

LCBO

B2B Collaboration

April 17, 2018



Future Commerce

Voice
Commerce



Data



Scan &
Click
Commerce



B2B Collaboration Initiative

As Grocers have entered the Liquor market, it has becoming increasingly important for the LCBO to adopt leading practices using technology to collaborate with Grocers and Suppliers

EDI Adoption

Key Objective

- Implement EDI across the Beverage and Alcohol ecosystem

Breadth of Impact

- The benefits of the EDI Adoption work span mostly within the LCBO ecosystem including Grocers, and Suppliers.

Key Objective

- Create a Canadian product data registry based on an industry set of standardized product attributes

Breadth of Impact

- The benefits of a National Product Registry would span all of the Canadian Liquor Board jurisdictions, Grocers and Suppliers.

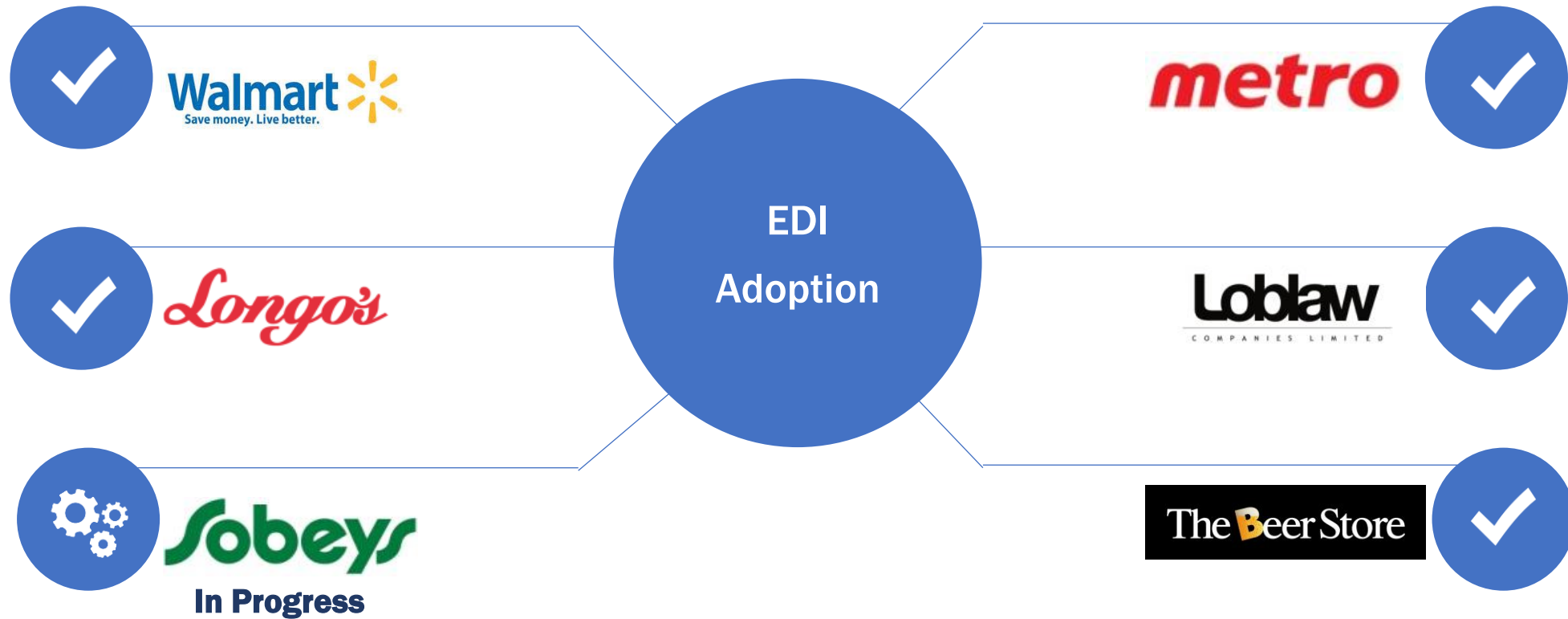
National Product Registry

LCBO is leading an industry-wide initiative, working closely with the Liquor Boards, Grocers, Suppliers and Industry Associations



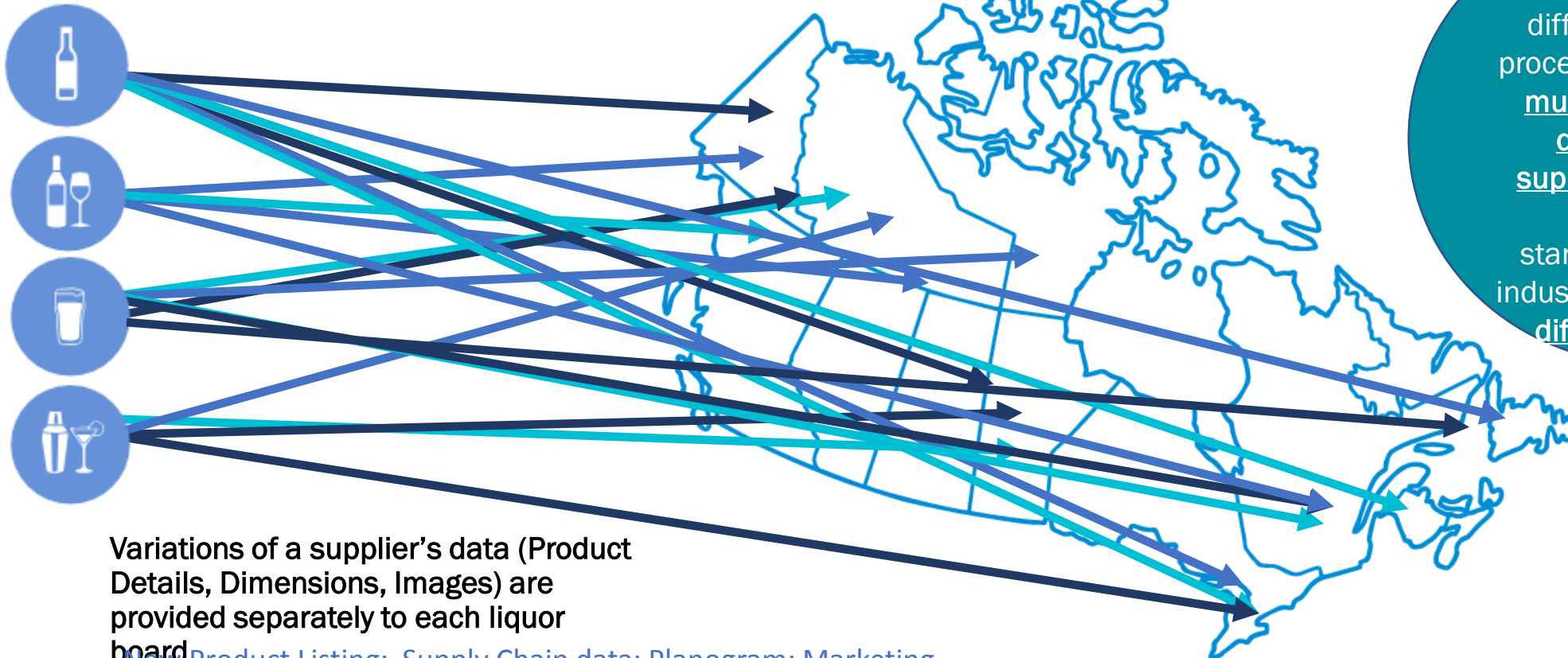
EDI Adoption To Date

Based on Grocer readiness, the LCBO has worked with them to implement EDI transactions to support Purchase Orders, Invoices, Payments, Debits/Credits and Advanced Shipping Notices (ASNs)



Current State: Same Data that 'Looks' Different

Suppliers



As Canadian Liquor Boards, we may have different business processes, but require much of the SAME data from our suppliers; Because we have not standardized as an industry, this data is in different formats

Variations of a supplier's data (Product Details, Dimensions, Images) are provided separately to each liquor board
New Product Listing; Supply Chain data; Planogram; Marketing,...



Future State: Industry Standardized Data

Suppliers



Standardize core data



Load once, publish to many



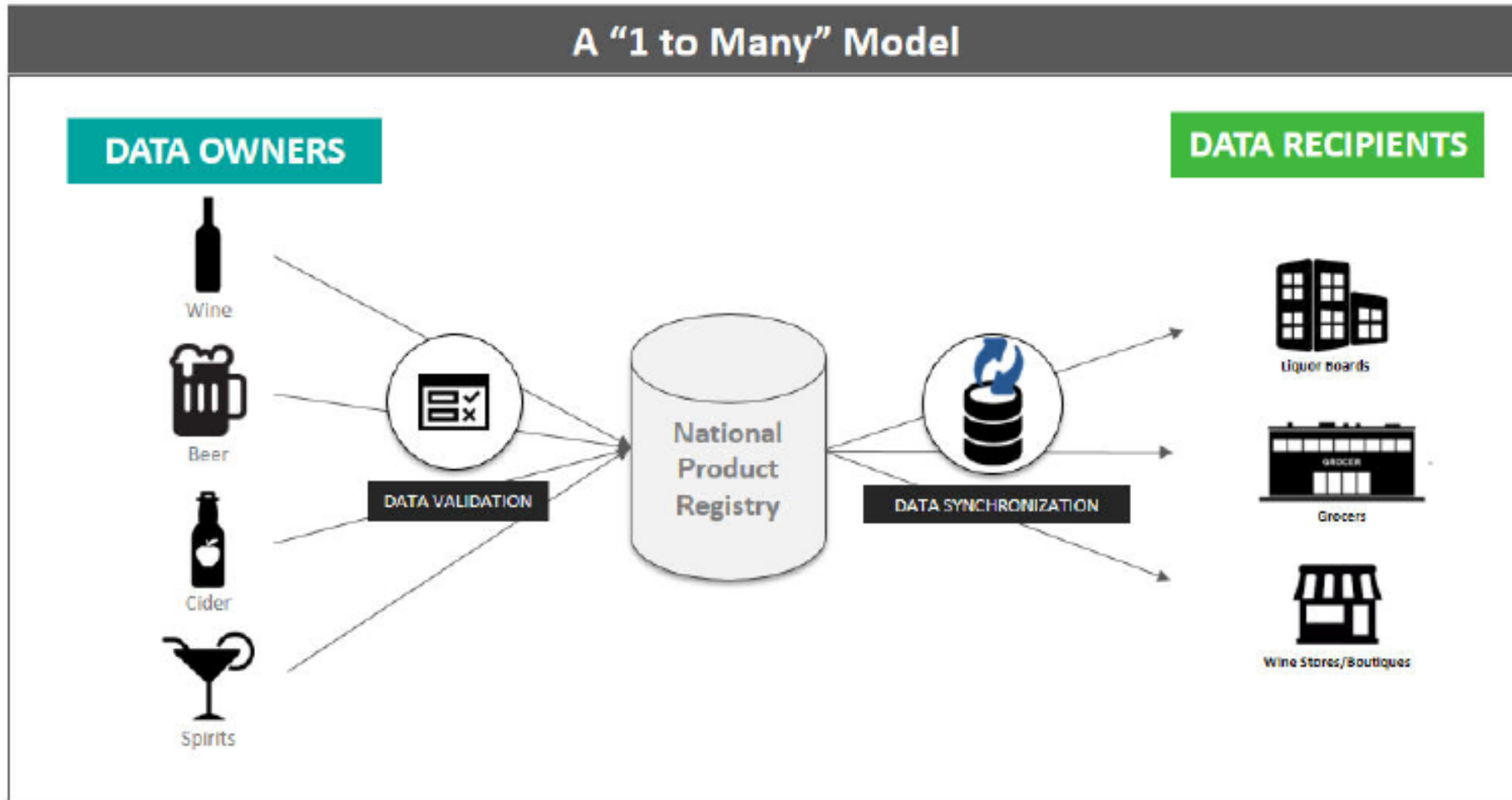
Improves efficiencies



Reduces errors



A National Product Registry



A National Product Registry is based on an industry set of standardized product attributes



Benefits of the National Product Registry

Puts the responsibility for data quality back on the suppliers

Fewer errors

Liquor Boards speaking a common language

Improved customer-facing product information

Get products to market faster

Shift internal efforts from data entry to more strategic tasks

Future industry capabilities could include product images, product calls & recalls, eCommerce, tasting notes, QA analysis, traceability, planograms

Single source of the truth



Amazon mandated the cleanup of their data to improve Customer Experience

2016 Catalogue Cleanup

Why Amazon made the change?

1. To IMPROVE the QUALITY of their product catalogue by REDUCING the chance of DUPLICATE listings
2. To IMPROVE the CUSTOMER EXPERIENCE by REDUCING CONFUSION, diluting product reviews and being shipped the wrong product
3. To ensure the authenticity of all products by ELIMINATING COUNTERFEIT products to be sold



We verify the authenticity of product UPCs by checking the GS1 database. UPCs that do not match the information provided by GS1 will be considered invalid. We recommend obtaining your UPCs directly from GS1 (and not from other third parties selling UPC licenses) to ensure the appropriate information is reflected in the GS1 database.



Amazon's Product UPC and GTINs policy



Standardization... It All Starts with the GTIN

GTIN = Global Trade Identification Number (GTIN)




Suppliers use the
unique company
prefix that they
receive from
GS1 Canada to
create **GTINs**

Our industry would also benefit from a more disciplined approach in how we manage GTINs when products get updated or changed



Grocers Leverage a National Product Registry ... GS1's ECCNet

Grocers integrate data from GS1 ECCnet into their ERP systems, deriving benefits to drive efficiency and cost reduction; they are keen to have the Liquor Category join!

| | New Product Introduction with GS1 | ERP Integration |
|--|-----------------------------------|-----------------|
|  | ✓ | ✓ |
|  | ✓ | ✓ |
|  | ✓ | ✓ |
|  | ✓ | ✓ |
|  | ✓ | ✓ |
|  | ✓ | ✓ |
|  Federated Co-operatives Limited | ✓ | ✓ |
|  | ✓ | ✓ |

Benefits to Integration

- Daily, weekly, monthly update Capabilities
- GTIN's Available (Case & Item) – 590,000
- GTIN Updates per year – 150,000
- Average # GTIN discrepancies managed per year – 3,600



Who is GS1?

- 112 local member organizations (of which GS1 Canada is one)
- 1.5 million companies around the world use GS1 standards
- Over 100 million products carry GS1 barcodes around the world
- More than 6 billion GS1 barcodes are scanned every day

GS1 Canada is a neutral, not-for-profit organization that plays 4 key roles:



Canadian suppliers and retailers use GS1 Canada for two primary purposes:

1. To obtain a Company Prefix to be able to generate GTINs for Canadian products
2. To engage in their Industry Managed Solutions (e.g. National Product Registry - ECCnet)



GS1 Pricing for Small Suppliers

For smaller suppliers (<\$2.5M annual sales), GS1 has created a small business bundle

1-5 PRODUCTS
\$325/YEAR

UP TO 10 GTINS

- GS1 Subscription Prefix
- Access to ECCnet
- Product Recall

6-10 PRODUCTS
\$475/YEAR

UP TO 20 GTINS

- GS1 Subscription Prefix
- Access to ECCnet
- Product Recall

11-15 PRODUCTS
\$625/YEAR

UP TO 30 GTINS

- GS1 Subscription Prefix
- Access to ECCnet
- Product Recall

16-20 PRODUCTS
\$750/YEAR

UP TO 40 GTINS

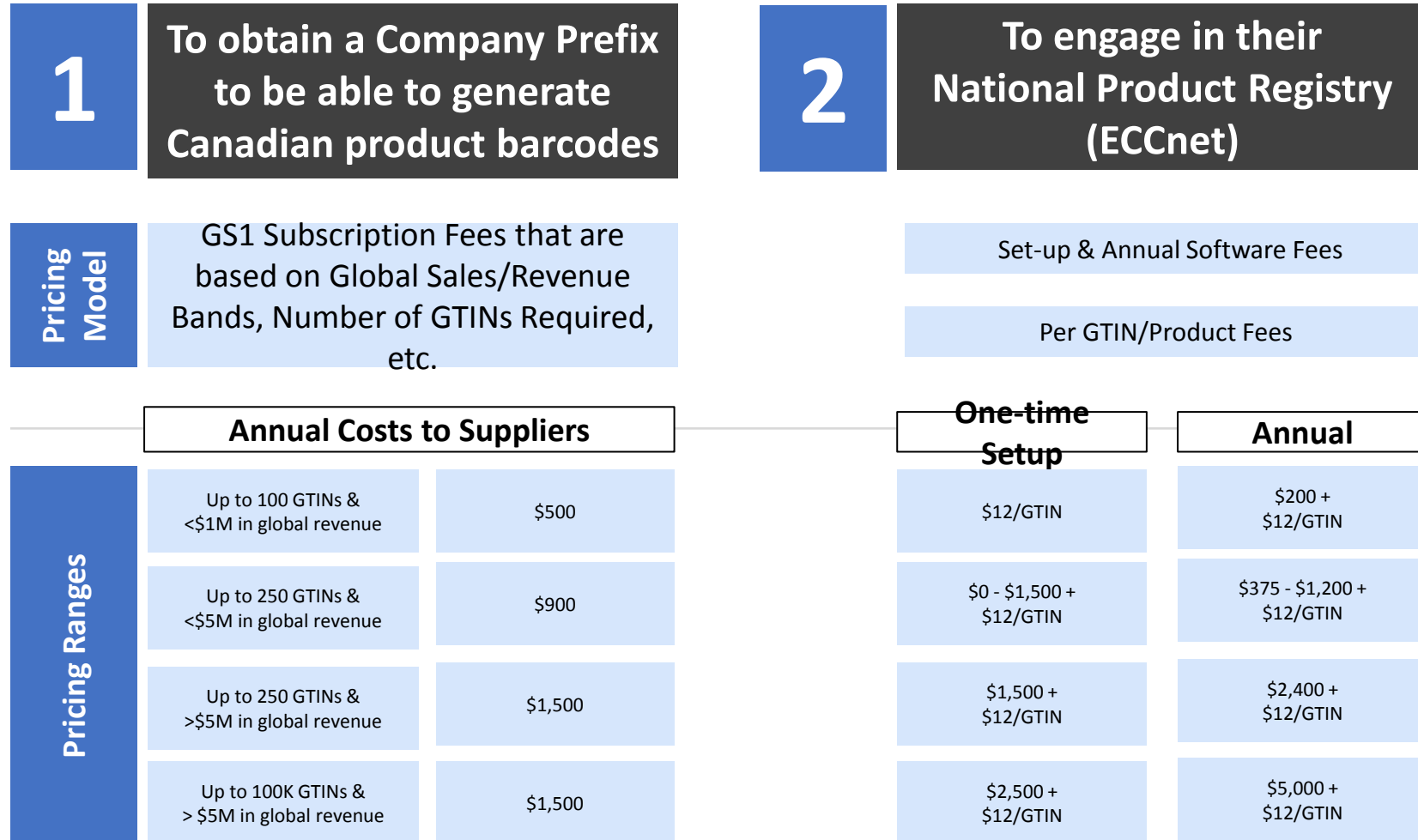
- GS1 Subscription Prefix
- Access to ECCnet
- Product Recall

Notes:

- Suppliers will have access to ECCnet to input their product master data using a web based access tool (ProSync)



GS1 Pricing for Medium to Larger Suppliers



Notes:

- GDSN vendors will receive a GDSN loading rebate
- Pricing is reviewed annually and subject to change



January 2018 Workshop

Participating Associations and Suppliers on Day 1 included:

Spirits Canada | Wine Council of Ontario | Winery & Grower Alliance of Ontario | Beer Canada | Andrew Peller | Henry of Pelham | Westcott Vineyards | Sleeman Breweries | Labatt Breweries



On January 11-12th, 2018, eight Liquor Boards came together in Niagara for a collaborative workshop focused on creating a National Product Registry for the Beverage Alcohol Industry in Canada

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, PEI and New Brunswick in attendance



Foundation for a National Product Registry: Attributes

Suppliers will have the opportunity to load this product data once and the all Liquor Boards who list the product can pull the data from GS1

| Product Geography | Product Identifier and Descriptions | Product Classification | Product Dimensions and Packaging | Certifications and Claims |
|--|--|---|--|--|
| <ul style="list-style-type: none"> Country of export Region of export Country of origin Region of origin Sub region of origin Appellation (if VQA) | <ul style="list-style-type: none"> GTIN each/base GTIN inner case GTIN shipping case GTIN pallet Product name Short description English Short description French Extended description English Extended description French Brand name English Brand name French Tasting Notes | <ul style="list-style-type: none"> Product Type Grape Varietals (1-5) Grape varietals % (1-5) % Alcohol Sugar Content gram/litre Caffeine content gram/litre International Bitterness Units (IBU) Vintage Year Shelf Life Beer Styles | <ul style="list-style-type: none"> Each dimensions Inner dimensions Case dimensions Pallet dimensions Case weight Pallet weight Case per pallet Case per tier Number of tiers Container type Container weight Packaging material Packaging material case Stopper type Number of units per selling pack Selling units per shipping case | <p><u>Certifications</u></p> <ul style="list-style-type: none"> Organic certified <ul style="list-style-type: none"> Certifying body Organic Certification Number Certification Expiry Date Fair trade certified Kosher certified <p><u>Claims</u></p> <ul style="list-style-type: none"> Gluten-Free <p><u>Designations</u></p> <ul style="list-style-type: none"> Quality Designation |

Proposed set of Core Product Attributes

Opportunity to Get Involved in Defining Standard Product Attributes

| April | | | | |
|--------|---------|-----------|----------|--------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 2 | 3 | 4 | 5 | 6 |
| 9 | 10 | 11 | 12 | 13 → |
| 16 | 17 | 18 | 19 | 20 → |
| 23 | 24 | 25 | 26 | 27 ● |
| 30 | | | | |

| May | | | | |
|--------|---------|-----------|----------|--------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| | 1 ● | 2 ● | 3 | 4 |
| 7 | 8 | 9 | 10 | 11 ● |
| 14 | 15 | 16 | 17 | 18 |
| 21 | 22 | 23 | 24 | 25 |
| 28 | 29 | 30 | 31 | |

- Identify Call Attendees
- Kick-off Calls with Associations /Suppliers
- Calls with Product Master Data SMEs
- Feedback on Attributes from SMEs by April 27th

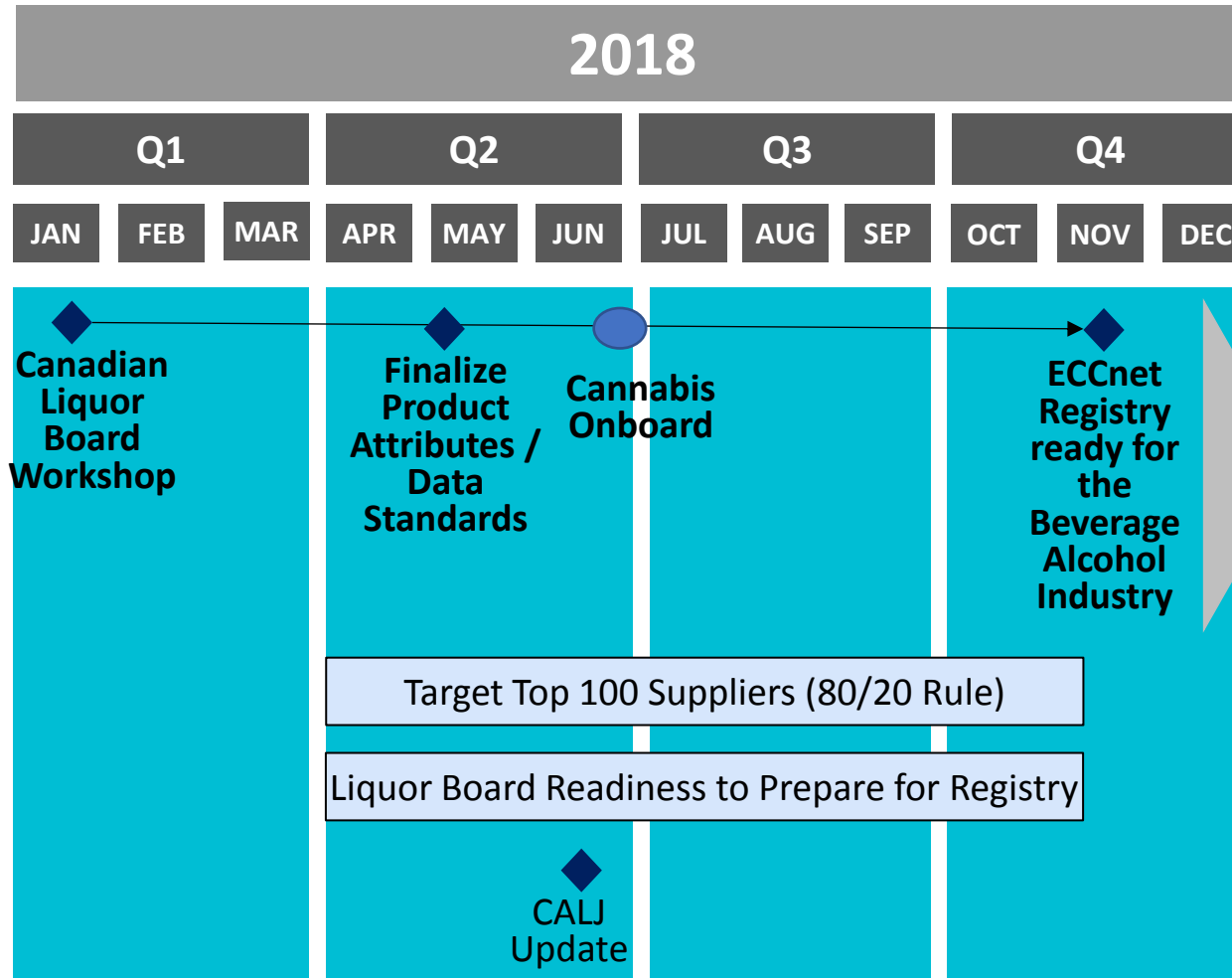
- Playback call on May 1st or 2nd
- Submit to GS1 by May 11th

Finalizing Attributes by mid-May will allow GS1 to include them in their November release of ECCnet



High Level Timeline

Key Milestones for a National Product Registry



Leverage National Product Registry for the Beverage Alcohol Industry



Interested in Getting Involved or Learning More

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