

# Landmark Supply Chain and EDI

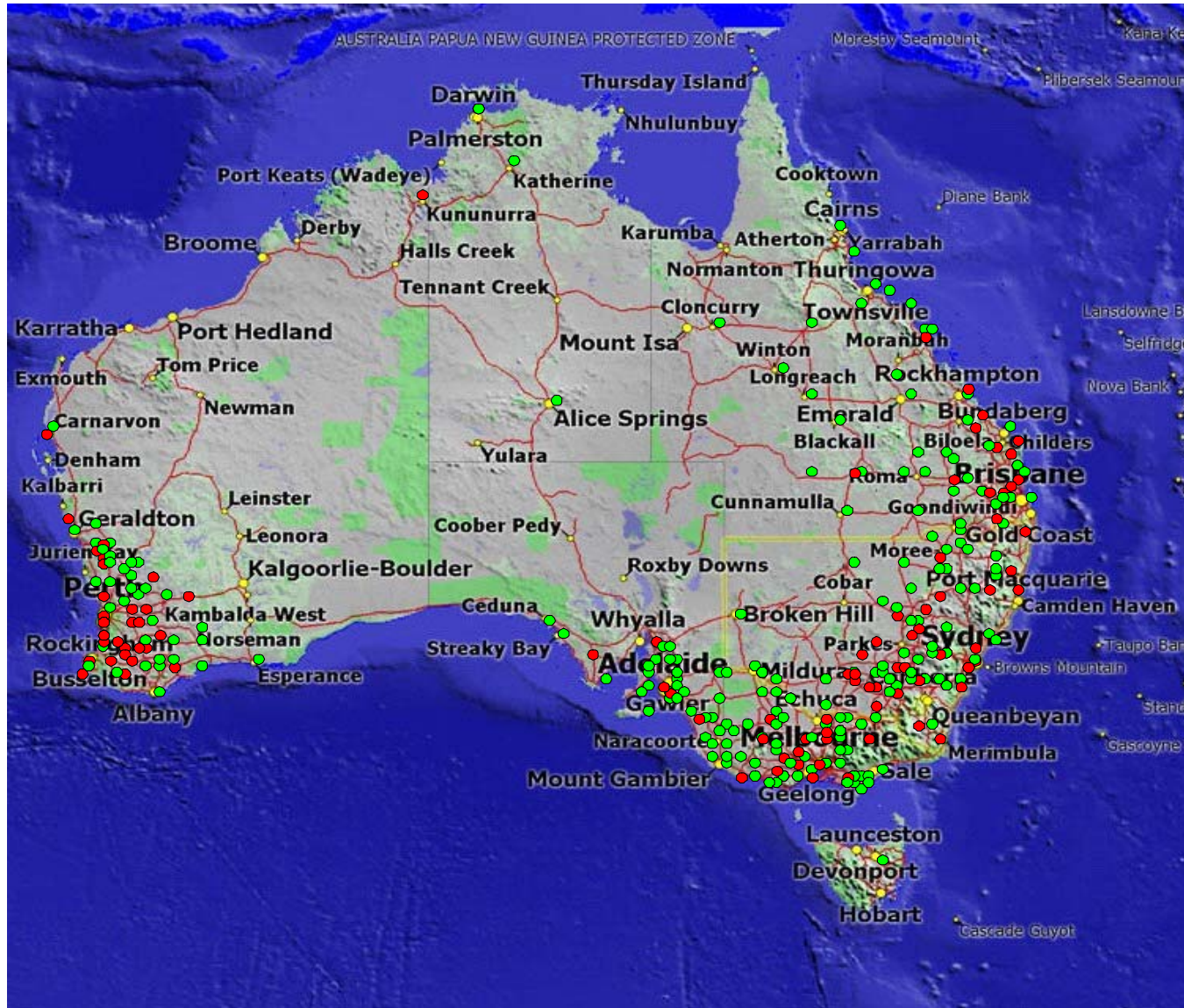
March 2010

**LANDMARK**

*look to us*

## Introduction to Landmark

- 150 plus years of supply into Rural/ Agricultural industry
  - Merchandise
  - Fertiliser
  - Insurance
  - Livestock
  - Wool
  - Real Estate
- 400 plus branches around Australia
  - Very little if any major city presence
- Competitors include:
  - Elders, CRT, AIRR, numerous independents and traders



**LANDMARK**

*look to us*

# Introduction to Landmark

- In excess of 100,000 account customers
- Customer profile includes major corporate “farms”, family operated farms and retail customers
  - Mix of B2B (farm inputs) and traditional retail over the counter sales to non account customers
  - Extremely small percentage of customers have IT capability
- Highly seasonal demand profiles – very weather dependent
- Multiple Channels within Merchandise sector
  - Account customers, affiliate and wholesale customers

# Introduction to Landmark

- Merchandise (billion dollar plus turnover)
  - 7 major sectors
    - Crop Chemicals
    - Animal Health
    - Animal Management
    - Seed
    - General Merchandise
    - Fencing
    - Water
  - 60,000 active SKU's
  - In excess of 1000 vendors

# Supply Chain

- 6 major DC's
- Supply profile is predominantly vendor direct to store
- DC's are small - all less than 4000m<sup>2</sup>
- EDI with only top 40 vendors
  - Mainly Purchase orders and Invoicing
  - All product/article data manually maintained
  - “Loose” standards around field usage
  - Non documented conversions occurring for different vendors

## Where to and Why

- Business will be converting to SAP ECC 6 with phased rollout starting May this year
- Master Data “locked” from April
- SAP forced the business into reviewing master data and the associated processes
  - Master data will be centrally maintained
    - Includes article, business partner and pricing
  - Review of how we transact EDI and the opportunity for improvements within our B2B process

## A quick history of B2B within the rural sector

- Major retailers and vendors in conjunction with First for Farming (F4F) kicked off EDI several years ago.
- An XML standard was implemented with F4F cleansing and in some cases converting data to get the parties going.
- 6 documents available to transact but in reality mainly PO's and invoicing.
- EDI is working "BUT"
  - Vendors have to convert retailer article codes to their codes
  - Inconsistent usage of things like ship to/ site locations
  - Very poor take up of EDI amongst second tier vendors
  - Getting new vendors set up is time consuming and expensive

## Where does GS1 fit

- First stage GTINS
  - Tackle all the internal conversion databases
  - Current vendor knowledge of retail bar coding is poor.
  - Utilise GS1's expertise in this area
- Will enable improved data accuracy
- Sets the stage for a new level of standards for rural sector B2B
- Enables the industry to start considering electronic updates of article master data and pricing
- Major problems with bar coding some product types
  - Not going to be an easy or quick project

# The Future

- Formation of a Rural sector working group
  - Intent is to leverage work already completed by Hardware group
  - There is already some overlap
  - Use the lessons learnt from the Hardware group
    - Get GS1 involved from the start
    - Leverage knowledge base
    - Concurrent process with Bar coding work and focus on partnership with vendors. It must be commercially viable for both partners. Big stick just doesn't work
  - Go beyond purchase orders and invoicing
  - Develop Web based solutions for small vendors that cant afford or simply don't have the IT skills within their business