



# GSI AUSTRALIA & ORIENTAL MERCHANT CASE STUDY



Oriental Merchant

Your Asian Food Specialist

# GS1 AUSTRALIA & ORIENTAL MERCHANT CASE STUDY

WHEN ASIAN FOOD SPECIALIST ORIENTAL MERCHANT ADOPTED THE GS1 STANDARDS TO MANAGE THEIR SUPPLY CHAIN, WITH SOME CLEVER LATERAL THINKING THEY PUT IN PLACE SOLUTIONS TO DELIVER END-TO-END EFFICIENCIES FROM SUPPLIERS RIGHT THROUGH TO THEIR CUSTOMERS.



Oriental Merchant is an Australian success story in one of the fastest growing consumer markets in the country – Asian groceries. In 1975, when the third generation of the Yiu family of grocers from Hong Kong opened for business in Little Bourke Street, Melbourne, their business, Hong Oriental, was amongst the first to bring the trade of Asian groceries to Australia. Hong Oriental pioneered imports of tropical fruit and vegetables as well as frozen seafood, newspapers and magazines from all over the Asia-Pacific region by air. In addition to retail, the company was an importer and wholesaler of major Asian brands.

In 1990 it merged with China Merchants to become Oriental Merchant Pty. Ltd., committed to making authentic Asian grocery lines accessible and affordable in Australia. Today it supplies over 2,100 Australian supermarkets nationally and has supply partnerships with every major chain in Australia as well as servicing 95 per cent of the Asian grocery retailers in Australia.

“We support retailers, manufacturers, distributors and end users through innovative marketing programs, advanced technology, and effective business solutions. Our comprehensive consumer education strategies aim to ‘demystify’ Asian cuisine through cook books, recipe leaflets, store-based and TAFE-based cooking classes, and food festivals,” Bernard Yiu, Oriental Merchant, Managing Director said.



## Supply Management

To maintain the highest levels of service Oriental Merchant has built an innovative, customer-responsive supply chain. This is especially impressive given theirs is a complex supply chain with products sourced in many countries and their logistics teams have to factor in lead times, shipping and transport considerations, customs regulations and quarantine requirements. Oriental Merchant now also operates as an importer and wholesaler in New Zealand and in Europe making efficient supply chain management a truly global challenge.

The company's buyers monitor both incoming and outgoing stock levels on a daily basis to gauge fluctuations and trends in purchasing patterns.

They have a strict selection process based on manufacturing standards and product adaptations and their Asian manufacturers premises are checked regularly and their processes documented by Oriental Merchant's regulatory and purchasing team.

To maintain on-going quality assurance Oriental Merchant's food wholesaling practices include national product recall protocol and their food safety committee ensures product safety through a HACCP Australia Food Safety Accreditation program. The company also works closely with Australia's Quarantine and Inspection Service to ensure products comply with import conditions.

## GS1 Standards

Underpinning this supply chain efficiency are the global GS1 standards of numbering, barcoding, data synchronisation and e-messaging. Fundamental to supply chain integrity and efficiency, they "aim for 100 per cent success rate for the scanning of all products", according to Oriental Merchant's Sales Support Manager, Andrew Bond. To support this process, Oriental Merchant have invested in becoming a GS1-accredited supplier, and now have in-house systems and processes in place for the self-regulation and issuing of barcode verification reports to the GS1 Australia standards.

Additionally, ensuring product and pricing information is accurate, up to date and readily available to customers is also critical. "All information on our listed products is now published on GS1net and we are actively engaged in eMessaging; exchanging purchase orders, purchase order acknowledgements and dispatch advices with major retailer clients," Andrew said.

"When we started on the GS1net journey, there were many initial challenges as we dealt with multiple error messages and had to resolve our many data issues. However, with the assistance from the team at GS1 Australia we were able to work through them and now enjoy much better quality enterprise data with very few errors," he said.

"The training offered by GS1 Australia also helped us to put our data errors into context and as a result has assisted us in becoming more independent so that we can avert errors before they occur.

"Now our data is correct to an outer level, we are working on ensuring data integrity all the way to the pallet level," Andrew said.

"Currently, Oriental Merchant is working with GS1 New Zealand on data synchronisation through GS1net and our long-term aim is to incorporate all the Oriental Merchant data in one data pool.

"The GS1 standards are integral to the effective management of our processes, enabling Oriental Merchant to have one system that can be leveraged across our supply chain, minimizing errors, avoiding costly duplication, and improving customer service," he said.

## Supply Chain Solutions go Beyond Compliance

At the heart of this efficiency lies the GS1 Bar Codes, and the team at Oriental Merchant quickly saw that they could harness the GS1 System to work more efficiently upstream with their suppliers as well as ensuring packaging compliance for their customers.

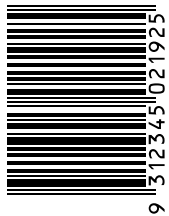
"We began a process of education with our many suppliers in Asia to explain that if they wanted to have their products in Australian supermarkets, they would have to use a GS1 Bar Code and ensure it was correctly printed and positioned on their packaging. We helped them with this process to eliminate warehouse and POS errors and they could see the benefits of minimum wastage of resources and time," Andrew said.

For Oriental Merchant the GS1 System ensures product can be tracked in and out of their distribution centre as well as being essential for traceability. "Data capture in our warehouse management system is done through GS1 bar coding. Also, all products must have a use-by date and this information is stored on a database and printed on the GS1 Logistics Labels that go out to the major retailers. If we have a product recall we can tell immediately what product is in which store."

While Oriental Merchant's logistics team was kicking goals with the major retailers, they also applied some clever lateral thinking to use the GS1 System to address supply and stock issues with the smaller Asian grocery retailers, many of whom were family businesses without the support of large IT systems for eMessaging.

"Our sales teams now all travel with portable bar code scanners and when they visit these small businesses they are able to scan stock on the shelf. Downloading this data into the Oriental Merchant warehouse management system database provides valuable inventory information which we are able to share with our smaller customers and help these retailers to better manage their stock holdings and ordering. It is a win-win situation because we are able to reduce our cost of doing business with smaller companies by eliminating paper-based orders and potential data errors and they optimize their sales by having the right products on the shelf and reducing their out-of-stocks," Andrew said.

Thanks to this ability to think outside the square about supply chain efficiency, Oriental Merchant has given Asian ingredients a presence and identity, not only on supermarket shelves, but in households throughout Australia.



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