's perspective

Success Factors



- Incorporating Shopper insights, provided by IGD, highlight the need to measure more than just the efficiencies delivered by SRP solutions.
- In-house surveys or with help of professional services
- Balanced scorecard

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To Conclude

ECR Europe SRP

- Many of the companies involved are starting to adopt the Methodology and Tools in their day-to-day activities
- Most of today's speakers have contributed to the ECR Europe project
- You will see further reference made to the ECR Europe deliverables today
- The ECR Europe Blue Book, incorporating the methodology and tools, will be widely available at no cost

Publication

January 2007

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