

# ECR Australasia

Retail Ready Packaging

Edition 2



Fundamental to the successful application of the retail ready packaging industry guidelines identified in the Toolkit is the mutual recognition of the legitimate interests of all relevant parties.

The Toolkit provides the basis for industry standards and should be supplemented by retail specific specifications, trading partner discussions and product / category considerations.

ECR Australasia 2010

## **ECR Australasia – working together for total customer satisfaction**

Efficient Consumer Response (ECR) is a business concept aimed at better satisfying consumer needs, through businesses and trading partners working together.

In doing so, ECR best practice will deliver superior business results by reducing costs at all stages throughout the supply chain, achieving efficiency and streamlined processes. ECR best practices can deliver improved range, consumer value, sales, service, convenience offerings and uniform industry standards. This in turn will lead to greater satisfaction of consumer needs.

In 2006 the ECR Australasia Board recognised the need to develop common industry standards and guidelines to assist retailers, suppliers, wholesalers and packaging companies implement sustainable alternate packing solutions such as Retail Ready Packaging (RRP).

Unlike other ECR concepts RRP is not a standalone best practice and it can impact numerous elements of the supply chain. If not implemented with due consideration to these impacts it has the potential to increase costs and reduce efficiencies. *Retail Ready Packaging – A focus on Shelf Ready Packaging, an Industry Toolkit* (Toolkit) was published in 2006 to address these issues.

This second edition of the Toolkit provides industry leadership, education and guidance on key issues. RRP continues to be a balancing act between possible in-store cost savings and efficiency improvements against a cost impost to suppliers.

ECR Europe maintains the lead on developing a range of blue books, tools and recommendations for the development of RRP solutions. To ensure approaches to RRP are global ECR Australasia recommends and highlights in this document the ECR Europe practices relevant to Australia and New Zealand. For further information visit [www.ecrnet.org](http://www.ecrnet.org).

For more information about ECR Australasia visit [www.ecraustralasia.org.au](http://www.ecraustralasia.org.au)

Contact details:

### **Efficient Consumer Response Australasia**

C/- Australian Food and Grocery Council  
Locked Bag 1, Kingston ACT 2604  
Telephone: (02) 6273 1466  
Facsimile: (02) 6273 1477  
E-mail: [afgc@afgc.org.au](mailto:afgc@afgc.org.au)  
Website: [www.afgc.org.au](http://www.afgc.org.au)

## Acknowledgements

This guide would not have been possible without the active support and contributions from the industry project team.

ECRA thanks the following for their contribution.

### ECRA Board Sponsor

Martin Drinkrow	Clorox Australasia
Gary Tempany	Metcash Trading

### Project Team

Andrew Jackson	Amcor Fibre Packaging
Justine Piris	Bulla Dairy Foods
Hoss Matar	Coca-Cola Amatil Ltd
Tony Lavery	Coles Group Ltd
Peter Eng	Coles Group Ltd
Marc Weiner	Colgate-Palmolive Pty Ltd
Mark Casey	Foodstuffs (Auckland) Limited
Adam Arnold	Metcash Trading Ltd
Brian Ryles-Smith	Sugar Australia Pty Ltd
John Higgins	Visy Australia Pty Ltd
Trevor Buttenshaw	Woolworths Ltd

### Secretariat

Samantha Blake	Australian Food and Grocery Council Efficient Consumer Response Australasia
----------------	--

## Endorsements

ECRA endorses a national approach to developing and implementing RRP standards. It provides guidance to the industry on the adoption of these standards to ensure benefit to the consumer without significantly impacting supply chain efficiency. ECRA considers the competitive advantage lies in the implementation and in-store execution of packaging options developed using industry standards.



NEW ZEALAND FOOD & GROCERY COUNCIL



## Eight Critical Steps

ECRA has identified eight critical steps to effective implementation. They are listed below along with references to the relevant sections in the Toolkit.

Critical Implementation Steps		Toolkit and Checklists
1	Trading partners to <b>jointly agree priorities</b> and seek long term commitment.	<ul style="list-style-type: none"> <li>Guiding principles</li> <li>Prioritisation approach</li> <li>Decision tree</li> </ul>
2	<b>Work the category</b> – arrange for packaging teams and buyers to work the category, identify / develop best in class options.	<ul style="list-style-type: none"> <li>Implementation</li> <li>Supplier implementation considerations</li> <li>Retail implementation considerations</li> <li>Development checklist</li> </ul>
3	Seek agreement on <b>order multiple</b> and replenishment targets.	<ul style="list-style-type: none"> <li>Merchandising requirements</li> </ul>
4	<b>Design</b> RRP solution.	<ul style="list-style-type: none"> <li>Functional guidelines</li> <li>Implementation</li> <li>Supplier implementation considerations</li> <li>Retail implementation considerations</li> <li>Development checklist</li> </ul>
5	<b>Trial / Pilot</b> solutions through the supply chain including packaging process, warehouse, transport and stores.	<ul style="list-style-type: none"> <li>Supplier implementation considerations</li> <li>Retail implementation considerations</li> </ul>
6	<b>Review</b> and reach agreement.	<ul style="list-style-type: none"> <li>Commercial checklist</li> </ul>
7	Agree on the solution and <b>implement</b> .	<ul style="list-style-type: none"> <li>Implementation</li> </ul>
8	<b>Assess</b> performance.	<ul style="list-style-type: none"> <li>Implementations</li> <li>In-store audit checklist</li> </ul>

## Table of Contents

<b>Section 1.</b>	<b>About Retail Ready Packaging</b>	<b>8</b>
<b>Section 2.</b>	<b>The Basics of Retail Ready Packaging</b>	<b>12</b>
<b>Section 3</b>	<b>How to Implement Retail Ready Packaging</b>	<b>30</b>
<b>Section 4.</b>	<b>Examples of Packaging Options</b>	<b>48</b>
<b>Section 5.</b>	<b>Tools</b>	<b>59</b>

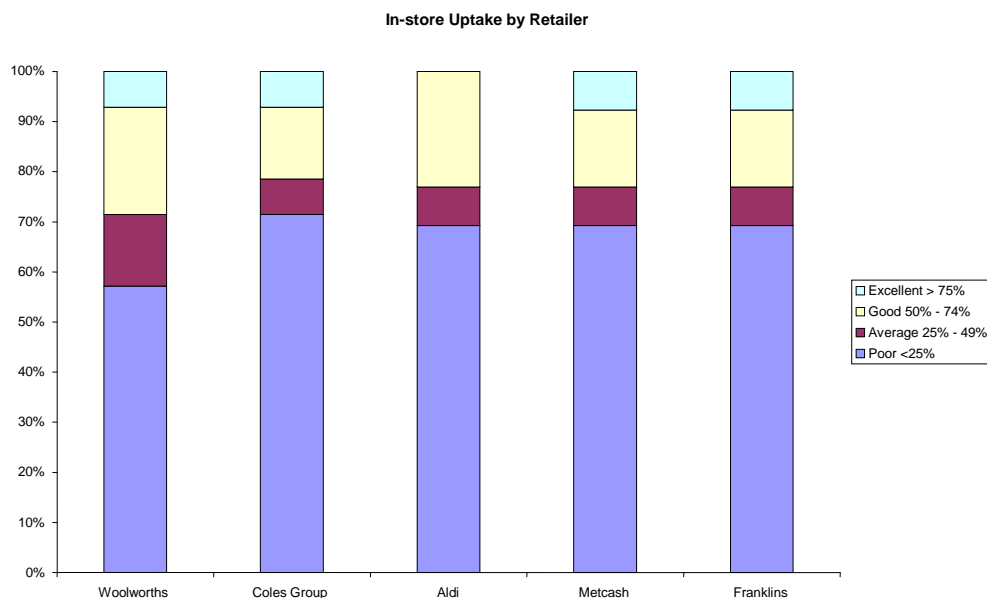
## SECTION 1: ABOUT RETAIL READY PACKAGING

### INTRODUCTION

Since the publication in 2006 of *Retail Ready Packaging – A Focus on Shelf Ready Packaging an Industry Toolkit* significant changes (such as global economic slowdown; commodity price volatility; focus on sustainability; expansion of discount retail outlets; oil price peaks etc) have taken place in the Australian and New Zealand markets. Responding to these changes with the ability to adapt and develop agile responsive supply chains is increasingly important to food and grocery manufacturers, suppliers, retailers and wholesalers.

Many of these factors have had an indirect impact on the implementation and adoption of Retail Ready Packaging (RRP) solutions into the market. However it is as a result of inadequate in-store execution; a lack of a clear whole of chain business case; and cost complexity that wide spread adoption has not been evident.

In an Australian Food and Grocery Council (AFGC) survey conducted in 2008, in-store adoption was rated as poor across all retail groups.



Poor in-store execution, a lack of a clear business case and the impact to packaging volumes are contentious issues affecting the whole industry and cannot be resolved independently by either the supplier or retailer.

Whilst approaches over the past twelve months have been refined and developed, some products migrated to solutions and practices have evolved for both retailers and suppliers, the key restrictions to implementation have not been adequately addressed.



It is the intent of this Toolkit to highlight and respond to some of the more significant issues identified as barriers to the adoption of RRP solutions. The following table provides a summary of some of these issues and the industry challenge in overcoming them.

Supplier Concerns	Retailer Concerns	Industry Challenge
How much will it cost?	How and where are the savings generated?	Provide evidence of the value of RRP, not just the cost.
Capability to deliver good RRP solutions?	How to ensure approval and acceptance of a poor quality RRP solution does not occur?	Develop cost effective solutions based on functional requirements.
How to justify investment?	Is there evidence of sales and availability improvements?	Development of a robust business case demonstrating cost, efficiency and benefits along the whole chain.
Is RRP a long term solution or just a fad?	Will the vendor community be prepared to commit to a RRP based system on past experience?	Clearly communicate strategy and share/ demonstrate benefits.
Will different retailers call for different solutions?	Will adopting the standards provide a competitive advantage?	Endorse and use industry standards and drive in-store practices to deliver the competitive advantage.
How to build requirements into new product development cycles?	How to develop early supplier engagement and involvement in the process?	Establish clear priorities, if possible across retailers, to facilitate industry alignment.
Does it lead to a reduction in order multiple?	How does it impact on replenishment processes in-store?	Clarity on the impact to the order multiple.
Will RRP solutions be used in-store?	What changes need to be made to in-store processes?	Critical mass required enabling effective business case analysis.
Will packaging volumes increase as a result?	How will RRP impact packaging and recycling volumes?	Understand the impact to sustainability and packaging volumes.
How to negotiate the final solution between retail organisations?	What if a competitor asks for a solution not suitable for my business?	Seek commonality between highly competitive retailers.

Whilst there are significant challenges to be addressed by companies, with their trading partners and within the industry, the fundamental driver for RRP remains:

### **Key Driver**

**Improve in-store efficiency through increased speed of replenishment leading to better on-shelf availability and increased sales.**

## GUIDING PRINCIPLES

To guide the discussions between trading partners, the following principles were developed and detailed in *Retail Ready Packaging – A Focus on SRP, an Industry Toolkit, 2006*.

The Guiding Principles remain valid and trading partners are encouraged to adopt them at the commencement of their discussions. The principles are listed below and detailed in the 2006 publication.

### Guiding Principles

- ➔ Always of value to the shopper, retailer and manufacturer
- ➔ Compliance with total supply chain efficiency
- ➔ Avoid fragmentation and complexity
- ➔ Maintain brand identity
- ➔ Measure implementation
- ➔ Requirement of long-term commitment from retailers and manufacturers
- ➔ Compliance with Occupational Health and Safety requirements
- ➔ Compliance with the Australian National Packaging Covenant and New Zealand Packaging Accord

*These principles are adopted from ECR Europe's work in this area.*

## SECTION 2: THE BASICS OF RETAIL READY PACKAGING

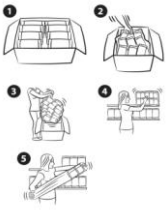

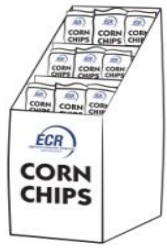
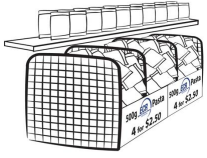
The following section provides basic information on the types of RRP available, key functional design guidelines and principles of impacting the optimal pack configuration.


### OPTIONS

RRP defines forms of packaging that are designed to maximise the speed of shelf replenishment within the store. For the purpose of this toolkit five distinct forms of packaging have been identified.

#### Retail Ready Packaging Options

- ➔ Replenishment Ready
- ➔ Shelf Ready
- ➔ Display Ready
- ➔ Infrastructure / Hardware
- ➔ Not Ready

Packaging Options	Description	Examples	Qualifiers	Suitable For
<b>Replenishment Ready</b>  (Easy Open)	Arrives 'ready'  	Load device  Hang cells	<ul style="list-style-type: none"> <li>• Replenishment speed increased</li> <li>• Secondary packaging not placed onto shelf but may aid in faster replenishment</li> <li>• Minimum off shelf waste</li> </ul>	Medium, loose, bulky goods.
<b>Shelf Ready</b>	Case to shelf in one movement.  	Tray & shrink  Machine erect wrap around  Regular slotted carton  Tray & hood	<ul style="list-style-type: none"> <li>• Efficient and effective replenishment.</li> <li>• Secondary packaging used on shelf.</li> <li>• Removal and disposal of secondary packaging from shelf.</li> </ul>	Small to medium size pack sizes.
<b>Display Ready</b>	Stand alone display units.  	Fully formed display, prepared off site.	<ul style="list-style-type: none"> <li>• Product in display format – off location.</li> <li>• Low cost replenishment.</li> <li>• Secondary/tertiary packaging may be part of the display.</li> <li>• Removal and disposal of display module.</li> <li>• Process on costs (production, transport &amp; reverse logistics)</li> <li>• Must be high velocity to demand the space/cube.</li> </ul>	Promotional stock, gondola end, off location display, dollies.
<b>Infrastructure/ Hardware</b>	Product displayed in permanent or returnable units.  	Fridges, Bins, Hoppers, Crates	<ul style="list-style-type: none"> <li>• Simple effective replenishment.</li> <li>• Limit the requirement for secondary/ tertiary packaging.</li> <li>• Retailer/supplier has permanent infrastructure/ hardware.</li> <li>• Removal, hygiene and return of hardware or in-store hygiene of infrastructure. Process on costs (production, transport &amp; reverse logistics)</li> </ul>	Fruit, vegetables, milk.

<p><b>Not Ready</b></p>	<p>Individual unit decanting, product packed directly onto shelf.</p> 	<p>Trade unit Shipper Shelves</p>	<ul style="list-style-type: none"> <li>• Utilises space cube well.</li> <li>• No change to replenishment practices.</li> <li>• Secondary packaging disposed post replenishment.</li> <li>• Decanted single packs to shelf.</li> <li>• No off shelf waste post shop.</li> </ul>	<p>Large, bulky goods.</p> <p>Small displays</p>
-------------------------	---	-----------------------------------	--	--

## FUNCTIONAL GUIDELINES

Functional requirements underpin the implementation of all forms of RRP and should allow trading partners a framework for open dialogue to avoid prescribed solutions or technical specifications and assist in developing solutions for products and categories on a case-by-case basis.

**Functional Requirement**

- ➔ Easy to Identify
- ➔ Easy to Open
- ➔ Easy to Shelf
- ➔ Easy to Shop
- ➔ Easy to Dispose

### Easy to Identify

Easy identification assists the choice of the correct product and rotation of stock through the supply chain with particular emphasis on the distribution centre, back of store and shelf replenishment processes.

Packaging should clearly communicate what is inside. This communication should be visible on more than one side to maximise the chances of the information being sighted, for example when the product is on a pallet or in a roll cage.

Packaging should be easily identified as retail ready.



### Easy to Open

The packaging should facilitate easier and quicker replenishment processes. It should allow for easy opening in one or two steps preferably without the aid of tools such as knives.

The opening process should be intuitive: store personnel should be able to see how to open, how to use and how to dispose.



## Easy to Shelf

RRP should enable quicker, faster and simpler replenishment processes than decanting individual product. Without this requirement being met, the solution is not fit for the purpose.

The packaging must be strong enough to maintain the integrity of the consumer units through the supply chain.



## Easy to Shop

The RRP should not create any barriers to purchase. The shopper should be able to easily select and return the product if they choose. The RRP should allow the shopper to easily identify the brand, product and variant whilst not hindering their ability to self-select.

The colour of the shelf portion should be complementary to the product and variant, maximising the visual brand impact. Generic marketing messages are permitted but promotional messages and flags are not. Raw brown board is not acceptable.



## Easy to Dispose

Packaging materials chosen should be recyclable or re-usable and appropriate logos should be displayed on the base panel. For products with multiple packaging type materials should be easily separated for recycling. Packaging should be easy to stack and remove from store aisles.





### **Environmental Focus**

*Consumer environmental concerns, including the impact of packaging waste, are at an all time high. The challenge for the food and grocery industry is to tackle these environmental issues whilst driving costs out of the supply chain.*

*The National Packaging Covenant (NPC) and the Packaging Accord (PA) are the primary vehicles in Australia and New Zealand respectively for the management and reduction of packaging waste. The introduction to RRP alongside the NPC and PA has resulted in a greater focus on packaging decisions by many companies.*

*Packaging plays an important role within the supply chain, protecting the consumer goods, reducing the risk of damage and waste. Good RRP solutions will deliver the product to the retail store in a first-rate condition, whilst seeking to address the critical issue of sustainability. It is important that the implementation of RRP is compatible with industry goals of becoming more sustainable.*

## Stakeholder Requirements

Appropriate packaging allows for the flow of goods and information, it is vital in meeting the various stakeholder requirements along the value chain. Understanding the expectations of packaging within each participant's area will assist in a more collaborative approach, whilst ensuring focus and consideration on the shopper requirements are met.

### Requirements

#### The Manufacturer

- The packaging costs must be as low as possible
- Consumer and outer packaging must be easy to fill and seal
- Careful consideration of product to packaging ratios
- Provide relevant information to assist in the warehouse/transport task

#### The Carrier

- Pallet overhang can cause damage to goods and should be avoided
- Clear markings on pallets, in accordance the applicable regulations e.g. dangerous goods
- Seek opportunities to maximize the vehicle fill

#### The Distribution Centre

- Pallets and cartons must be easy to identify
- The barcode should meet GS1 standards
- It must be possible for product to be in a roll-tainer or on a pallet without substantial damage
- Outer pack weights must meet OHS requirements.

#### The Store

- The outer pack must be marked/easy to identify at the back of store
- The bar codes must be sufficiently clear to be read by a scanner
- The outer pack must be easy to open
- The packaging must be suitably robust to secure the consumer packs during the replenishment process.

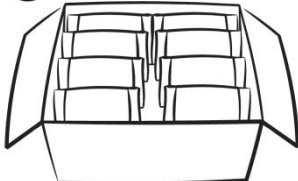




#### The Shopper

- The information on the consumer unit must be easy to read
- The consumer unit must be easy to select and if necessary replace.


## Bringing the Options and Functional Guidelines together

The introduction of RRP must address the perspective of the total supply chain and each of the key participants within it. Product migrated to RRP that meets the supply chain criteria but is not easy for the consumer to shop is not an effective solution, conversely a solution that is not robust enough to maintain its form throughout the transport and distribution processes is also not effective.

Packaging solutions must be developed to meet the characteristics of the product, the supply chain and the shopper needs. The functional guidelines should be applied to all forms of RRP. The following table provides the basic information and requirements to be considered for each type of RRP.

<p><b>Easy To</b></p>	<p style="text-align: center;"><b>Replenishment Ready</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p><b>1</b></p>  </div> <div style="text-align: center;"> <p><b>2</b></p>  </div> <div style="text-align: center;"> <p><b>3</b></p>  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="text-align: center;"> <p><b>4</b></p>  </div> <div style="text-align: center;"> <p><b>5</b></p>  </div> </div>
<p><b>Identify</b></p>	<ul style="list-style-type: none"> <li>• Product visible through the package or clear representation of the product.</li> <li>• Clearly printed brand, product and variant on at least 2 sides.</li> <li>• Product text as large as practical.</li> <li>• Best before dates clear and legible, location and print should facilitate stock rotation by store staff.</li> <li>• GS1 identifications (e.g. Pallet Labels) are easily accessible and scanned by staff during handling.</li> </ul>

<p><b>Open</b></p>	<ul style="list-style-type: none"> <li>• Packaging is not placed on the shelf; opening should not require more than one person.</li> <li>• Simple pictorial user instructions that minimise text.</li> <li>• During opening no sharp edges should exist.</li> <li>• Clearly mark the unit as being replenishment ready to ensure functionality is utilised where possible.</li> <li>• Integrity, quality and appearance of product should not be compromised during use.</li> <li>• Opening time should contribute to a quicker replenishment cycle time.</li> </ul>
<p><b>Shelf</b></p>	<ul style="list-style-type: none"> <li>• The display unit, after removal of any unwanted secondary packaging must remain stable during shelving.</li> <li>• The product must keep its position and intended orientation during the replenishment cycle.</li> <li>• Replenishment ready options should be supported through the inclusions of support handles, hand holds etc.</li> <li>• Clear instructions in how to shelf.</li> </ul>
<p><b>Shop</b></p>	<ul style="list-style-type: none"> <li>• Shopper can easily identify, remove and replace product direct from the shelf, hang cell etc.</li> <li>• Shopper facing unit should not include bar-codes, technical labelling or other information not intended for the shopper.</li> </ul>
<p><b>Dispose</b></p>	<ul style="list-style-type: none"> <li>• Packaging should become flat with minimum effort.</li> <li>• Mixed material easily separated.</li> <li>• Recycling disposal facilities available at point of use.</li> <li>• Appropriate recycling logo.</li> </ul>

<p><b>EASY To</b></p>	<p style="text-align: center;"><b>Shelf Ready</b></p> 
<p><b>Identify</b></p>	<ul style="list-style-type: none"> <li>• Clearly printed brand, product and variant on at least 4 sides.</li> <li>• Product text as large as practical.</li> <li>• Best before dates clear and legible.</li> <li>• Product visibility through pack.</li> <li>• Outer packaging mirrors appearance of consumer unit.</li> <li>• Colour coding to brand and variant.</li> <li>• Appropriate GS1 specifications are met.</li> <li>• Barcodes printed in 2 adjacent sides of carton, but parallel facings are acceptable.</li> </ul>
<p><b>Open</b></p>	<ul style="list-style-type: none"> <li>• Pictorial opening instructions.</li> <li>• Perforations not impeded by tape, glue etc and should leave neat edges.</li> <li>• Opening in one step.</li> <li>• Opening point quick to locate.</li> <li>• Opening should not require more than one person.</li> <li>• Use of tools such as knives should be avoided.</li> <li>• Finger holes for perforations preferred.</li> </ul>
<p><b>Shelf</b></p>	<ul style="list-style-type: none"> <li>• Packaging weight and design fit for purpose and strong enough to move product</li> <li>• Shelf component easy to remove post shop.</li> <li>• Number of product facings suitable for product turnover</li> <li>• Option of having multiple facings should be considered e.g. 3x2 or 2x3.</li> <li>• Consider weight e.g. &lt;12Kg weight.</li> </ul>
<p><b>Shop</b></p>	<ul style="list-style-type: none"> <li>• Shelf component should not cover vital shopper information, product description and unit of measure clearly visible.</li> <li>• Packaging should provide no barriers to removal/replacement of consumer unit.</li> <li>• Shopper facing portion should not include information not intended for the shopper e.g. barcode.</li> <li>• Lip of tray should be approximately 20% of product height.</li> <li>• Colour and branding maximises the visual impact.</li> </ul>
<p><b>Dispose</b></p>	<ul style="list-style-type: none"> <li>• Packaging should become flat with minimum effort.</li> <li>• Mixed materials easily separated.</li> <li>• Recycling disposal facilities available at point of use.</li> <li>• Appropriate recycling logo.</li> </ul>

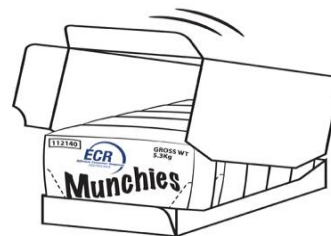
## Examples of Types of Shelf Ready Packaging



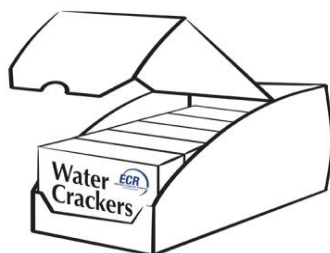
*Example: Tray and hood*



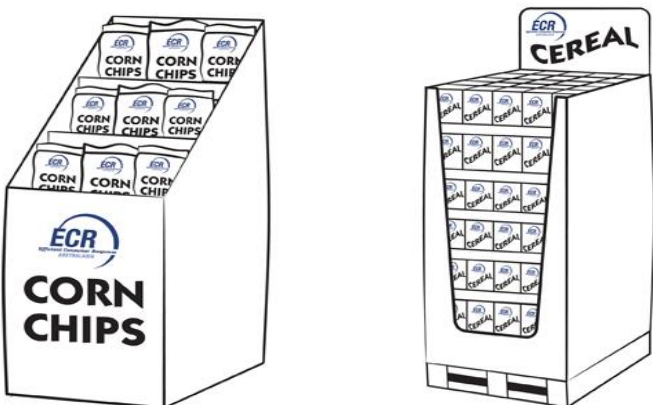
*Example: Tray and shrink*

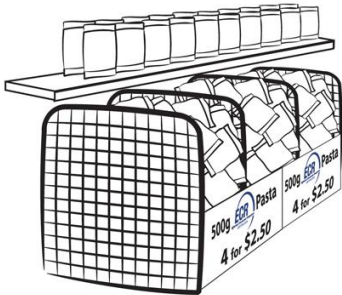
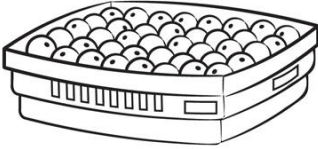


*Example: Machine erect wrap around*




*Example: Regular slotted carton*

<p><b>EASY TO</b></p>	<p style="text-align: center;"><b>Display Ready</b></p> 
<p><b>Identify</b></p>	<ul style="list-style-type: none"> <li>• Clearly printed brand, product and variant on display unit.</li> <li>• Product text as large as practical.</li> <li>• Best before dates clear and legible.</li> <li>• Display unit mirrors appearance of consumer unit.</li> </ul>
<p><b>Open</b></p>	<ul style="list-style-type: none"> <li>• After removal of any unwanted secondary packaging, must remain stable during display period.</li> <li>• Opening instructions clear.</li> <li>• Minimal assembly required within store.</li> <li>• Display footprint and location.</li> </ul>
<p><b>Shelf</b></p>	<ul style="list-style-type: none"> <li>• Stand alone display</li> <li>• Manual handling equipment may be required.</li> <li>• Replace with a full unit on completion</li> <li>• Twisting/bending of remaining packaging (i.e. after removal of lid or shrink wrap) during display is not acceptable.</li> </ul>
<p><b>Shop</b></p>	<ul style="list-style-type: none"> <li>• Product must keep its position and orientation during display.</li> <li>• Display must make a positive contribution by improving brand/product identification.</li> <li>• Display must not result in consumer units being so tightly packed or held in place that ease of access is reduced.</li> <li>• Artwork should not diminish the store or the product.</li> </ul>
<p><b>Dispose</b></p>	<ul style="list-style-type: none"> <li>• Different materials need to be easily identified and possible to separate.</li> <li>• Consider returnable display ready options.</li> </ul>

<p><b>EASY To</b></p>	<p style="text-align: center;"><b>Infrastructure/Hardware</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><i>Example: Product Hoppers</i></p> </div> <div style="text-align: center;">  <p><i>Example: Vegetable/Fruit Containers</i></p> </div> </div>
<p><b>Identify</b></p>	<ul style="list-style-type: none"> <li>• Clearly printed brand, product and variant.</li> <li>• Product text as large as practical.</li> <li>• Best before dates clear and legible.</li> <li>• Product visibility through crate/returnable plastic.</li> </ul>
<p><b>Open</b></p>	<ul style="list-style-type: none"> <li>• Crate/returnable plastic does not require opening, possibly removal of plastic wrap.</li> </ul>
<p><b>Shelf</b></p>	<ul style="list-style-type: none"> <li>• Manual handling equipment may be required.</li> <li>• Allow for one-touch replenishment.</li> </ul>
<p><b>Shop</b></p>	<ul style="list-style-type: none"> <li>• Shopper can identify product, select and replace.</li> <li>• Removal and replacement of hardware.</li> </ul>
<p><b>Dispose</b></p>	<ul style="list-style-type: none"> <li>• A return system needs to have instructions for re-use/hygiene etc.</li> <li>• Need to be stackable/collapsible to secure efficient transport and handling in-store.</li> </ul>



<p><b>EASY TO</b></p>	<p style="text-align: center;"><b>Not Ready</b></p> 
<p><b>Identify</b></p>	<ul style="list-style-type: none"> <li>• Clearly printed brand, product and variant on at least 4 sides.</li> <li>• Product text as large as practical.</li> <li>• Best before dates clear and legible.</li> <li>• Colour coding for frozen, ambient, chilled.</li> </ul>
<p><b>Open</b></p>	<ul style="list-style-type: none"> <li>• Remove tape easily.</li> <li>• Consider opening points on cartons.</li> </ul>
<p><b>Shelf</b></p>	<ul style="list-style-type: none"> <li>• Decant individual consumer units onto shelf space.</li> </ul>
<p><b>Shop</b></p>	<ul style="list-style-type: none"> <li>• Shopper can identify product, select and replace.</li> </ul>
<p><b>Dispose</b></p>	<ul style="list-style-type: none"> <li>• Secondary packaging should become flat with minimal effort.</li> <li>• Mixed materials easily separated.</li> <li>• Appropriate recycling logos.</li> </ul>

## MERCHANDISING REQUIREMENTS

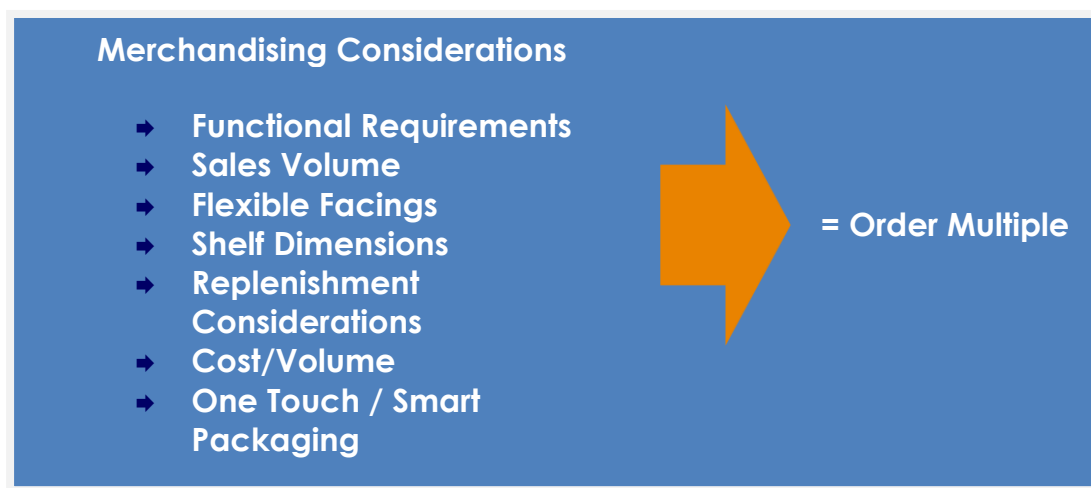
The functional requirements should remain the basis for design decisions; however there are a number of other considerations to develop an optimal pack configuration, impacting the final merchandising of the product.

The following section details some thought starters for the evaluation of individual products and their ultimate order multiple size.

For manufacturing companies who sell product through a number of distribution channels, stores or store formats there is a requirement to focus on delivering an offering that will maximise the potential use of the RRP. The existing customer base and future markets should be assessed to secure suitability for as many outlets as possible. For retailers there is a need to establish appropriate replenishment frequency cycles to maximise product availability. Key deliverable for Australian retailer's are solutions that allow for the placement of two cases per shelf position i.e. one behind the other.

Decisions on the pack sizes are best made in consultation with trading partners. Careful deliberation on the impact of the pack size to the overall efficiency and cost to the supply chain against the replenishment cycle should formulate the basis for discussion.

The order multiple is critical to the final dimension of the RRP offering. It is essential that discussions with retailer merchandising teams are undertaken to confirm their ideal order multiple. These may differ between retailers. The manufacturer plays a critical role in brokering agreements between trading partners. The following are some considerations:



## Functional Requirements

Functional requirements underpin the implementation of all forms of RRP and should allow trading partners a framework for open dialogue to avoid prescribed solutions or technical solutions.

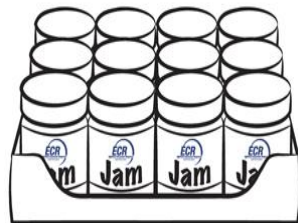
## Sales Volumes

Sales volumes and rate of sale should be mapped against the relevant distribution channels / formats. This will provide indicative information that will assist in determining priorities, order multiple and shelf facings for RRP offerings.

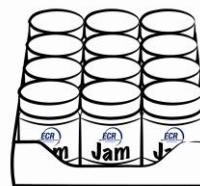
## Flexible Facings

Some products lend themselves to flexible merchandising options such as case rotation (short / long side leading). If possible this should be considered as it will provide flexibility that may assist in maximising the use of RRP in a range of store formats.

**Example: Long leading  
4X3**



**Example: Short Leading  
3X4**



**Example: Stackable RRP**



**Example: Two consumer units.**



## Shelf Dimensions

The depth, height and width of the shelf will play a major role in design decisions. The key objective is to agree a dimension that will allow for the majority of store planograms to make use of 'best-fit'.

Shelf depths vary from store to store and from retailer to retailer. It is essential that discussions with retailer merchandising teams are undertaken.

When using RRP on the shelf, space previously taken by product may be partly used by the additional packaging, potentially reducing the density of products on shelf; or potentially increased in categories where dividers, feeders or on-shelf equipment were previously required.

## Replenishment Considerations

Replenishment will be greatly influenced by the in-store processes and procedures adopted by each retailer organisations in individual stores.

Whilst a significant driver for the introduction of RRP is the speed to replenish the shelf, there are a number of considerations for discussion as part of the replenishment focus.

Aisle congestion can be both a physical and aesthetic issue, either limiting the ability of a shopper to move down the aisle, or reducing the ability of a shopper to look down the aisle and locate a product.

Replenishment includes the back-of-store storage and sorting areas, as well as the labour required to physically replenish the shelves / shop floor. Store productivity can significantly be increased by providing easy to identify packaging options. Removal of empty packaging should not be over looked.

## Cost/Volume

RRP solutions that lead to a reduction in the number of consumer units per outer are likely to increase costs and packaging to product ratio. Pack size reduction will also impact supply chain charges i.e. picking. The challenge is to better understand the changes to the supply chain cost structure against the in-store labour reductions.

## One Touch / Smart Packaging

At the same time as the introduction of RRP there is a drive to deliver one touch or smart packaging, allowing two RRP packs to be placed on the shelf, one in front of the other.

Optimising the replenishment time, reducing the need for over's and at the same time ensuring improved product rotation.

**Example: Two cartons per shelf.**



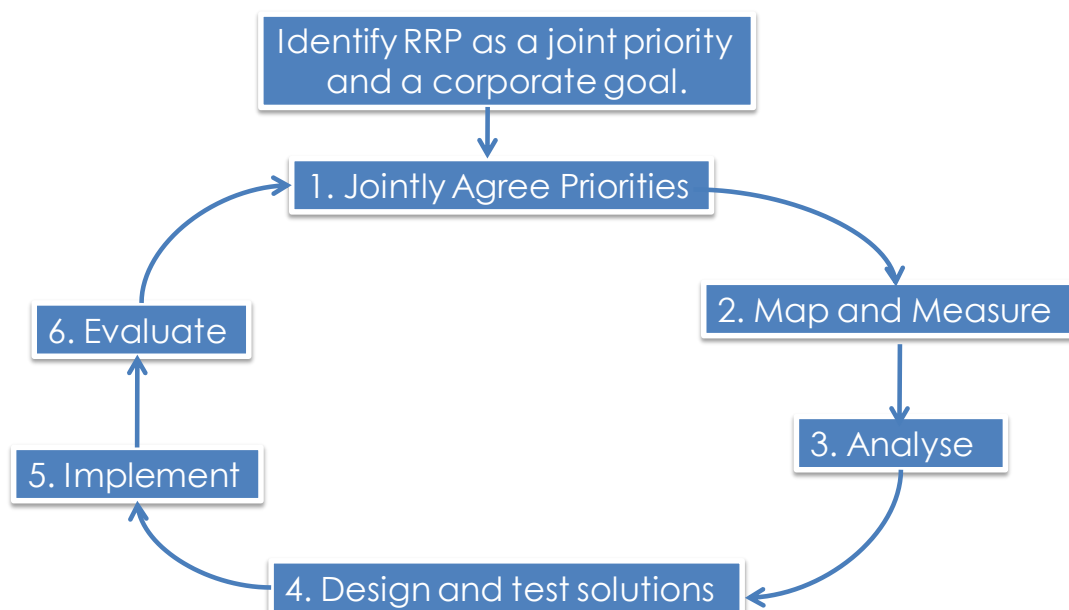
### Industry Challenge

Changes to pack size could leverage benefits such as increased range distribution, better more flexible shelf cube fill and potential to improve availability. However this could be over ridden by the associated increase in supply chain charges, far in excess of the on-costs.

## SECTION 3: HOW TO IMPLEMENT RETAIL READY PACKAGING

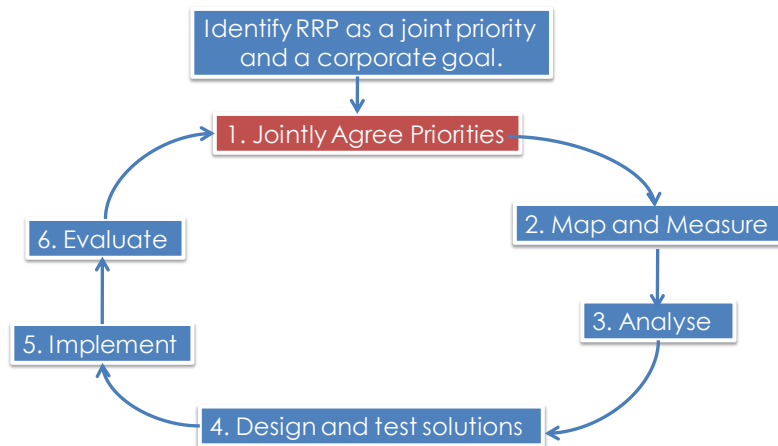
Implementing RRP solutions requires a planned and collaborative approach between trading partners. The following model<sup>1</sup> provides a set of sequential steps for trading partner engagement

To deliver successful RRP solutions, it is necessary for trading partners to clearly understand the various stakeholder's perspectives and requirements whilst applying a common methodology for projects. This will enable trading partners to take a whole of chain approach and come to an informed decision on RRP opportunities.



<sup>1</sup> Adapted from - Shrinkage: A Collaborative Approach to Reducing Stock loss in the Supply Chain, ECR Europe 2004.

## Jointly Agree Priorities



### Objectives

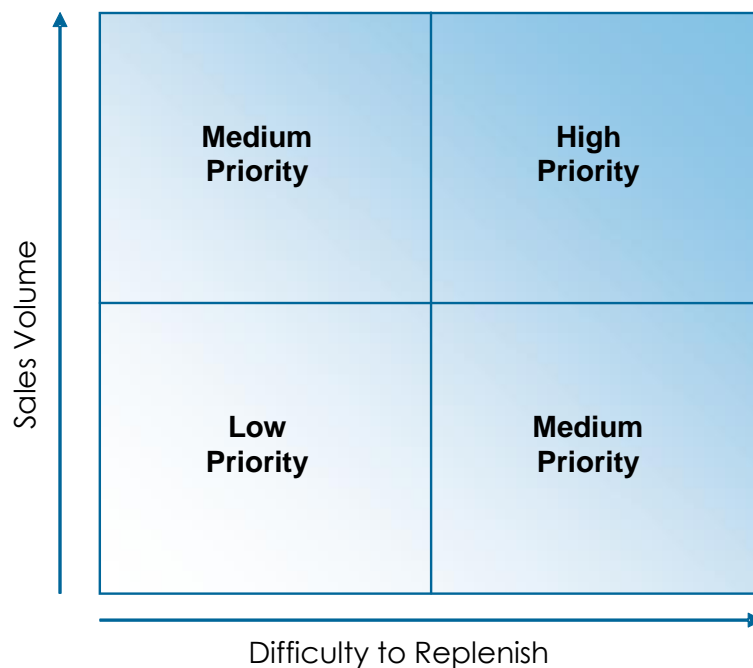
- Senior executive commitment
- Understand trading partners perspective and objectives
- Seek to align priorities
- Agree Guiding Principles.

To assist in prioritising the most appropriate products or categories, the following prioritisation model has been developed. This should allow trading partners to have a constructive dialogue around products and categories most suitable for RRP and their priority ranking.

All New Product Development (NPD) should be evaluated for RRP in the early stages of the project.

The product prioritisation model below provides a clear guide to a systematic product implementation approach.

### Prioritisation Model

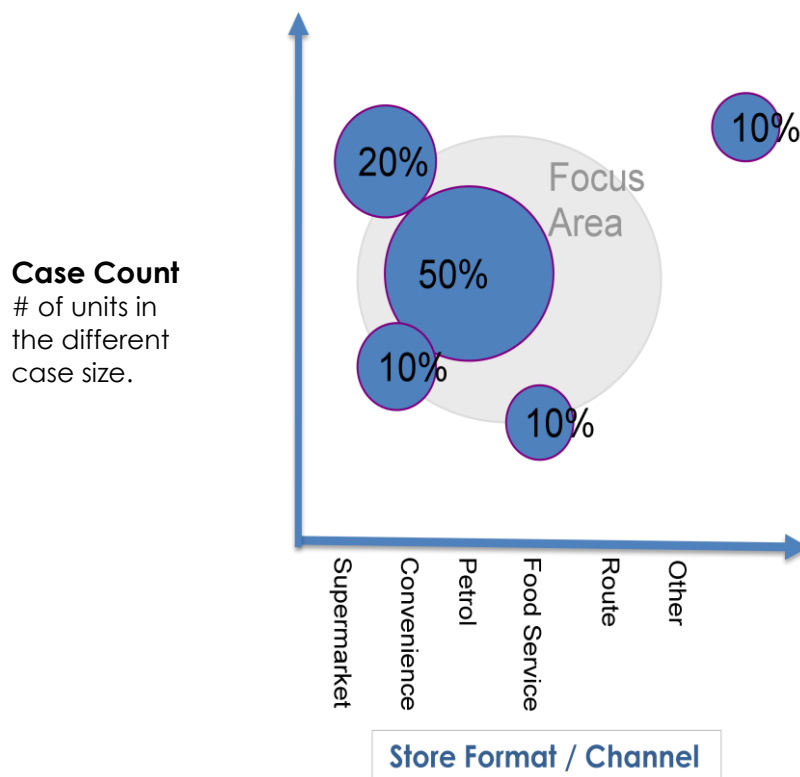


Priority should be given to those products that have a high sales rate per store and are difficult or complex to replenish. In addition consideration should be given to cost, time and complexity of product packaging migration. Products that experience high waste levels along the value chain and products which can easily be converted to RRP solutions should also be considered good RRP candidates.

Since the introduction of RRP into the Australasian market retailers have looked to integrate RRP solutions into their particular business models. Each retailer will have their own distinct timetable and priorities.



To narrow further the prioritisation approach mapping case count against store or channel format the manufacturer will be able to identify areas of focus.

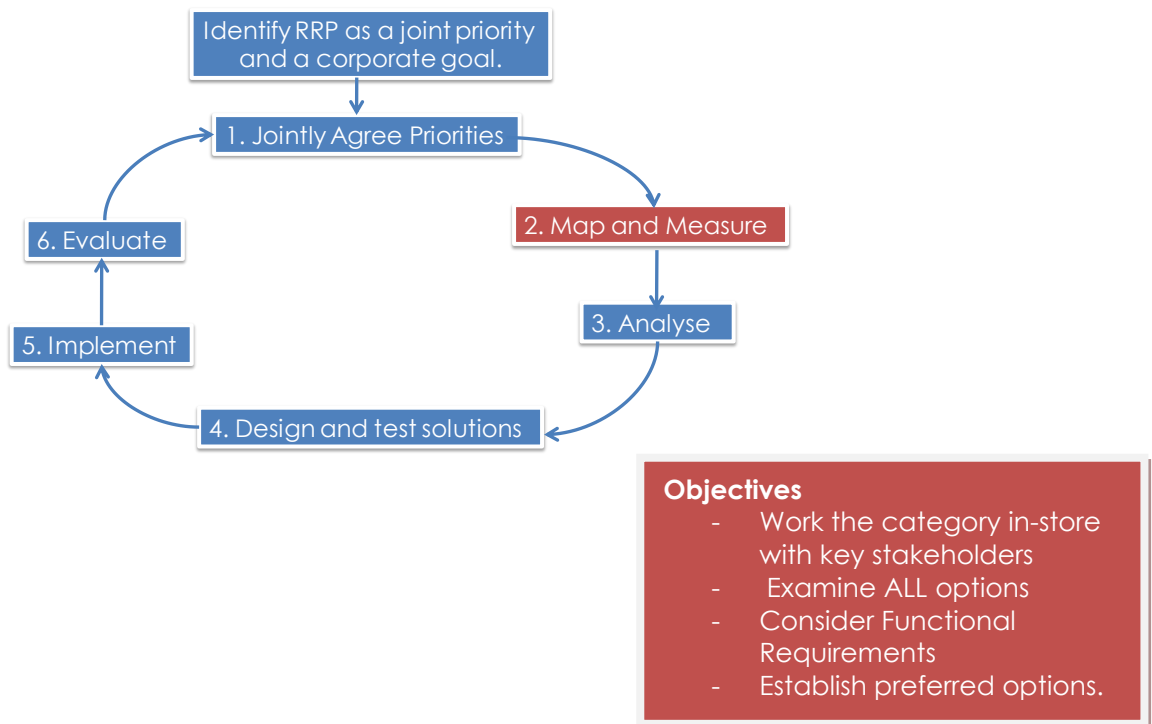


**Outcome:**  
An agreed list of product / category priorities and indicative timelines.

**Industry Challenge**

Retailer and supplier alignment on priorities and timings is critical to ensuring focus on the right products at the right time. The prioritisation of product or category will be a decision made collaboratively between trading partners. Priorities may differ by retailer and this will cause pressure on the manufactures. Additionally manufacturers who work across categories may have competing demands.

## MAP AND MEASURE



Following the development of an agreed set of product / category priorities, an examination of the current operational systems and processes is important to gain a clear understanding of the packaging opportunities, and to assist in the consideration of alternate options.

The following table outlines the practices that can be adopted by trading partners, collaboratively or individually, to map and measure the potential RRP solutions.

Development Phase 1 – Evaluation	Who
<ul style="list-style-type: none"> <li>• Tour the store</li> <li>• Identify good RRP offerings</li> <li>• Examine the specific product/category</li> <li>• Replenish the shelves (from back room to waste removal)</li> <li>• Run internal workshops engage stakeholders</li> <li>• Respect the shopper</li> <li>• Consider the shelf destination</li> </ul>	<ul style="list-style-type: none"> <li>• Category Manager</li> <li>• Packaging Expert</li> <li>• In-store personnel – Store Manager / Operators</li> <li>• Merchandise</li> <li>• Sales / Customer / Supply Chain Manager</li> <li>• Packaging provides</li> </ul>
Development Phase 2 – Review	
<ul style="list-style-type: none"> <li>• Review and share learning</li> <li>• Complete a gap analysis to highlight action</li> <li>• Consider ALL RRP options</li> <li>• Develop concepts</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging Expert</li> <li>• Category Manager</li> <li>• Sales / Customer / Supply Chain Manager</li> </ul>

<ul style="list-style-type: none"> <li>• Review functional requirements</li> <li>• Commence discussions on order multiple</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging provides</li> </ul>
--	--

### Development Phase 3 – Concept Ideation

<ul style="list-style-type: none"> <li>• Review concepts</li> <li>• Trial replenishment in-store</li> <li>• Run time and motion studies</li> <li>• Shop the concept</li> <li>• Continue discussion on order multiple</li> <li>• Review against functional requirements</li> <li>• Consider supply chain implications</li> <li>• Finalise order multiple</li> <li>• Consider input to packaging waste stream</li> <li>• Measure impacts e.g. OSA, speed, one touch</li> <li>• Review scalability of concept (multiple retailers, suppliers in category etc)</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging Expert</li> <li>• Pack provides</li> <li>• Category Manager</li> <li>• Sales / Customer / Supply Chain Manager</li> <li>• In-store personnel – Store Manager / Operators</li> <li>• Sustainability Managers</li> </ul>
---	---

### Development Phase 4 – Agree on Possible Solution

<ul style="list-style-type: none"> <li>• Agree on the preferred packaging solution</li> <li>• Develop an action plan to move from concept stage to pilot/trial phase including production, supply chain and in-store impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Category Manager</li> <li>• Sales / Customer / Supply Chain Manager</li> </ul>
--	---

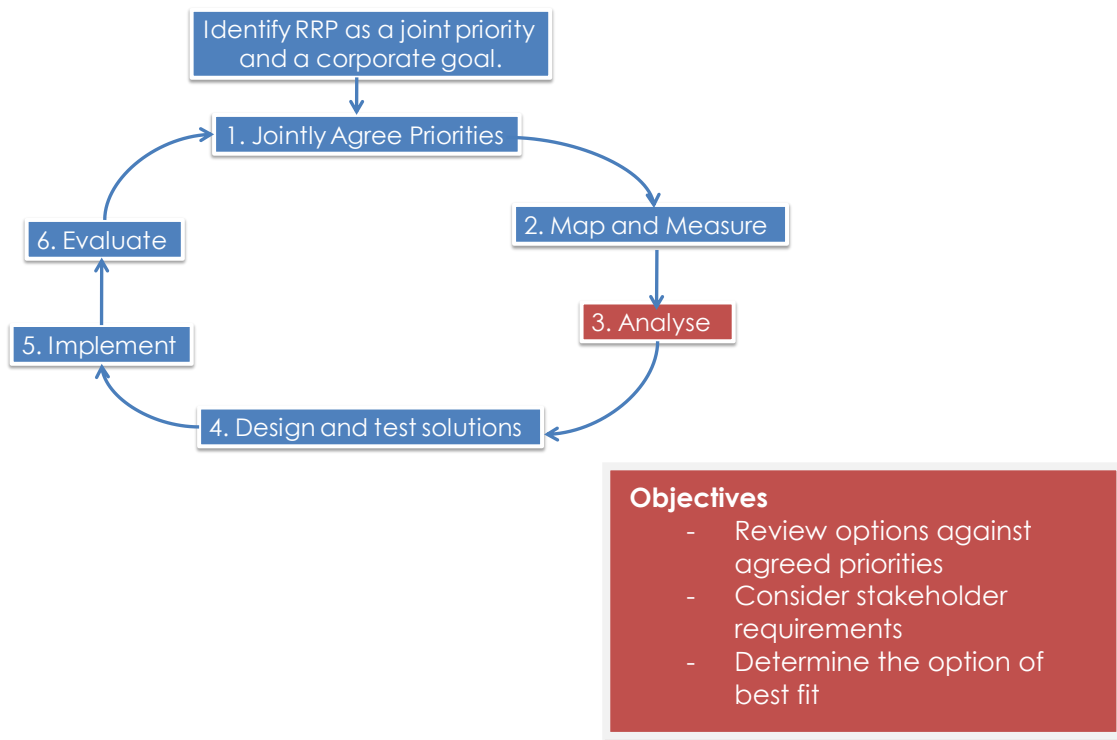
#### Outcome:

A number of possible packaging options for each product / category.

#### Industry Challenge

Manufactures and suppliers must undertake the responsibility for brokering agreement on acceptable RRP solutions for their products across ALL retailer and wholesalers.

## ANALYSE



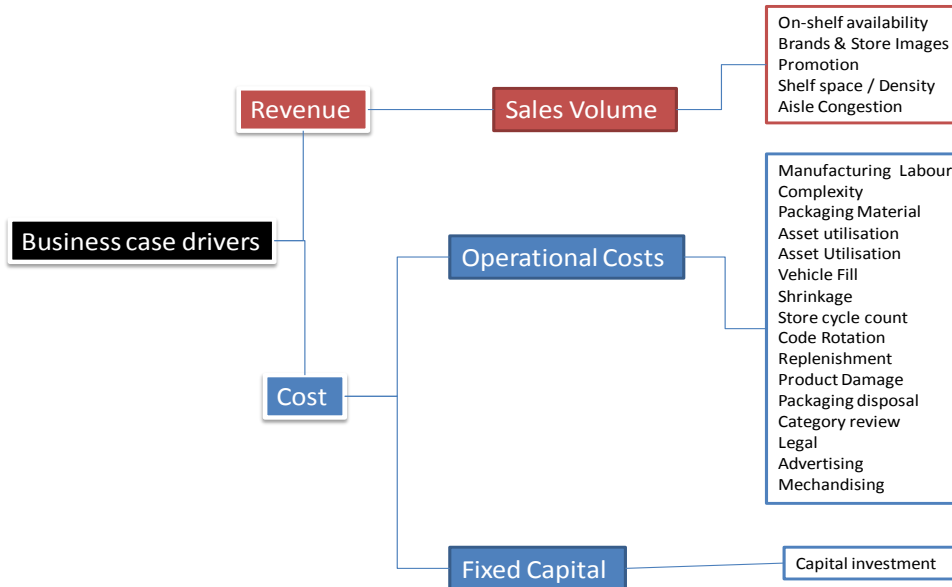
Once the priorities have been agreed and the options mapped and considered a more detailed analysis is required. Analysis of each possible option should not only include an assessment of the packaging solution but also a business case assessment.

Again it is best to perform the business case assessment with a collaborative focus and with due consideration to stakeholder requirements.

Each organisation will have its own methodology (including hurdle rates and targets) for completing a business case assessment. To assist companies ECR Europe identified 21 business case drivers that could potentially be impacted but the introduction of RRP. It recommends working collaboratively with trading partners to examine and agree on the drivers, on a case by case basis for each packaging option. The suggested drivers are listed below and should help inform the debate.

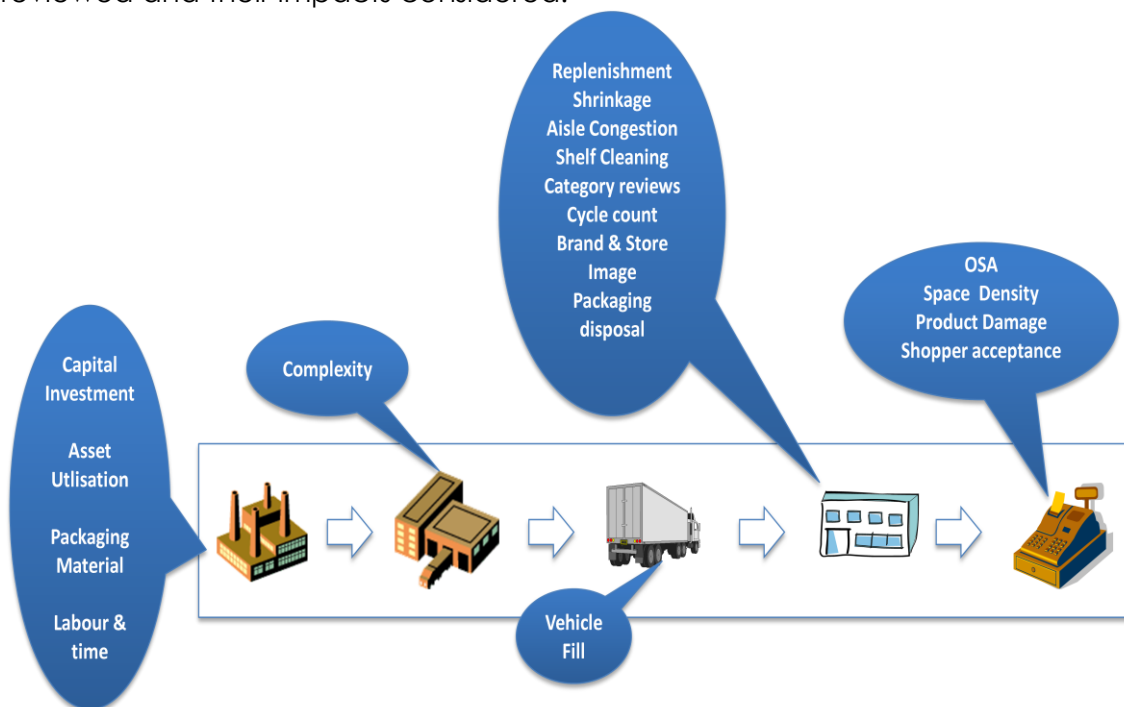
Having agreed the drivers to base the business case on; assess each driver and capture the impact to each trading partner, to determine if a positive business case exists.

### Impact of Business Case Drivers on Value Tree



ECREurope

The other critical area of analysis is the impact of RRP on the operational capability of an organisation, particularly the supply chain. Trading partners have different responsibilities along the supply chain and these should be reviewed and their impacts considered.

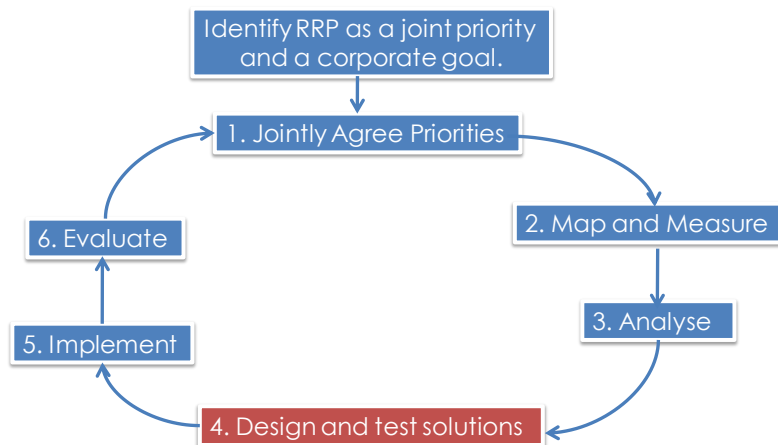


**Outcome:**  
Select a packaging solution with the most positive outcome for all parties.

### Industry Challenge

In many cases packaging projects based strictly on the analysis of business case drivers would be unlikely to proceed. The migration of product to RRP solutions has become a cost of entry within the market.

## DESIGN AND TEST SOLUTION



### Objectives

- Design and develop prototypes
- Whole of chain trials
- Concept test in-store
- Complete shopper analysis

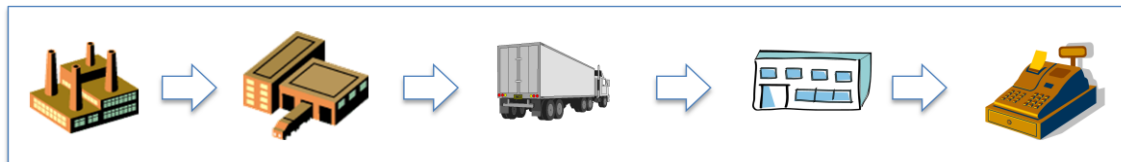
Having prioritised, mapped, measured, analysed and defined a potential solution trading partners should complete the final technical design and a comprehensive pilot and test methodology.

The final design should be reviewed against functional specifications; retail specific guidelines and brand manufacturers objectives.

The scope and criteria of the pilot / tests should be agreed by both parties and be as comprehensive as possible. The following chart provides some suggested areas.

Who should be involved?	What should be measured?	What should be physically tested?
<ul style="list-style-type: none"> <li>▪ Retail customer</li> <li>▪ Supplier</li> <li>▪ Technical</li> <li>▪ Marketing</li> <li>▪ Manufacturer</li> <li>▪ Commercial</li> </ul>	<ul style="list-style-type: none"> <li>▪ Functional Requirements</li> <li>▪ Specifications</li> <li>▪ Retail Guidelines</li> <li>▪ Impact on cost</li> <li>▪ Shopper feedback</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transit trials</li> <li>▪ Warehouse picking, palletizing etc.</li> <li>▪ In-store replenishment</li> </ul>

<ul style="list-style-type: none"> <li>▪ Logistics</li> <li>▪ Shopper</li> </ul>	<ul style="list-style-type: none"> <li>▪ Retail customer feedback</li> <li>▪ Impact on supply chain</li> <li>▪ Environmental impacts</li> <li>▪ Timelines</li> </ul>	<p>times trials.</p> <ul style="list-style-type: none"> <li>▪ Shopper trials</li> <li>▪ Product damage levels.</li> </ul>
--	--	---



**Outcome:**

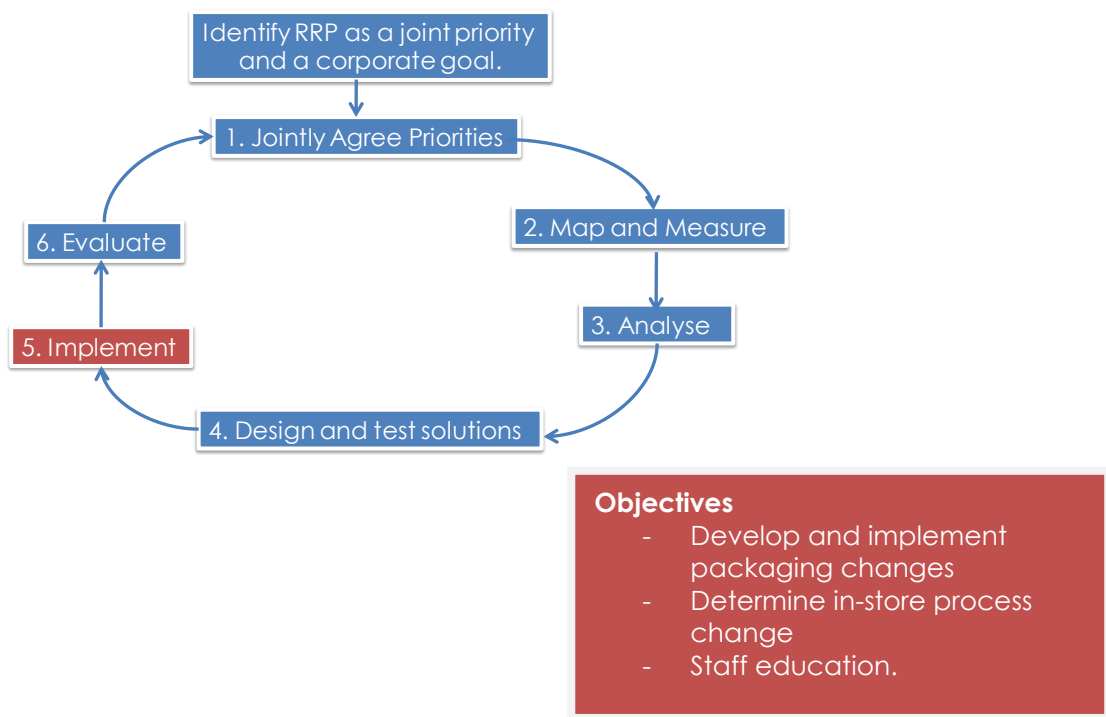
A fully tested RRP solution and implementation agreement.

**Industry Challenge**

The reduction in the number of consumer units per pack remains a significant challenge for the industry. Reducing the number of consumers units results in a decrease in supply chain efficiencies; increases in packaging to product ratios; and ultimately increase costs.



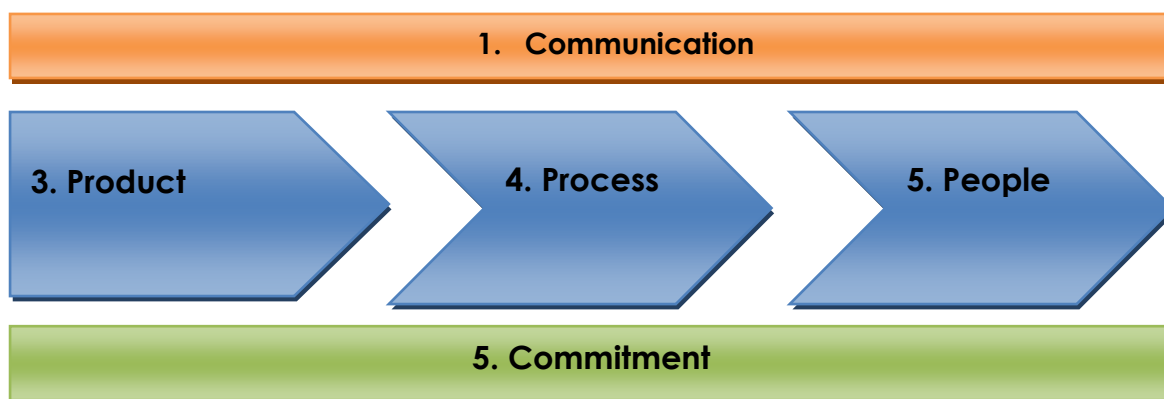
## IMPLEMENTATION



Less than satisfactory in-store execution over the past few years has led to friction between suppliers and retailers and negatively impacted the adoption of RRP.

Whilst in-store processes and procedures remain the responsibility of the retailers, suppliers have a significant interest in their packaging being adopted and used.

The following section details the considerations for delivering excellent in-store execution and the model has been designed to assist trading partners discuss the critical steps of executing effective in-store adoption of RRP.



## Communication

It is essential that the company strategy is understood by personnel who will be impacted directly.

A successful in-store execution of approved solutions will be led by the store manager. This requires a clear understanding of the benefits to shoppers; impacts to internal practices and procedures; and the requirement for appropriate continuous improvement feedback loops.

The following communication matrix provides suggestions on the key issues to be communicated to the appropriate disciplines within an organisation.

### Communication Matrix

	Managerial / Executive		Commercial		Corporate Operations Procedures / Data		Supply Chain		In-Store	
	Retail	Supply	Retail (Buyer)	Supply (Sales)	Retail	Supply	Retail	Supply	Retail	Supply
Company RRP Strategy	✓	✓	0	0	0	0	0	0	0	0
Company approach	✓	✓	0	0	0	0	0	0	0	0
Business Case	✓	✓	0	0	0	0	0	0	0	0
Benefits / Costs	✓	✓	0	0	0	0	0	0	0	0
ECRA Toolkit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trading partner expectations	0	0	✓	✓	0	0	0	0	0	0
Process changes	0	0	0	0	✓	✓	✓	✓	✓	0
Internal work practices	0	0	0	0	✓	✓	✓	✓	✓	0
Replenishment practices	0	0	0	0	✓	0	0	0	✓	0
Planogram - changes	0	0	0	0	✓	0	0	0	✓	0
Identification	0	0	0	0	✓	0	✓	0	✓	0
Feedback Loop	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



Denotes area of responsibility/ primary owner



Denotes detail / information required to complete work

There are a number of communication documents that can be utilised as part of a successful implementation process. Each participant within the chain can play a role in informing discussions. The content of the communication will vary dependent on the audience and following are some examples of current communication tools that could be used.

### Communication Tools

- ➔ Toolkit
- ➔ Planograms
- ➔ Shelf Ticket
- ➔ Staff Inductions
- ➔ Staff Training
- ➔ RRP Approval Processes
- ➔ Store Notification

## Product

Solutions must comply with the:

### Functional Requirements

- ➔ Easy to identify
- ➔ Easy to open
- ➔ Easy to shelf
- ➔ Easy to shop
- ➔ Easy to dispose

### Merchandising Requirements

- ➔ Sales Volumes
- ➔ Order Multiple
- ➔ Shelf Dimension
- ➔ Replenishment considerations
- ➔ Cost/Volume

Retail organisations may have their own internal standards and guidelines. In most instances the Buying / Merchandise teams within the retail organisation will have responsibility for the approval process.

## In Store Process

Change management requirements, particularly where practices and processes are altered, should be taken into account.

Work processes, practices and instructions should be developed in support, as existing operations may need to be modified or adapted. The following highlights the main considerations for in-store operations.

### Replenishment Practices

- ➔ Planogram changes
- ➔ How to open
- ➔ How to use on shelf
- ➔ Brand facing forward
- ➔ FIFO practices
- ➔ Ease of shop
- ➔ Back of store storage capability
- ➔ Replenishment speed

### Processes

- ➔ Master data changes
- ➔ Flag for RRP – ticketing
- ➔ GS1net / Electronic trading
- ➔ Back of store processes
- ➔ Training materials

### Shelf Maintenance

- ➔ Shelf fit / one touch
- ➔ Continuous replenishment
- ➔ Removal of packaging
- ➔ Facings and spare
- ➔ Frequency
- ➔ Shop fittings, cost and maintenance
- ➔ Fixtures signage / markings

## People

Store personnel are often time poor, have competing task pressures, work part time, have limited product knowledge, can have English as a second language, and it is an area of high staff turnover. These factors place a greater obligation on suppliers to provide solutions that are intuitive, simple and convenient, and for retailers to support their staff by providing relevant and timely instructions and information.

Education and training of the store personnel is an imperative element to driving successful implementation. The education of store employees in how to identify; open; shelf; and dispose appropriately is an essential part of the overall training. Key elements can be built into the existing suite of offerings such as on the job training, occupational health and safety, inductions.

## Commitment

Underpinning the above listed criteria is the commitment from the organisation, to support the introduction and ongoing use of RRP within the organisation. Top management support is vital to ensure success.

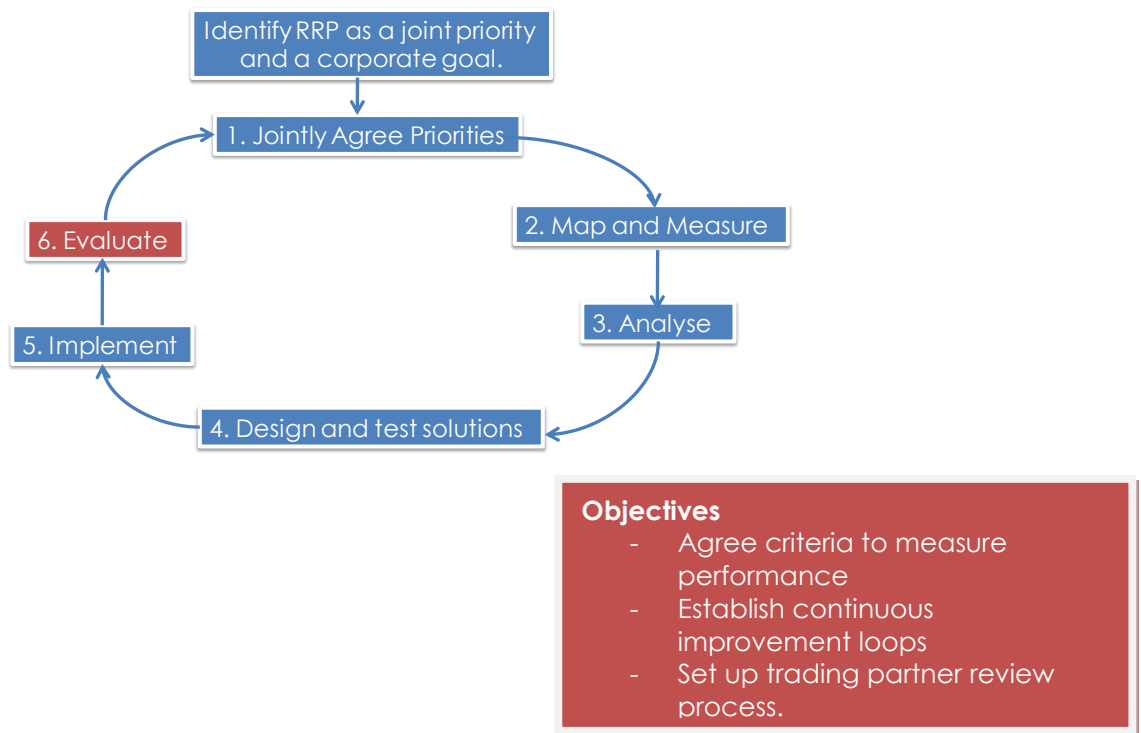
### Outcomes

A comprehensive implementation plan incorporating in-store execution.

### Industry Challenge

The use of RRP within stores remains a significant challenge for the industry. In-store execution is critical to project success and the viability of RRP. Historical evidence suggests this issue will require a collaborative approach from retailers, suppliers and packaging experts.

## EVALUATE

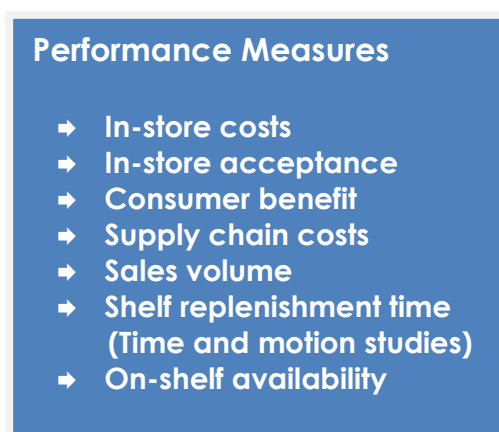


It is essential to measure the performance of RRP following its implementation. If a solution is not delivering the benefits or is detrimental to the shopper, suitable corrective action should be taken.

Formats, planograms, and product offerings differ from store to store and from retailer to retailer. However for any benefit to be realised the packaging must be utilised in as many stores and store formats as possible.

### Performance Measures

Several suggested performance measures are highlighted below and trading partners are encouraged to discuss and agree measures prior to implementation. Data and information should be shared between trading partners to ensure decisions are fact based.

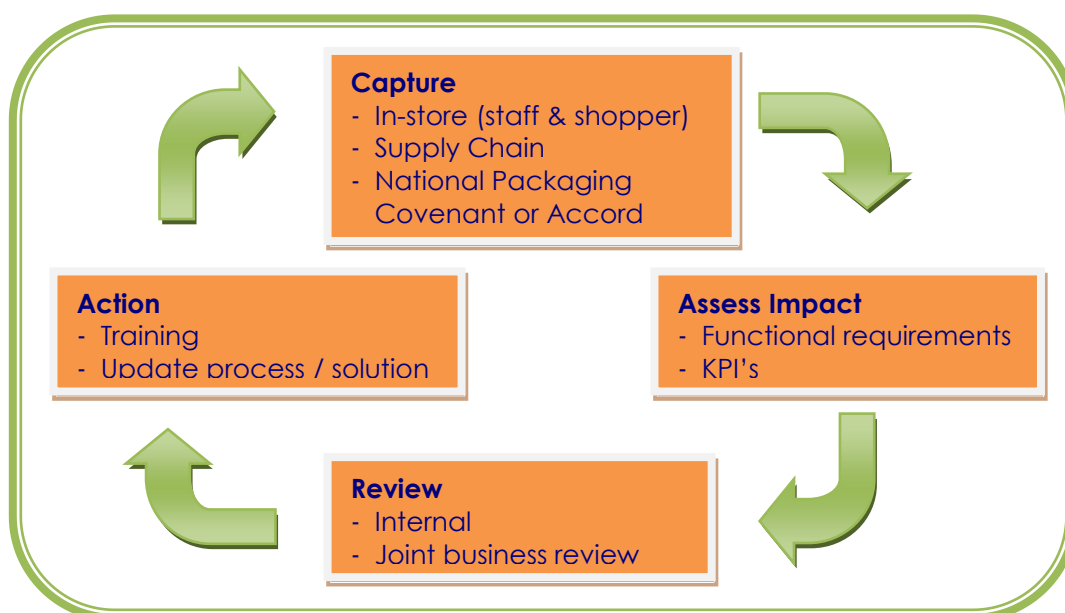


## In-store Audits

Following an implementation it is recommended that a review of the solution be performed to ensure guidelines are met, metrics achieved and efficiencies attained. It is suggested that an in-store audit be completed by trading partners and used in a collaborative fashion to ensure long term sustainable solutions are adopted.

## Continuous Improvement Feedback Loop

Underpinning the in-store execution considerations is the responsibility for retail trading partners to develop an active feedback loop to support store personnel. Feedback should also be shared with trading partners in a drive towards continuous improvement.



## Feedback Loop

**Capture:** Encourage feedback and suggestions on improvement opportunities from store auditing results; performance in stores; logistics; metrics; packaging waste; product damage.

**Assess Impact:** Illustrate performance of RRP by explaining the impact it is having on KPI's or functional requirements.

**Review:** Review what action can be taken both internally and collaboratively to address the opportunities identified.

**Action:** Implement the agreed solutions through re-training, process improvement, or design improvement.

## Trading partner discussions

The range review remains the formal point, generally on an annual basis, for the retailers and suppliers to assess the strategic and operational effectiveness of RRP: the review should focus on delivering consumer value and enhancing business results.

The four key phases for review include: the strategic plans; the development plans; the implementation processes; and the results.

Work needs to be done in advance by both the retailer and supplier; it could include checklists, in-store audits, feedback mechanisms, consumer insights, metrics and a performance review. However the need to highlight issues as they arise is essential in maintaining the integrity of product, offerings and efficiencies.

### Outcomes




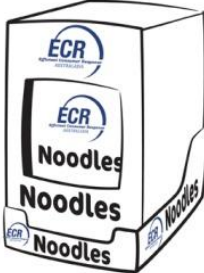


Develop an active feedback loop to support successful RRP adoption.  
Support by providing opportunity to discuss performance.

### Industry Challenge

Limited evaluation of a whole of chain business case for RRP has been undertaken in Australasia. A result of poor in-store execution and a lack of transparency of retail benefits.

## SECTION 4 EXAMPLES OF PACKAGING OPTIONS

The following examples of RRP options that have been very effective and some that have not been effective at all.

	<b>Good</b>	<b>Bad</b>
<p><b>Identify</b></p> 	<p><i>Example: Identification clear and concise- brand, variant and size.</i></p>  <p><i>Example: Consumer unit information clearly visible.</i></p>  <p><i>Example: Consumer unit is visible through the outer packaging.</i></p> 	<p><i>Example: Difficult to identify, hand writing over lip, additional code information present.</i></p>  <p><i>Example: Consumer unit information masked by front lip.</i></p> 



*Example: Easy to identify throughout the supply chain.*

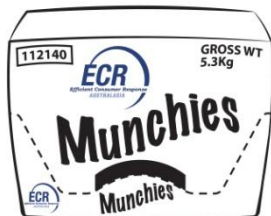


<b>Good</b>	<b>Bad</b>
-------------	------------

**Open**



*Example: Opening location easy to identify, intuitive.*



*Example: Clear instructions and perforations tear cleanly.*



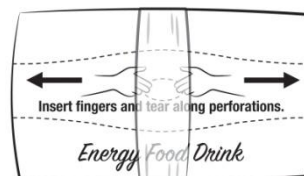
*Example: Too many instructions - difficult to understand.*



*Example: Perforations leave untidy edge.*



*Example: Opening location is covered by tape.*



Good	Bad
------	-----

**Shelf**



*Example: Movement to shelf easy and safe.*



*Example: Movement to shelf difficult and unstable.*



*Example: Product not displayed at its best on shelf either damaged by weight of second unit or perforations unsightly.*



<b>Good</b>	<b>Bad</b>
-------------	------------

**Shop**



*Example: Easy to remove and replace the consumer unit.*



*Example: Easy to remove and replace the consumer unit*



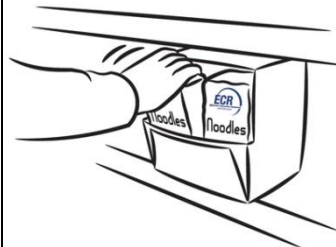
*Example: Easy to remove and replace the consumer unit*



*Example: Shopper can easily identify product, front panel facing upright.*



*Example: Difficult to remove and replace the consumer unit, shelf above inhibits.*



*Example: Difficult to remove and replace the consumer unit, side flanges inhibit.*



*Example: Difficult to remove and remove*



*Example: Side panel visible, difficult for shopper to identify.*



**Good**

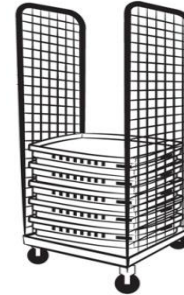
**Dispose**



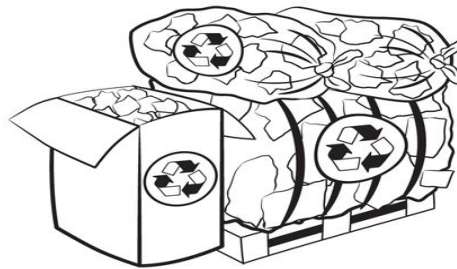
*Example: Cartons broken down and easily stacked.*



*Example: Plastic crates nest and stack for return.*



*Example: Materials separated easily for recycling.*



## RETAIL INSIGHTS



<b>Commitment</b>	Shelf friendly packaging (SFP) allows better filling at store level, driving improved product availability thereby improving sales. It is in all our interests to ensure that SFP is developed on all new and existing products.
<b>Nominal Shelf Dimension</b>	Nominal shelf depth - 505mm
<b>Shelf Replenishment (cases)</b>	<p>SFP aligns closely with the optimal product count in the carton. Work with Buyers to ensure the number of units available in a SFP carton aligns closely to its rate of sale, thereby optimising days of supply and reducing waste issues such as out of codes and rework damage in store.</p> <p>Work with the Buyer and Space planning team to determine the appropriate carton unit count when developing SFP.</p> <p>To meet Coles replenishment practices two SFP cases should fit on each shelf, referred to as one touch.</p>
<b>Prioritisation</b>	Coles SFP priorities for 2010 are to rapidly increase the number of products available in SFP across all categories and to improve existing SFP quality.
<b>Implementation</b>	<p>SFP conversion is managed by category Buyers. Processes and examples are available in Coles Shelf Friendly Guidelines (see below) and the ECRA Retail Ready Packaging Toolkit.</p> <p>Any wider queries or issues may be directed to <a href="mailto:shfp@coles.com.au">shfp@coles.com.au</a> where a member of the SFP team will assist.</p>
<b>Approval Process</b>	The Coles Category Buyer approves SFP. The approval process can be viewed in the Shelf Friendly Packaging Guide which can be found at: <a href="http://supplier.coles.com.au/range/shelf-friendly-packaging.aspx">http://supplier.coles.com.au/range/shelf-friendly-packaging.aspx</a>
<b>In-store</b>	All acceptable SFP is planned on layouts to the maximum degree possible. Store execution is managed through training and shelf edge ticket identification. Surveys are conducted regularly to assess SFP quality and its penetration by category. SFP execution is a key objective for Coles. Suppliers can assist by closely following SFP instructions on layouts.
<b>Retail Guidelines</b>	<p>Shelf Friendly Packaging Guidelines</p> <p>The guidelines are the first step and suppliers are welcome to feedback or contribute to their further development. Access the guidelines at: <a href="http://www.supplier.coles.com.au/businessTransformation/default.asp">http://www.supplier.coles.com.au/businessTransformation/default.asp</a></p>

<b>Commitment</b>	<p>Foodstuffs New Zealand's priority is to ensure any savings resulting from a more efficient supply chain via its own network and that of its suppliers result in lower costs for its members and retail consumers. This extends to cover store operational practices, including ensuring the configuration of deliveries from Foodstuffs distribution centres are optimised for handling, put-away and finally display on the retail shelf.</p> <p>In doing this we will:</p> <ul style="list-style-type: none"> <li>➔ work closely with local and international suppliers to help identify, prototype and trial any RRP changes;</li> <li>➔ ensure we are being the very best supplier to our stores for our complete Private Label range;</li> <li>➔ ensure that the product range, pack sizes and replenishment operations result in the most optimal store delivery practices as possible;</li> </ul> <p>Note: The PAK'nSAVE format is the only Foodstuffs Retail Brand that is currently capable of actively supporting the RRP concept. Where feasible RRP is and will be considered for the New World And Four Square Retail Brands.</p>
<b>Nominal Shelf Dimension</b>	<p>Nominal shelf depth</p> <p>New World - Length 91.5cm; Height 180cm &amp; Depth 45cm</p> <p>PAK'nSAVE - Length 180cm; Height 215cm &amp; Depth 50cm</p> <p>Four Square - As New World Specs (In most instances)</p>
<b>Shelf Replenishment (cases)</b>	<p>PAK'nSAVE Varies according to product movement, packaging dimensions etc. Can vary greatly, 2 cases to up to 10. This does not include Picking Faces unique to PAK'nSAVE.</p> <p>New World Not applicable in most instances. (2 Cases max)</p> <p>Four Square Not applicable in most instances.</p>
<b>Prioritisation</b>	<p>Private Label product as presented and where feasible.</p>
<b>Implementation</b>	<p>As agreed upon with trading partners</p>
<b>Approval Process</b>	<p>Through Foodstuffs Category Managers and Foodstuffs Own Brand Ltd Category &amp; Quality Assurance Managers</p>
<b>In-store</b>	<p>Ease of identifying Retail Ready Packaging essential and awareness training provided by Supplier Representatives (During launch) key to in-store implementation and management</p>
<b>Retail Guidelines</b>	<p>Foodstuffs New Zealand supports:          ECRA 2006 Retail Ready Packaging – A focus on Shelf ready Packaging an Industry Toolkit          ECRA 2010 Retail Ready Packaging Toolkit Ed 2 <a href="http://www.ecraustralasia.org.au">www.ecraustralasia.org.au</a></p>



<b>Commitment</b>	Metcash has played an integral part in the establishment of the industry guidelines for RRP, and is committed to supporting the development and use of retail ready packaging.
<b>Nominal Shelf Dimension</b>	Nominal shelf depth <ul style="list-style-type: none"> <li>- 450mm (3Ft Shelf)</li> <li>- 600mm (6Ft Shelf)</li> </ul>
<b>Shelf Replenishment</b>	Case plus 2 (order multiple)
<b>Prioritisation</b>	RRP solutions will not be actively pursued. If RRP solutions are presented for implementation and are mutually beneficial they will be used.
<b>Implementation</b>	Metcash Trading being a representative to over 4,500 independent retailers is cognisant of the varied store formats that it represents together with the maximum suitable facings within a particular category. We support the industry guideline set out within this toolkit when deciding on the acceptance of a product in SRP.
<b>Approval Process</b>	Whilst no formal process is adopted in Metcash, all Retail ready packaging is to be presented and discussed with each respective National buyer.
<b>In-store</b>	All products in shelf ready packaging are outlined on each category layout. It is advisable for all Suppliers to liaise with each independent retailer on the use of shelf ready packaging within their store.
<b>Retail Guidelines</b>	Metcash Trading supports: ECRA 2006 Retail Ready Packaging – A focus on Shelf ready Packaging an Industry Toolkit ECRA 2010 Retail Ready Packaging Toolkit – Edition 2 <a href="http://www.ecraustralasia.org.au">www.ecraustralasia.org.au</a>





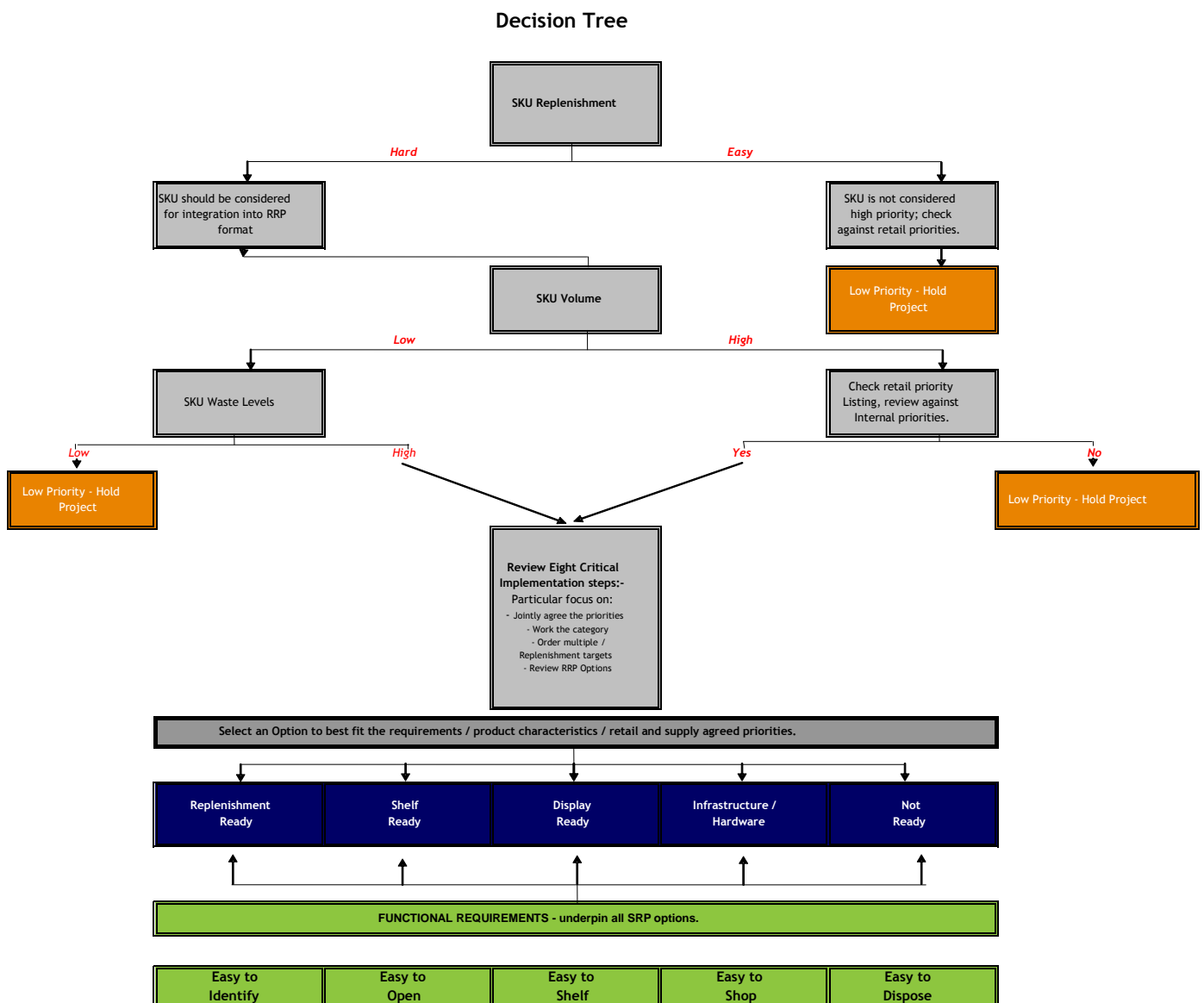
<b>Commitment</b>	<p>RRP is an important tool in providing in-store replenishment efficiencies which culminate in increased product availability to customers. They provide an opportunity to reinforce a brands image on the shelves and assist in maintaining shelf position.</p> <p>RRP will only be implemented where:</p> <ul style="list-style-type: none"> <li>➔ The RRP meets Woolworths Logistics specification</li> <li>➔ The RRP solution is intuitively more efficient by design, i.e. Easy to ID, Open, Replenish and Dispose/Recycle.</li> <li>➔ The RRP is easy to shop, providing customer value through enhanced product recognition and availability</li> <li>➔ The RRP can be accommodated via store planograms</li> <li>➔ The fixture is conducive to RRP use</li> </ul>
<b>Nominal Shelf Dimension</b>	<p>Nominal shelf depth - 460mm</p> <p>Shelf dimensions can be obtained from <a href="http://www.wowlink.com.au">www.wowlink.com.au</a> Go to Topic Centre, Buying and Marketing, Category Development Schedule and download APOLLO DIMENSIONS LISTING.</p>
<b>Shelf Replenishment (cases)</b>	<p>Case size and configuration needs to be agreed upon with the Business Team prior to the commencement of RRP development.</p> <p>Woolworths require that product meets the 'Case plus MPL' criteria. The preference is for trays to be designed that are half as deep as the shelf. This would allow two trays to be on shelf at any time.</p>
<b>Prioritisation</b>	<p>RRP development will be driven by a prioritised category approach where:</p> <ul style="list-style-type: none"> <li>• High Priority - RRP solutions will be actively sought across the entire category e.g. high volume fast moving.</li> <li>• Medium Priority - Products will be reviewed with respect to RRP opportunities and groups of products within categories will be targeted where appropriate in order to exploit the benefits of RRP.</li> <li>• Low Priority – RRP solutions will not be actively pursued. If RRP solutions are presented for implementation and are mutually beneficial they will be used.</li> </ul> <p>Refer the Woolworths Packaging and Barcode Specifications for Consumer Units, Trade Units and Logistics Units for further detail.</p>

<b>Implementation</b>	The implementation of new RRP will be executed through the formal Range Review process. However, if RRP is provided outside the Range Review process, it may be considered at the discretion of the business team.
<b>Approval Process</b>	Prototype SRP designs should be submitted to the relevant Business Team for approval.
<b>In-store</b>	Woolworths have adopted a shelf label signifier. The signifier is specific by store, it tells the shelf filler that the product is provided in an acceptable RRP and the packaging is to be used to fill this product in this store. If the product is supplied in SRP but does not fit in a particular store because there are incompatible product facings the signifier will not be present on the shelf label.
<b>Retail Guidelines</b>	Woolworths Packaging and Barcode Specifications for Consumer Units, Trade Units and Logistics Units.  <a href="http://www.wowlink.com.au">www.wowlink.com.au</a> Go to Supply Chain, Packaging and Barcodes.

## SECTION 5 TOOLS

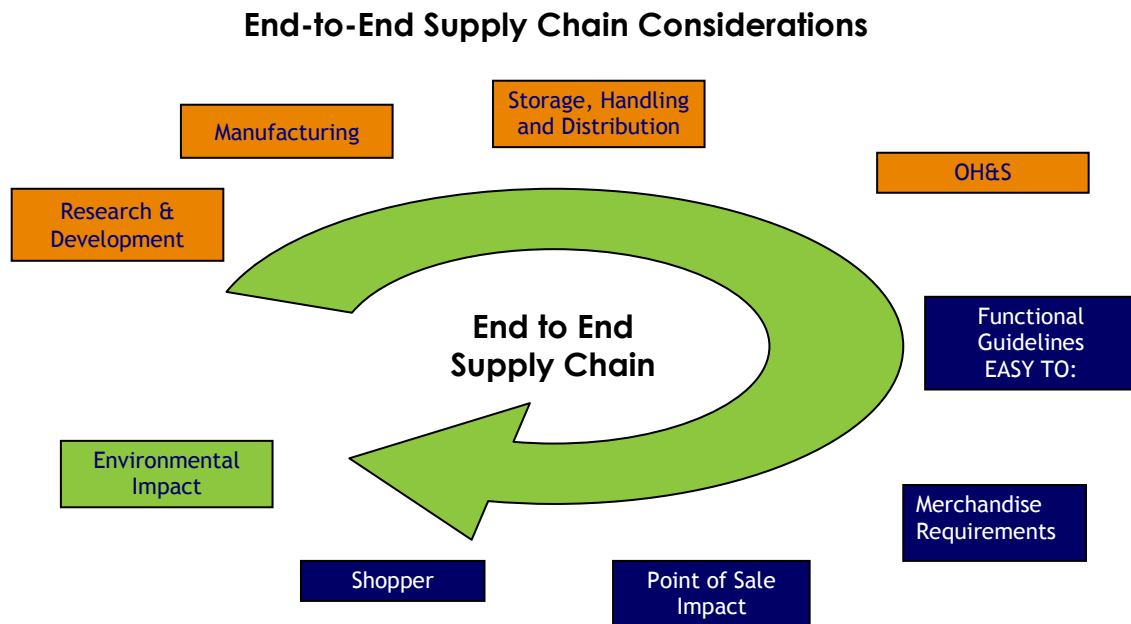
### DECISION TREE

The model developed and outlined below will assist in planning products suitable for RRP and therefore support supplier companies in prioritising their product and category ranges.



## Supplier Consequence and Considerations

The following supplier considerations are not intended to be a complete technical guide, but are designed to be used in conjunction with retailer guidelines to prompt the questions which need to be asked in the development of RRP solutions. To facilitate ease of use the considerations have been grouped into logical areas within the end-to-end supply.



### Research and Development

*Are RRP options considered during ideation and concept development?*

Have potential investment options been assessed as part of the life cycle costing for the product?

Has RRP been included by the retailer in product briefs?

Are Sales people aware of the Toolkit?

### Manufacturing

*What will be the impact on the manufacturing process by the introduction of RRP?*

Changes to case count

- ➔ Reduced output rates

Changes in packaging complexity

- ➔ Requirement for additional / longer changeovers

Effect on palletisation complexity

- ➔ Reduced palletiser throughput

Requirement for capital investment

- ➔ Existing equipments capabilities
- ➔ Investment upgrades
- ➔ Estimated number of years to pay back capital

Time taken to introduce equipment changes

Requirement for additional change parts

- ➔ Due to increased packaging complexity

Packaging development costs

- ➔ Artwork initiation, stereotypes, tooling costs
- ➔ Use of generic packaging

Annual costs of packaging

- ➔ Increased use of colour, white line, board grade, board type

Requirement for additional packaging to maintain product quality / integrity

- ➔ Use of shippers

Re-design costs and differences in manufacturing conversion cost due to changes in packaging.

- ➔ Fixed costs / SKU spend annually to maintain additional complexity
- ➔ Incremental inventory carrying costs

## Storage, Handling and Distribution

*What will be the impact on the storage, handling and distribution processes in the end to end supply chain by the introduction of RRP?*

Changes to pallet utilisation / pallet density

- ➔ Increased number of pallets due to less product per pallet
- ➔ Increased storage, handling and distribution costs
- ➔ Stacking pattern for each layer

Changes to pallet top-loading

- ➔ Maximum pallet weight when loaded
- ➔ Reduced storage efficiency due to inability to block stack pallets
- ➔ Cost of additional racking

Changes to pallet stability

- ➔ Load stability and duty of care in transportation

Changes to case count

- ➔ Increased picking due to less product per case

#### Packaging design

- ➔ Integrity of traded unit in manual handling - won't fall apart
- ➔ Ability of traded unit to provide product protection

#### Suitability for all markets / distribution points

- ➔ Increased number of SKUs if RRP isn't suitable for all customers / markets

### Occupational Health and Safety

#### *What risk assessment and considerations have been made for the RRP?*

##### Manual Handling: a single non-repetitive action

- ➔ Lifting, carrying, putting down
- ➔ RRP weight conformance to current retailer requirements
- ➔ RRP conformance to current retailer requirements for bulky items

##### Ergonomic: body stressing as a result of repetitive movement

- ➔ Repetitive strain injury
- ➔ Increased manual picking due to reduction in case count

##### Striking: a part of the body being struck by some other article

- ➔ Elimination of the use of knives
- ➔ Integrity of traded unit in manual handling - won't fall apart
- ➔ Pallet stability / load stability

##### Chemical exposure and burns: contact with harmful substances

- ➔ Suitability of packaging

##### Appropriate labelling to meet all OH&S requirements

- ➔ Heavy, sharp, hazardous, bulky

##### Conformance to all OH&S legislation and guidelines

### Functional Guidelines

#### *Does the RRP solutions comply with the functional requirements?*

#### *Do development staff fully appreciate the technical requirements?*

##### Easy to Identify

- ➔ Improve visibility at back of store to stand out from the brown board
- ➔ Brand, variant, size etc highlighted
- ➔ Use of colours to highlight and group products

##### Human readable information

- ➔ Present on at least the minimum number of sides as specified by the retailer

- ➔ Content conforms to current retailer requirements
- ➔ Date codes easily visible to aid stock rotation

#### Barcodes

- ➔ Present on at least the minimum number of sides as specified by the retailer
- ➔ Specifications conform to industry guidelines and retailer requirements
- ➔ Barcode verification report issued

#### Easy to Open

- ➔ Use of pictorials
- ➔ Concise instructions
- ➔ Easily opened without damaging the display tray or consumer units
- ➔ Simple and quick to open
- ➔ Consistent finish to opened SRP
- ➔ Knife not required to open RRP
- ➔ Identification of RRP as "easy open"
- ➔ Highlighting of tare-tabs
- ➔ Highlighting of perforations

#### Easy to shelf

- ➔ Reduced shelf fill time compared with non-RRP
- ➔ One-step operation
- ➔ Stability of opened RRP when being transferred to shelf
- ➔ Correct orientation of consumer units
- ➔ Ease of replenishment when partially / fully shopped - residual product
- ➔ Presentation of product in RRP when partially shopped – residual product
- ➔ Stock rotation of loose stock on shelf
- ➔ Suitability for off-location display as required

#### Easy to Shop

##### Attract consumer

- ➔ Use of colour, branding and logos
- ➔ Elimination of brown board on shelf
- ➔ Hide barcodes on shelf
- ➔ Neat and tidy when opened and on shelf
- ➔ Stability of consumers units in RRP when partially shopped
- ➔ Additional information - use of promotional messages on RRP display tray
- ➔ Product protection and quality
- ➔ Understand consumers' perception to RRP

#### Easy to dispose

*What will be implemented to ensure that the merchandising layout and RRP solutions are aligned?*

Shelf capacity

- ➔ Impact of RRP wall thickness on shelf space
- ➔ Impact on current stock weight
- ➔ Impact on overall number of product listings in category

Reduction of additional / loose consumer units on shelf

Ability of RRP to provide dual facings where appropriate

Ability to fit shelves in greater than 80% of stores

Impact on current shelf fixings

- ➔ Requirement to change current fixings
- ➔ Cost / time impact of any changes

## Point of Sale

*What will be implemented to maximise point of sale impact with RRP?*

Attract consumer

- ➔ Use of colour, branding and logos

Shelf presence

- ➔ Elimination of brown board on shelf
- ➔ Hide barcodes on shelf
- ➔ SRP to be neat and tidy when opened and on shelf
- ➔ Stability of consumers units in RRP when partially shopped

Additional information

- ➔ Use of promotional messages on RRP

Product protection and quality

Understand consumers' perception to RRP

## Shopper Friendly

*What will be implemented to ensure that the RRP solution is shopper friendly?*

Maximum SRP lip height to be 20% of consumer unit height

Ease of identification

- ➔ Use of branding
- ➔ Use of colour to differentiate product ranges / variants etc

Consumer unit label visibility

- ➔ Maximise consumer unit label visibility
- ➔ Obscured consumer unit information visible on RRP lip



Consumer unit access

- ➔ Easy removal / replacement of consumer unit from RRP when on shelf
- ➔ Visibility of consumer unit on shelf when RRP is partially / fully shopped

Environmental Impact

*What will be implemented to ensure that the RRP solution meets the requirements of the Australian National Packaging Covenant and the New Zealand Packaging Accord?*

There are four key principles that need to be considered in the design or procurement of packaging to improve its sustainability, and there are many different strategies that can be pursued to achieve each principle.

Principles	Potential strategies
<p>1. <b>Fit for purpose:</b> Packaging should be designed to meet market and consumer needs minimising net impact in a cost effective way.</p>	<ul style="list-style-type: none"> <li>• Meet technical performance requirements</li> <li>• Minimise supply chain costs</li> <li>• Meet consumer needs and expectations, including for accessibility</li> </ul>
<p>2. <b>Resource efficiency:</b> Packaging should be designed to minimise the use of materials and other resources without compromising product quality and safety.</p>	<ul style="list-style-type: none"> <li>• Minimise materials</li> <li>• Use recycled materials</li> <li>• Minimise transport impacts</li> <li>• Maximise water and energy efficiency</li> </ul>
<p>3. <b>Low impact materials:</b> Packaging should be designed to minimise the environmental and social impact of materials and components. Materials should be selected on science and incorporate a whole-of-lifecycle approach.</p>	<ul style="list-style-type: none"> <li>• Minimise risks associated with potentially toxic and hazardous materials</li> <li>• Use renewable or recyclable materials</li> <li>• Use materials from responsible suppliers</li> </ul>
<p>4. <b>Resource recovery:</b> Packaging should be designed to maximise its potential for recovery and recycling at end-of-life and to minimise the environmental and social impacts of its disposal.</p>	<ul style="list-style-type: none"> <li>• Design for reuse where appropriate</li> <li>• Design for recovery</li> <li>• Design for litter reduction</li> <li>• Inform consumers about appropriate disposal</li> </ul>

#### Source Reduction

- ➔ Use minimum material quantities
- ➔ Optimise transport efficiency
- ➔ Reduce energy

#### Potential for Reuse

- ➔ Returnable units

#### Recovery and Recycling

- ➔ Collapsible and stackable packaging
- ➔ Use of single material or ability to separate materials
- ➔ Use of degradable materials

#### Ability to Incorporate Recycled Content

- ➔ Use of recycled or partly recycled material

#### Minimising Impacts of Packaging

- ➔ Minimise hazardous or toxic material

#### Propensity to Become Litter

- ➔ Minimise number of separable components

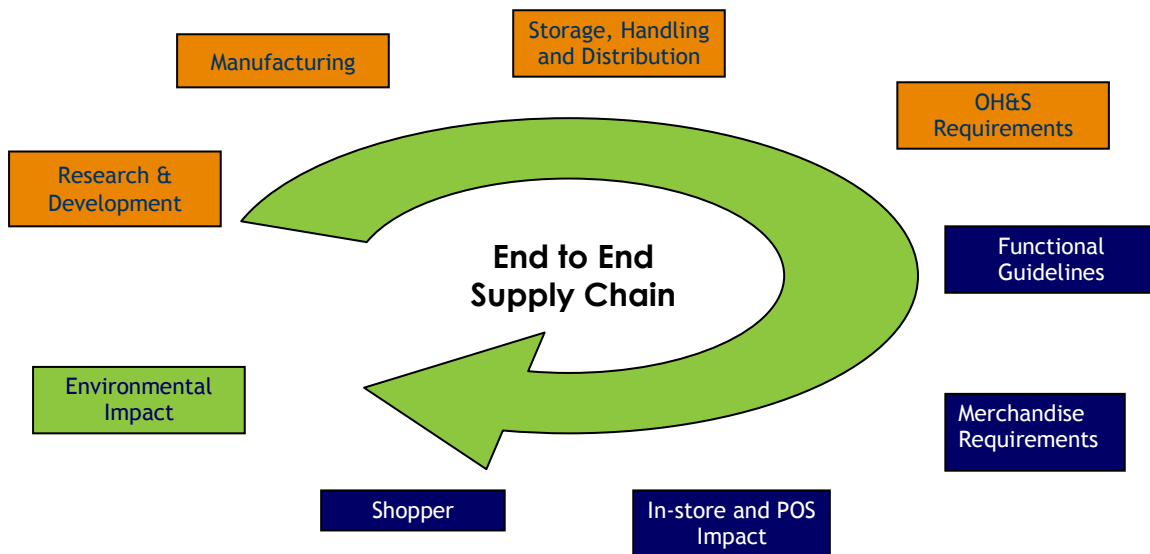
#### Consumer Information

- ➔ Use of recycle logo

## Retailer Consequences and Considerations

The following retailer considerations are not intended as a complete technical guide, but are designed to prompt questions during the development of RRP solutions. To facilitate ease of use the considerations have been grouped into logical areas within the end-to-end supply.

### End-to-End Supply Chain Considerations – Retailers



#### Research and Development

*Are RRP options considered during ideation and concept development?*

- ➔ Include RRP requirements on product briefs.
- ➔ Improve Buyers awareness of industry standards and tools.

#### Manufacturing

*How will the vendors manufacturing process be impacted by the introduction of RRP, will private label be affected?*

- ➔ Changes to case count
- ➔ Possible impacts on cost, delivery timelines, packaging complexity and ongoing packaging costs.

#### Storage, Handling and Distribution

*What will be the impact on the storage, handling and distribution processes at distribution centres and into stores by the introduction of RRP?*

- ➔ Changes to receipt quantities due to pallet utilisation / density; roll cage utilisation / density
- ➔ Changes to pallet stability, load stability and duty of care in transportation
- ➔ Changes to case count, increased picking due to less product per case, impact on automated and manual distribution centres.
- ➔ Conduct transport trials – distribution centre through to store, check for product protection, ease of identification, utilisation, functionality, procedures and **costs**.

### Occupational Health and Safety

*What risk assessment and considerations have been made for the RRP?*

- ➔ Manual Handling: a single non-repetitive action; lifting, carrying, putting down; weight conformance
- ➔ Ergonomic: body stressing as a result of repetitive movement
- ➔ Chemical exposure and burns: contact with harmful substances
- ➔ Appropriate labelling to meet all OH&S requirements
- ➔ Conformance to all OH&S legislation and guidelines

### Functional Guidelines

*Does the RRP solutions comply with the functional requirements?*

Easy to Identify

- ➔ Improve visibility at back of store to stand out from the brown board
- ➔ Brand, variant, size etc highlighted on traded unit
- ➔ Use of colours on traded unit to highlight and group products

Human readable information

- ➔ Present on at least the minimum number of sides as specified by the retailer
- ➔ Content conforms to current retailer requirements
- ➔ Date codes easily visible to aid stock rotation

Barcodes

- ➔ Present on at least the minimum number of sides as specified by the retailer
- ➔ Specifications conform to industry guidelines and retailer requirements
- ➔ Barcode verification report issued

Easy to Open

- ➔ Use of pictorials
- ➔ Concise instructions

- ➔ Easily opened without damaging the display tray or consumer units
- ➔ Simple and quick to open
- ➔ Consistent finish to opened RRP
- ➔ Knife not required to open traded unit or RRP
- ➔ Identification of traded unit and RRP as “easy open”
- ➔ Highlighting of tare-tabs
- ➔ Highlighting of perforations

#### Easy to shelf

- ➔ Reduced shelf fill time compared with non-SRP
- ➔ One-step operation to put RRP on shelf
- ➔ Stability of opened SRP when being transferred to shelf
- ➔ Correct orientation of consumer units within RRP
- ➔ Ease of replenishment of RRP when partially / fully shopped - residual product
- ➔ Presentation of product in RRP when partially shopped – residual product
- ➔ Stock rotation of loose stock on shelf
- ➔ Suitability for off-location display as required

#### Easy to shop

##### Attract consumer

- ➔ Use of colour, branding and logos
- ➔ Elimination of brown board on shelf
- ➔ Hide barcodes on shelf
- ➔ RRP to be neat and tidy when opened and on shelf
- ➔ Stability of consumers units in RRP when partially shopped
- ➔ Additional information - use of promotional messages on RRP display tray
- ➔ Product protection and quality
- ➔ Understand consumers' perception to RRP

#### Easy to dispose

### Merchandise Requirements

*What will be implemented to ensure that the merchandising layout and RRP solutions are aligned?*

#### Product facings

- ➔ Impact on current minimum number of facings

#### Shelf capacity

- ➔ Impact of RRP wall thickness on shelf space
- ➔ Impact on current stock weight
- ➔ Impact on overall number of product listings in category

Reduction of additional / loose consumer units on shelf

Ability of RRP to provide dual facings where appropriate

Ability to fit shelves in greater than 80% of stores

Impact on current shelf fixings

- ➔ Requirement to change current fixings
- ➔ Cost / time impact of any changes

## In-store and POS Impacts

*What will be implemented to maximise point of sale impact with RRP?*

Attract consumer

- ➔ Use of colour, branding and logos

Shelf presence

- ➔ Elimination of brown board on shelf
- ➔ Hide barcodes on shelf
- ➔ SRP to be neat and tidy when opened and on shelf
- ➔ Stability of consumers units in SRP when partially shopped
- ➔ Change to product density with new packs

Aisle congestion due to packaging changes

Additional information

- ➔ Use of promotional messages on SRP display tray

Product protection and quality

Difference in stock loss before and after change

Average amount of time per stock count / cycle count

Code Rotation

- ➔ Code checking and rotation
- ➔ Waste from stores

Replenishment

- ➔ Time saved (including finding in the backroom, placing on shelf)
- ➔ Estimated damage
- ➔ Time on shelf clearing / cleaning

Understand consumers' perception to SRP

- ➔ Have the sales rates and number of facings been assessed?
- ➔ Will the packaging fit on the majority of allocated space without the product falling out?
- ➔ Have the aesthetics of shelf been considered?
- ➔ Can the SRP solution fit in the shelf?
- ➔ Are the differences in store planograms considered?
- ➔ Does the product facilitate easier and quicker replenishment processes?

- ➔ Can the pack be opened easily without the aid of knives?
- ➔ Is there a clear instruction on how to open the SRP?
- ➔ Does the SRP enhance the product display and provide for off location / promotional display?
- ➔ How will store delivery be impacted?
- ➔ Is the product easy to identify in back of store when commencing replenishment processes, including date code?
- ➔ Does the SRP save time to replenish versus individual decant?

## Shopper

*What will be implemented to ensure that the RRP solution is shopper friendly?*

Maximum SRP lip height to be 20% of consumer unit height

Ease of identification

- ➔ Use of branding
- ➔ Use of colour to differentiate product ranges / variants etc

Consumer unit label visibility

- ➔ Maximise consumer unit label visibility
- ➔ Obscured consumer unit information visible on SRP lip

Consumer unit access

- ➔ Easy removal / replacement of consumer unit from RRP when on shelf
- ➔ Visibility of consumer unit on shelf when RRP is partially / fully shopped
- ➔ Can the consumer easily buy the product from the RRP unit when it is on the shelf?
- ➔ Can the consumer return the product easily if they choose?
- ➔ Can the consumer easily identify the key product information?

## Environmental impact

*What will be implemented to ensure that the shelf ready packaging solution meets the requirements of the Australian National Packaging Covenant and the New Zealand Packaging Accord?*

There are four key principles that need to be considered in the design or procurement of packaging to improve its sustainability, and there are many different strategies that can be pursued to achieve each principle.

Principles	Potential strategies
<p>1. <b>Fit for purpose:</b> Packaging should be designed to meet market and consumer needs minimising net impact in a cost effective way.</p>	<ul style="list-style-type: none"> <li>• Meet technical performance requirements</li> <li>• Minimise supply chain costs</li> <li>• Meet consumer needs and expectations, including for accessibility</li> </ul>
<p>1. <b>Resource efficiency:</b> Packaging should be designed to minimise the use of materials and other resources without compromising product quality and safety.</p>	<ul style="list-style-type: none"> <li>• Minimise materials</li> <li>• Use recycled materials</li> <li>• Minimise transport impacts</li> <li>• Maximise water and energy efficiency</li> </ul>
<p>1. <b>Low impact materials:</b> Packaging should be designed to minimise the environmental and social impact of materials and components. Materials should be selected on science and incorporate a whole-of-lifecycle approach.</p>	<ul style="list-style-type: none"> <li>• Minimise risks associated with potentially toxic and hazardous materials</li> <li>• Use renewable or recyclable materials</li> <li>• Use materials from responsible suppliers</li> </ul>
<p>2. <b>Resource recovery:</b> Packaging should be designed to maximise its potential for recovery and recycling at end-of-life and to minimise the environmental and social impacts of its disposal.</p>	<ul style="list-style-type: none"> <li>• Design for reuse where appropriate</li> <li>• Design for recovery</li> <li>• Design for litter reduction</li> <li>• Inform consumers about appropriate disposal</li> </ul>

#### Source Reduction

- ➔ Use minimum material quantities
- ➔ Optimise transport efficiency
- ➔ Reduce energy

#### Potential for Reuse

- ➔ Returnable units

#### Recovery and Recycling

- ➔ Collapsible and stackable packaging
- ➔ Use of single material or ability to separate materials
- ➔ Use of degradable materials
- ➔ Waste handling costs.



#### Ability to Incorporate Recycled Content

- ➔ Use of recycled or partly recycled material

#### Minimising Impacts of Packaging

- ➔ Minimise hazardous or toxic material

#### Propensity to Become Litter

- ➔ Minimise number of separable components

#### Consumer Information

- ➔ Use of recycle logo
- ➔ For products with multiple product types are they easily separated and recycled?
- ➔ Is there recycling facilities available for the product types?
- ➔ What is the impact and obligations under the National Packaging Covenant / Packaging Accord?

# RRP Development Checklist

The Development Checklist aims to ensure that relevant requirements are considered during the development of shelf ready packaging solutions.

## SHELF-READY-PACKAGING DEVELOPMENT CHECK LIST

**PURPOSE OF DOCUMENT:**  
 \* This one-page check list is to be used when developing SRP solutions in preparation for presentation to trading partners.  
 \* It should be used in conjunction with the ECRA SRP Toolkit and associated documents.

INITIATION DATE:	[DATE]
INITIATOR:	[NAME]
PACKAGING BEING DEVELOPED	[Consumer-Unit Description and Proposed Configuration i.e. 2 facings x 6 deep]
PROPOSED CONFIGURATION AND REPLENISHMENT	Proposed Configuration i.e. 2 facings x 6 deep; two trade units per shelf.
PROPOSED INTRODUCTION DATE:	[TIME]

SHELF READY PACKAGING (* Trade Pack Utilised at shelf-point)	N/A	COMPLIANT	NON-COMPLIANT	COMMENTS (Please refer to ECRA SRP Toolkit and trading partner specifications.)
<b>ORDER MULTIPLE</b>				
Pack size is agreed and meets replenishment requirements				
Consideration to future markets				
Liaise between trading partners for ideal pack size.				
<b>FUNCTIONAL REQUIREMENTS</b>				
Easy to Identify				
Easy to Open				
Easy to Shelve				
Easy to Shop				
Easy to Dispose/Recycle				
<b>SRP DESIGN</b>				
Lip Height maximum of 20% of Consumer-Unit Height				
Colour added on visible areas of Trade-Unit on shelf				
Easy-to-Identify at back of store				
Fit for Purpose, does not buckle when placing on shelf				
Easy-to-Open with clear instructions (pictorial) e.g. - Finger holes for perforations - Tape not covering perforations				
Easy to fold and dispose of				
Easy to shop and return Consumer-Units to shelf				
Maximum Consumer-Unit Visibility on shelf				
Legal and important information displayed on Trade-Unit lip				
<b>OH&amp;S and NATIONAL PACKAGING COVENANT</b>				
No knife required to open the Trade-Unit				
Trade-Unit weight is 12kgs or less (up to 16kg is permitted)				
Packaging in line with National Packaging Covenant				
Recycling logos printed on Trade-Unit				
Warning signs printed on Trade-Unit if applicable				
<b>LOGISTIC REQUIREMENTS</b>				
GTINs on 6 sides (required on brown board)				
GTINs on 2-adjacent sides (required for print&apply labels)				
GTINs on 2-adjacent sides (required for whitelined board)				
GTIN magnification @ 80-100% for corrugate/50-100% non-corrugate				
Human Readables (alpha & numeric text) on 4 sides (2 for Print&Apply)				
GTIN not over perforation/seams				
Inner - Minimum 4 in a Trade Unit / 4 Human Readables + 1 GTIN				
Strength and Handling tests conducted successfully				
<b>FIT WITHIN STORE</b>				
Trade-Unit fits in majority of store planograms (70%+ of stores)				
Trade-Unit can be utilised for off-location displays				

- Eight Critical Steps**
1. Jointly agree priorities with trading partners
  2. Work the category
  3. Seek agreement on order multiple
  4. Finalise design/concept & artwork - present to Buyer
  5. Trial / Pilot solutions through supplychain and on shelf.
  6. Review and reach agreement on final solution
  7. Implement
  8. Assess performance.

# RRP Commercial Checklist

The Commercial Checklist should be used during discussions between trading partners the development of shelf ready packaging options and during the presentation of solutions to trading partners.

## SHELF READY-PACKAGING COMMERCIAL CHECK LIST

PURPOSE OF DOCUMENT:				
<small>* This one-page check list is to be used when presenting SRP solutions to the Buying teams at retail trading partners            * The ECRA SRP Toolkit provides a framework for developing SRP solutions that are industry compliant.            * The Commercial Checklist should be used in conjunction with the Suppliers' Development check list to discuss areas of non-compliance</small>				
DATE OF MEETING:	[DATE]			
ATTENDEES AT MEETING:	[ATTENDEES]			
PACKAGING BEING ASSESSED AND PROPOSED CONFIGURATION:	[Consumer-Unit Description and Proposed Configuration i.e. 2 facings x 6 deep]			
PROPOSED INTRODUCTION DATE:	[TIME]			
SHELF READY PACKAGING (* Trade Pack Utilised at shelf-point)	N/A	COMPLIANT	NON-COMPLIANT	COMMENTS (Please refer to ECRA SRP Toolkit and Development Check-List for further details if non-compliant)
<b>ORDER MULTIPLE</b>				
Pack size is agreed and meets replenishment requirements				
Trade pack fits majority of store planograms (+70%)				
Trade pack can be utilised off location				
<b>EASY TO IDENTIFY</b>				
Carton is human readable on 4 sides (2 for print and apply)				
Brand and variant on four sides of trade pack				
Product description and unit of measure clearly visible				
Consumer product visible - maximise consumer unit on-shelf				
Colour added on visible areas of trade pack on shelf				
Colour and branding maximises visual impact.				
Easy to identify at back of store				
Legal, warning and important information / signs displayed on trade pack				
Best before / use by dates clear and legible				
GTIN specifications appropriate (refer to Toolkit).				
No visible barcodes on front facing panels of trade pack				
<b>EASY TO OPEN</b>				
Opening instructions (pictorial)				
Opening process does not exceed time taken to open conventional carton.				
Carton cutters not required to open				
Fit for purpose, does not buckle when handled				
Opening points quick to locate e.g. finger holes for perforations				
Perforations tear cleanly, lip presentation clean				
No tape covering perforations				
<b>EASY TO SHELVE</b>				
Easily transferrable to shelf - in one step				
SRP is stable during shelf loading - transfers easily with no buckling.				
Product displayed on multiple facings - flexibility				
Replenishment requirements considered				
Trade unit weight confirms to specification (<16KG)				
<b>EASY TO SHOP</b>				
For trays - lip height maximum of 20% of consumer unit height				
Customer can remove product easily from tray				
Customer can return product easily to tray				
Product description, variant, size and product clearly visible.				
Appearance, neat and presentable.				
<b>EASY TO DISPOSE</b>				
Easy to fold and dispose				
Materials e.g. cardboard and plastics separates easily				
Meets internal policy, trading partner policy and National Packaging Covenant/Packaging Accord.				
No excess / unwanted packaging				
Recycling logos printed on trade pack				
<b>COMPLETE DOCUMENTATION</b>				
Master data, planogram, internal systems, SRP approval system.				
<b>RETAIL / SUPPLY SIGN-OFF TO PROCEED</b>				
<b>Next Steps (refer to 8 critical steps).</b> 4. Finalise design -concept and artwork to be presented to Buyer 5. Trial / Pilot solutions through supplychain and on shelf. 6. Review and reach agreement on final solution 7. Implement 8. Assess performance.				

## In-Store Audit Checklist

Following an implementation it is recommended that a review of the SRP solution be performed to ensure guidelines are met, metrics achieved and efficiencies attained. It is suggested that the following audit pro-forma could be adopted by trading partners and used in a collaborative fashion to ensure long term sustainable SRP solutions are adopted.

Store Audit Checklist		
Location:		
Type of Store:		
Date:		
Checklist	Question	Support
Introduction follow up	To what level is the SRP used? If the SRP is not used as planned, WHY? Was training material used?	100% or what level? Shelf fit, packaging solution, look? What was good/bad?
Logistics	Is the SRP damaged when arriving to the store?  Is the SRP easy to ID?  Is the SRP Easy to transport from back of store to shelf?	Supply chain damage or shrinkage?  Do you spot the SRP from a distance, content, Id etc? Heavy or falls apart on route to the shelf?
Merchandising Study	Is the solution fit for the shelves or display?  Is there promotional fit? Is the maintenance /removing of empty SRP easy? Is there an SRP shelf identifier or similar used? Is FIFO stock rotation on shelf simplified? Has it been correctly placed on shelf/display? Has the SRP been properly opened?  Are there any ergonomic concerns?	Does the OM + retailer requirements fit on the shelf? Promotions handled in the eh same way? Where do you put last products? Empty SRP in the way of the shopper? Retail specific solution? Stock rotation adherence? Is the font facing position unclear? Done in a correct way and left over material visible? Heavy lifting, odd movements needed?
Packaging Solution Endurance	Is the SRP easy to open? is the SRP easy to place on shelf/display? Is the packaging structure still good after use?  Is it easy to separate materials and fold?  Are there comments related to SRP from customers? Are there cleaning challenges?	Opens easily and quicker than before? Does not collapse or fall apart when lifted? Does the SRP look good after opening and some shopping completed? If multiple materials, possible to separate waste streams without tools?  More dust or packaging pieces that before?
Appearance in use	Are packaging graphics still good after use? is brand visibility clear whilst shopping?	Colour durability clean colours until removed? Brand still clearly visible when half full?
Store Position	Any additional work needed in-store to prepare for SRP? SRP positioning and shelf fit? Can SRP be used on shelves at the end of promotion?	Stickers, unfolding or removing of protections etc? Position easy to identify? Fit between everyday packaging solutions and promo?
Measurements	Do you have KPI's in place?	Are targets in place?
Top improvement suggestions		
1		
2		
3		
4		
5		

## Business Case Drivers

-	<b>Driver</b>	<b><u>Area of Impact</u></b>	<b><u>Category</u></b>	<b><u>Measuring Methodology</u></b>	<b><u>Priority</u></b>
1	<b>On-Shelf Availability</b>	Sales	Volume	Incremental margin from reduced on-shelf out-of-stock	<b>H- High M - Medium L - Low</b>
2	<b>Brand &amp; Store image</b>	In-Store	Volume	Incremental margin gain / loss from brand image (for manufacturer) and store image (for retailer)	
3	<b>Promotion</b>	Sales	Volume	Perceived incremental cost or saving input by trading partners, when compared to cost of alternative media such as POP materials, advertising, etc.	
4	<b>Shelf Space / Density on shelf</b>	Sales	Volume	Incremental margin gain / loss from a change in product density with new packs	
5	<b>Aisle congestion</b>	In-Store	Volume	Incremental margin from change in aisle congestion due to packaging change	
6	<b>Manufacturing Labour &amp; Resource</b>	Manufacturing	Cost	Difference in manufacturing conversion cost due to the change in the packaging.	
7	<b>Complexity</b>	Manufacturing / Warehousing / Transportation	Cost	Two components (both will be incurred if the change results in SKU increase/decrease): <ul style="list-style-type: none"> <li>• Fixed cost/SKU spend yearly to maintain additional complexity</li> <li>• Incremental inventory carrying cost</li> </ul>	
8	<b>Packaging Material</b>	Manufacturing	Cost	Additional cost/unit x annual sales	
9	<b>Asset utilisation</b>	Manufacturing	Cost	Cost of change in asset utilization, calculated by manufacturer according to internal procedures.	
10	<b>Vehicle Fill</b>	Transportation	Cost	Average cost of transporting a m3 of product * difference in product volume due to packaging change * annual volume	

11	<b>Shrinkage</b>	In-Store	Cost	Difference in stock loss before & after change
12	<b>Cycle count</b>	In-Store	Cost	Average amount of time per stock count / cycle count * labour cost
13	<b>Code Rotation</b>	In-Store	Cost	<ul style="list-style-type: none"> <li>• Reduced waste from stores / scrap (predicted)</li> <li>• Time saved through faster code checking and code rotation</li> </ul>
14	<b>Replenishment</b>	In-Store	Cost	Time saved x labour cost (include finding in the backroom+finding in the cage + placing on shelf)
15	<b>Product Damage</b>	In-Store	Cost	Estimated units damaged x cost/un
16	<b>Shelf Cleaning</b>	In-Store	Cost	Time saved on shelf cleaning x labour cost
17	<b>Packaging disposal</b>	In-Store	Cost	<ul style="list-style-type: none"> <li>• Recycling costs</li> <li>• Waste handling costs</li> <li>• Revenue from sales of disposed packaging</li> </ul>
18	<b>Category Reviews</b>	In-Store	Cost	Perceived cost saving achieved from simplified category reviews / planogram building, etc.
19	<b>Legal</b>	In-Store	Cost	<ul style="list-style-type: none"> <li>• Change to existing costs / fines</li> </ul>
20	<b>Advertising / Merchandising</b>	In-Store	Cost	<ul style="list-style-type: none"> <li>• Change to existing advertising spend for the product</li> <li>• Change to merchandising &amp; POS material costs</li> </ul>
21	<b>Capital Investment</b>	Manufacturing	Capital	Yearly interest required to finance the capital investment and any one-time costs, given the number of years manufacturer expects the investment to be paid off.

## Additional Information Source

Coles Group Limited

Shelf Friendly Packaging – CML Supplier Guidelines

<http://www.supplier.coles.com.au/businessTransformation/default.asp>

(click on Shelf Friendly Packaging)

ECR Europe

ECR Europe SRP Bluebook due in December 2006/January 2007

[www.ecrnet.org](http://www.ecrnet.org)

Foodstuffs

[www.foodstuffs.co.nz](http://www.foodstuffs.co.nz)

GS1 Australian

[www.gs1au.org](http://www.gs1au.org)

GS1 New Zealand

[www.gs1nz.org](http://www.gs1nz.org)

IDG UK

International SRP Report - [www.igd.com/srp](http://www.igd.com/srp)

SRP bluebook - [www.igd.com/ecr](http://www.igd.com/ecr)

Metcash Trading Ltd

[www.metcash.com](http://www.metcash.com)

National Packaging Accord

[www.packaging.org.nz](http://www.packaging.org.nz)

National Packaging Covenant

[www.deh.gov.au/settlements/waste/covenant/index.html](http://www.deh.gov.au/settlements/waste/covenant/index.html)

Woolworths Ltd

Packaging & Barcode Specification for Consumer Units, Trade Units & Logistics Units

<http://www.woolworths.com.au/packagin%20barcode%20spec%20v4.0%20vendor%20release%20june%202006.pdf>



2009 ECR Australasia