

Please find enclosed the latest news from GCI!

## New GCI Projects on 2016 Value Chain Vision!

At the beginning of the year, we have shared with you the 2016 **Call-to-Action**, which asked the industry to step up and address three identified challenges:

1. The industry should **Develop New Ways of Working Together** – including sustainable changes in culture, collaborative business planning and new measures and rewards.
2. The industry should more readily and freely **Share Information**, embracing the concept that the best way to manage increasing complexity is through transparency.
3. The industry should **redefine the 2016 Supply Chain**, addressing new requirements of the physical flow of goods, driven by forces like volatile energy costs and a growing population density.

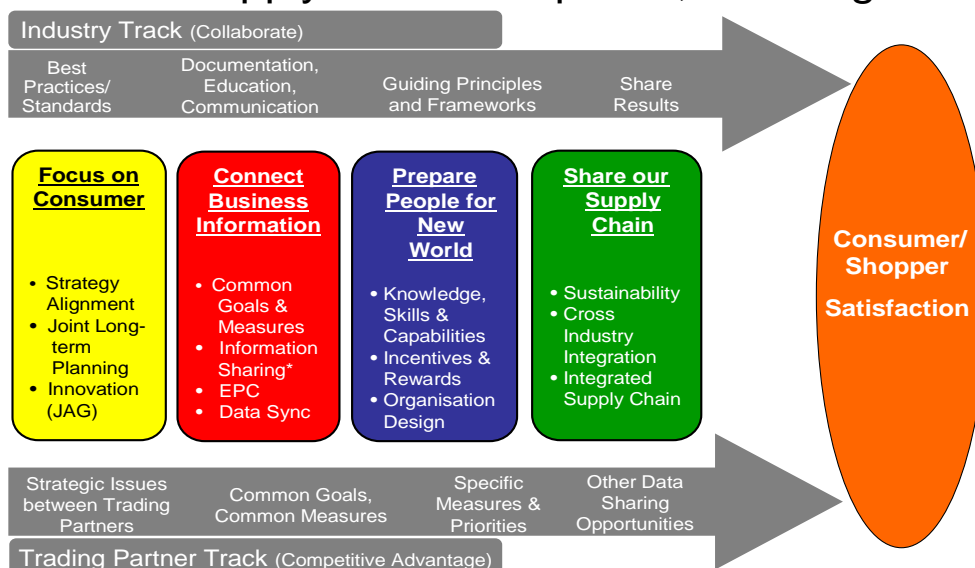
After a year's work, we are very happy to report back some progress of the work:



## New Ways of Working Together

One key focus of the group was to develop, with a number of other industry groups, the framework for New Ways of Working Together.

### New Ways of Working Together – eliminate supply chain disruptions, enable growth



\*Note: Utilizations of Industry Standards

To learn more about the work of GCI, please visit [www.gci-net.org](http://www.gci-net.org).

This framework has both an Industry Track and an individual Trading Partner Track around four key pillars. As an industry, we will better serve the consumer by sharing Best Practices / Processes and bringing them to life in individual Trading Partner activities.

**The biggest challenge identified was “How to Prepare our People for the New World”.** What is needed to drive the desired change and to enable our people to be successful in this New Way of Working Together?

1. CEO and Board ownership and visible commitment to create the change; have a sponsoring senior manager sign-off on the Joint Business Plan and scorecard.
2. Strategy alignment to ensure long-term success
3. People systems changes and interventions:
  - Incentives and measures:
    - a. Shared success measures across financial, operational, and consumer-based dimensions (KPIs) that drive value chain-wide outcomes and greater overall value for retailers, manufacturers and consumers.
    - b. Senior manager involvement to align internal metrics to support these KPIs; eliminate the conflicts first, work for greater consistency over time.
    - c. Metrics that are transparent and visible across both organizations.
  - Capabilities
    - a. Competency model for new skills and knowledge for the New Ways
    - b. Training (skills and knowledge) to support the agreed competencies; consider executing jointly.
  - Organizational resources and design
    - a. Clear roles and responsibilities of key people: define the role of a team leader or "relationship manager"
    - b. Shared values, principles, and rules of engagement
    - c. Agreement to the right investment of time and organizational capacity
    - d. Conflict management approach.

The key part of the work will be dedicated on the People dimension. Bilateral pilots will be run in 2008 to develop a knowledge and skill system to drive Joint Business Planning. The group will also provide the global platform for alignment on New Ways of Working Together and to “share and reapply” key learnings among the different countries and regions. The New Ways of Working Together Group will work together with the other Industry bodies to actually bring together the existing work (by summarising all Best Practices in four tracks under the New Ways), position it in the context of New Ways of Working Together and make it available to the industry. Watch out for more!

For more questions on the project, please contact Sabine Ritter ([sabine.ritter@gci-net.org](mailto:sabine.ritter@gci-net.org))



## GCI "Information Sharing"

### Why is Information Sharing Important?

Information is the life blood of the value chain. Technology will drive ubiquity, with the advent of intelligent "homes", Web 2.0, the growth in mobile telephony, data will be everywhere. Without sharing, we can not create a value chain that reacts to and satisfies the consumer.

### What is our current practice?

- We tend to keep information in silos, within organisations and between organisations, in some areas we are getting better, but we have a way to go.
- Information is power, not if by withholding it you stop someone doing there job properly
- Information is a revenue source, again, turning data into information requires cost, and cost recovery may be a valid practice, charging for data/information as a revenue generator detracts from the overall performance of the value chain.
- **We have not agreed between value chain partners, what is collaborative and what is pro-competitive data.**
- Although we have global standards for identification and business transactions, we still have many bilateral agreements as to the content of the standard, for a recipient this is OK for a sender it defeats the purpose of the standard.
- In the area of market research/consumer insights/ consumer feedback there are no standards. Automation of a process to evaluate this type of data is not possible.

### What needs to change?

- Develop an industry template on data that requires standards; work with GS1 to provide these.
- Start simple. Set up trials based on current information flows; build collaborative flows on known data before embarking on new data flows.

### **Next steps:**

- Develop an industry template on data flows and get some outline agreement on what could be collaborative and what could be confidential. Recognise that this is only an outline; individual trading partners will need to establish "what works for them" and make bilateral agreements and trial them.
- Investigate the establishment of an industry "utility" to handle the data flows (for collaborative data), agree governance of such a utility.
- Looking into industry trials

For more questions on the project, please contact Sabine Ritter ([sabine.ritter@gci-net.org](mailto:sabine.ritter@gci-net.org))



## GCI Future Supply Chain Project

GCI has started the "Future Supply Chain" project, with the objective to:

- **Model flows** of the Supply Chain representing possible alternative supply chain scenarios and create a Supply Chain Framework for collaboration in the 2016 Supply Chain

To learn more about the work of GCI, please visit [www.gci-net.org](http://www.gci-net.org).

- Define the detailed '2016 Supply Chain' flow of **physical goods** and its requirements based on scenarios that reflect identified future trends, all entirely based on the "2016 - The Future Value Chain" Report, hence create a Supply Chain Framework for collaboration in the 2016 Supply Chain
- and show how the **industry should address** globalisation, rising energy costs, shifting demographics and fast moving technology in between others in order to assure long-term success.

On the 14 and 15 November 2007 this project ran the main 2-day workshop in Chicago. To identify potential collaboration themes the workshop applied a versatile framework consisting of Supply Chain examples, best practices, solution areas and calculation models.

The identified themes are the following:

- Collaborative warehousing
- Collaborative transport
- City replenishment
- POS-data/OSA-planning
- Home delivery

The results of the workshop as well as the results of former meetings are input for a report which will be published in spring 2008. The report will contrast the mentioned themes and framework with the challenges for the physical supply chain and how to move forward using real collaboration, standards and data sharing.

For more questions on the project, please contact Ruediger Hagedorn ([ruediger.hagedorn@gci-net.org](mailto:ruediger.hagedorn@gci-net.org))



## GCI Compliance Survey 2007



We have had good feedback from companies across the globe, but a few are still missing. If you are one of them, don't hesitate to fill in your data – attached is a guide how to do it! We should receive your data by 10 January 2008. Thank you very much!  
We will share the final results of the GCI Compliance Survey 2007 by end of February 2008.



Finally, we want to wish you and your families a wonderful holiday season and a very Happy New Year!

Thank you very much for your interest and commitment for GCI throughout 2007!

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