



Operating Efficiency: The Real Competitive Advantage in the Supply Chain



**Operating Efficiency:
The Real Competitive Advantage
in the Supply Chain**

**Monday, January 30, 2006
7:30 to 9:00 AM**



**Operating ~~Efficiency~~ Effectiveness:
The Real Competitive Advantage
In The Supply Chain**

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**In Order to Collaborate... You Have to
Communicate! Communications Depend
on CHA Standards**

- ❖ **Standard numbers**
- ❖ **Standard bar codes**
- ❖ **Standard labels**
- ❖ **Standard item records**

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These Are the Members of the Taskforce Who Want to Help Create a More Effective CHA Supply Chain





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Carolina Memories

❖ **Christina Headrick**

- Opening a store
- What we do today
- What we WILL do tomorrow
- What better communications with suppliers means to our business



Crafts Direct

❖ **Scott Schlecht**

- Being **effective** (for us) is knowing **when** we need to act and then acting **efficiently**
- We use technology to do this
- We need real time information to use technology



Herb Lantinga

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NOTIONS MARKETING

- ❖ 5 observations that relate to better business for all of us



NOTIONS MARKETING


- ❖ We only request of suppliers what is request of us



NOTIONS MARKETING

- ❖ We have a few customers who issue fines if labeling or data is not 100% accurate

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NOTIONS MARKETING

- ❖ Accurate shipments rely on error proof ordering.



NOTIONS MARKETING

- ❖ There is a standard record and people are using it

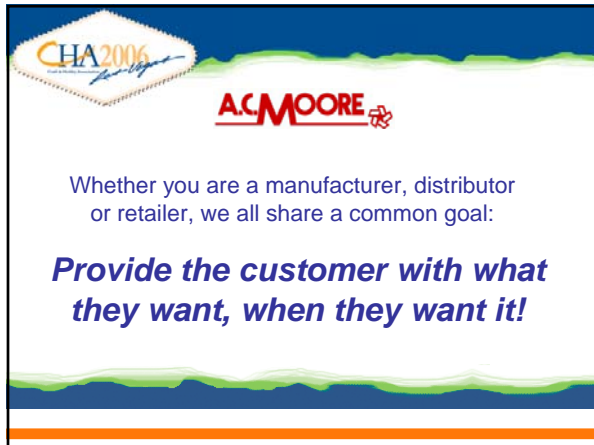


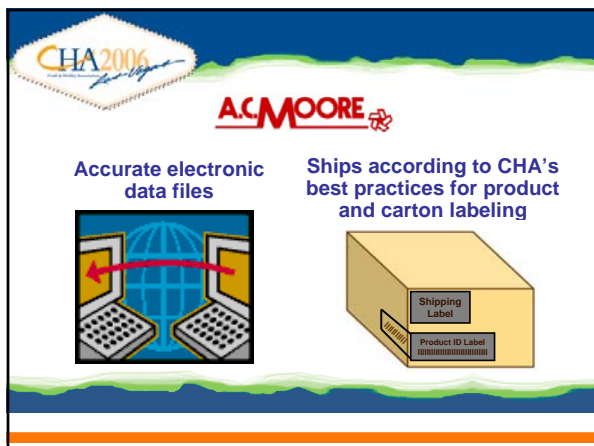
NOTIONS MARKETING

- ❖ If all suppliers and customers use the GTIN standard will be reduced dramatically


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A.C. MOORE

- ❖ The shipping labels clearly identified the exact product and purchase order information
 - ❖ The merchandise arrived properly secured, on the correct size pallets
- ❖ The preloaded data for the item was accurate
 - ❖ The bar codes scanned precisely



Michaels

Mary Kuniski



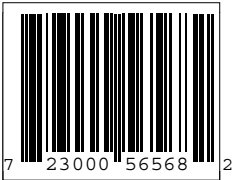
**What Technology
And Standards
Mean To Me?**

Michaels

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Standard GTIN UPC A Barcode



7 23000 56568 2

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Used To Capture Sales Data



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Inventory Records Are Captured By UPC




Michaels

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Reorders Placed From Captured Sales Information



The screenshot shows the Michaels Vendor Connect interface. At the top, it says 'Michaels Vendor Connect'. Below that, there are several sections with labels like 'Product Information', 'Order Information', and 'Shipping Information'. A red arrow points to the 'Product Information' section, which contains a table of product details.

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Standard UCC 128 Carton Labels Are Printed From Data



The image shows a cardboard box with a UCC 128 label. The label contains the following information: '12353', 'Paneled Votiv', '24 Pieces', and a barcode. A red arrow points to the label. The Michaels logo is visible in the bottom right corner.

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GTIN 14-Character Barcodes Are Used To Fill Order Properly



The image shows a close-up of a label with a GTIN 14 barcode. A red arrow points to the barcode. The Michaels logo is visible in the bottom right corner.

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 Coats & Clark

Scott Rohaley



Coats and Clark, Inc.

❖ **“The customer is always right”**

- Proprietary formats = added complexity = higher cost
- Data formats, ordering methods, communication/terminology
- Selling standards along with your products lowers cost




Coats and Clark, Inc.

❖ **Collaboration impact on top-line sales**

- Understanding retailers demand and supply chains
- Collaboration = Communication
 - Removes uncertainty and exceptions from replenishment process

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Coats and Clark, Inc.

- ❖ **Value of being in stock**
 - In stock 99% = -2% POS
 - In stock 98% = -4.1% POS
 - In stock 97% = -7.9% POS
 - In stock 96% = -24.9% POS



We Have Heard

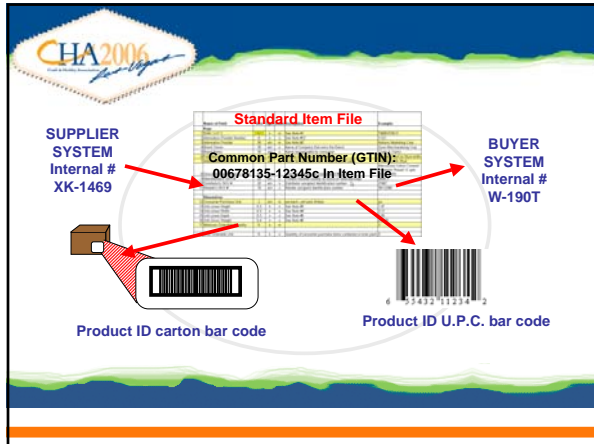
- ❖ **What – share information**
- ❖ **Why – to be more competitive**
- ❖ **How – that is next!**

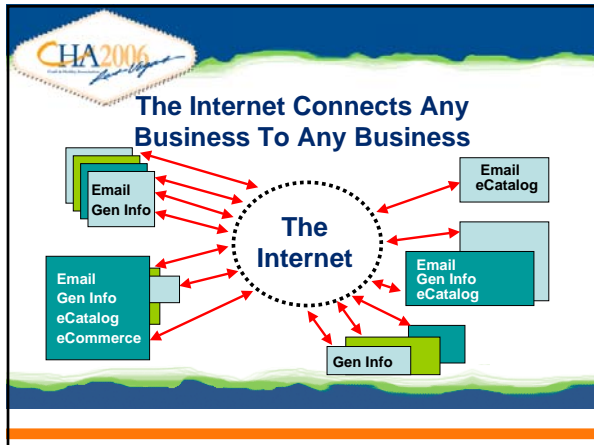


In Order To Use The GTIN And Bar Codes, The Standard Item Records Must Flow From Supplier to Buyer

This is DATA SYNCHRONIZATION

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Because CHA Agreed To A Standard Bar Code, Label And Item Record...


There Is No TECHNICAL Reason To Have Shipping, Receiving and Communications Inefficiencies

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The Correct Numbers Are Necessary

- ❖ To order
- ❖ To receive
- ❖ To sell
- ❖ To pay invoices



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A Single Hand Held Data Terminal At The Least Sophisticated Store Links To Any Supplier



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A Single Hand Held Data Terminal Can Identify Items by U.P.C. Or Class Of Product



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A Single Hand Held Data Terminal Is Used At The Shelf to Order AND Updates POS Files



Local host system can connect w/o Hand Held

CHA2006


A Single Hand Held Data Terminal Used at the Shelf, Updates POS AND All Files



Local host system can connect w/o Hand Held

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What CHA Members Are Using Systems Like This Now?



Mary Maxim
Lady Jane
Tall Mouse
Crafts Direct
Scrap Books and Things
Ben Franklin
Carolina Memories


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What Suppliers Have The Right Stuff Now?

- ❖ The supplier directory and all the information is found at www.craftandhobby.org





Let's Talk

- ❖ We want to answer questions and explore ideas.
- ❖ If you must leave... Thank you.
- ❖ If you can stay... Let's get started!
