



Case study

TESCO plc/Axicon

As a leading UK retailer, Tesco has always placed a high importance on using GS1 compliant bar codes to drive efficiency across the business. Whether the bar codes are used in store at point of sale or throughout the supply chain, bar code accuracy plays a crucial role in a company's operations. For example, it takes at least five times longer to key in a bar code than it takes to scan one at the point of sale.

Introduction

Tesco uses GS1 bar codes on its retail and distribution items, clubcards, electronic gift cards and coupons. The company ensures that its suppliers adopt the GS1 System of standards by assessing the quality of bar codes on all new lines and monitoring supplier conformance in store and at distribution centres. Tesco is working with Axicon, an accredited GS1 Solution Provider, to resolve bar code issues on new lines, work with suppliers to resolve bar code errors and to provide advice on developments in bar code technology.

Bar codes on new products

Tesco launches tens of thousands of new products every year and the vast majority of these are bar coded with an EAN-13 or GS1 DataBar at retail level and a GS1-128 or ITF 14 bar code at distribution level. These new items are required to pass bar code authorisation prior to launch to address quality issues and compliance with GS1 standards. In order to achieve this Tesco uses verifiers provided by Axicon across three sites to verify suppliers' new product bar codes. If a bar code fails to meet GS1 standards, Tesco will offer the supplier practical advice on how this can be resolved.





To support these activities, the company has also created bar code quality guidelines for suppliers to ensure compliance with the GS1 System of standards and provided bar code training for their key commercial staff. Regular reports on new line authorisation are carried out to ensure bar code quality across the business.

Bar codes in distribution

Goods at all Tesco distribution centres (DC) are booked in and picked by scanning the bar code. This process increases the visibility of stock at Tesco's DC enabling the company to allocate and distribute its goods to stores efficiently and on time.

However, when a bar code fails to scan this can have a significant impact on business operations with problems such as rejected deliveries, re-labelling of goods and blocked delivery bays. These problems create a burden for staff at the Tesco DC as they have to work hard to ensure that all deliveries are sent out on time and that no store runs out of stock.

Tesco takes these issues seriously and works with its suppliers on resolving bar code failures by providing advice on the nature of the problem and the corrective action needed. The company is also able to remain proactive in improving bar code quality in distribution by monitoring its performance at both depot and supplier level and creating reports on compliance levels and trends across the supply chain.

Benefits of GS1 bar code standards

Using bar codes that comply with GS1 standards ensures consistency across Tesco's supply base enabling supply chain visibility throughout the business. The process of ensuring that supplier bar codes are GS1 compliant has improved the bar code quality on all their products.

"We have seen a 20% decrease in the number of reported errors during 2007."

"This is due to our continued efforts to monitor and assess the quality of bar codes coming into the business, ensuring their compliance with GS1 standards."

Diane Mellowship,
Barcoding Manager at Tesco plc.

Conclusion

Tesco uses the full spectrum of GS1 bar codes in distribution, supply chain and retail environment and understands the importance of complying with GS1 standards to help drive efficiency across the business. With the support of their solution provider, the company ensures that it is able to advise suppliers with academic and practical knowledge of the GS1 System.

"It is essential that we monitor our suppliers and ensure that they comply with GS1 standards to achieve high quality bar codes that enable us to operate an efficient supply chain and pass the benefits to our customers through a faster and more efficient service" says Diane Mellowship.

