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eCommerce

Business to Business

Supplier Information

Processes, Standards and Business Rules

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Prepared by Information Process Technology Pty Ltd
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Lincraft Australia eCommerce Business to Business Supplier Information

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Overview

Welcome to Business to Business eCommerce with Lincraft Australia Pty Ltd.

Lincraft Australia is constantly searching for ways to improve the efficiency of the supply chain as part of a continuous drive to improve service levels to our customers.

We are committed to the concept of electronic trading and are continuing to make significant investments to ensure that, with us, all our Suppliers are made eCommerce ready.

eCommerce Business to Business incorporates these major principles:

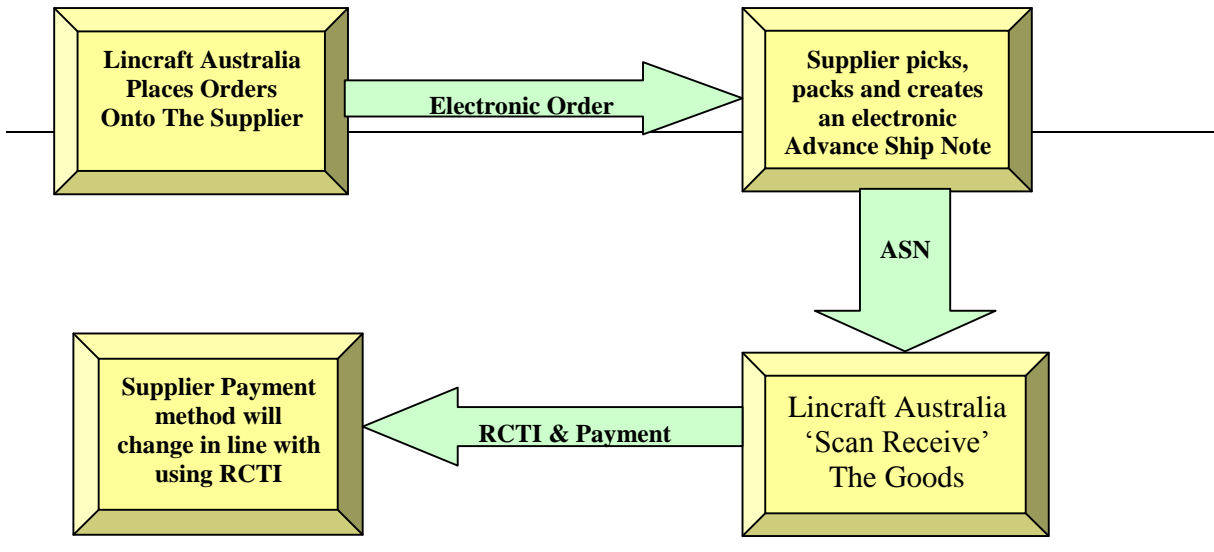
- Paperless trading
- Cost effectiveness of supply
- Ordering and supply lead-time reduction
- Integrity of ordering and supply
- Supplier partnership and co-operation

In today's competitive business climate this investment is viewed as absolutely critical and we believe will lead to mutual benefits as we move our business' forward.

The following pages will give you detailed information, contacts and the electronic documents we will be using to trade electronically.

The following diagram shows our eCommerce Business to Business model in simple form.

Figure 1 – Simple eCommerce Diagram



Product Identification

Product Validation & Labelling

Unique product identification is fundamental to Electronic Trading. It ensures the integrity in any communication between Lincraft and the Supplier.

One of the initial steps, as part of the implementation of an electronic trading partnership, is for the Supplier to synchronise their product data with Lincraft.

This validation will include the following data:

- Supplier Product Code
- Lincraft Product Code*
- Product Description
- Colour (If applicable)
- Size (If applicable)
- Country of Origin
- Composition
- EAN / UPC Bar Codes
- Agreed Nett Price 4 Decimal Places (Ex tax Price) Lincraft Buy Price.
- AUD GST Flag (1=GST, 0 = No GST applied)
- Supplier UOM (Unit of Measure)
- Pack Size
- RRP AUD (Recommended Retail Price 2 Decimal Places).
- Product Status (A = Active / I = Inactive)
- Filter 1 * • Filter 2 * • Filter 3 *
- Filter 4 *

* Optional fields that can be used to assist in sorting products for review

This Product Validation task will be done online via Lincraft Product Sync.com. The process starts with the Supplier registering with Lincraft to commence Product Synchronisation. Refer Appendix III.

Each Supplier, on registering, will receive a user ID and Password along with step-by-step instructions via email to complete Product Synchronisation.

The steps and tasks of Product Synchronisation include:

- Supplier to use spreadsheet template supplied to compile Lincraft Product range.
 - A Supplier to load their product range on to Lincraft Product Syn.com using product spreadsheet template.
 - The Supplier product file will then be automatically validated against the Lincraft product range for that Supplier.

 - Supplier will receive notification of any mismatched data via email.
 - Supplier can then correct and update mismatched data on line.
 - Once the Supplier has corrected and updated the product file, the buyer is notified via email.
 - The Lincraft buyer will then confirm Supplier updates.
 - This update / confirmation process will continue until all product data is synchronised between Lincraft and Supplier.
-

- Once product synchronisation has been completed Lincraft will update the Supplier product data file and use it as the valid product master for EDI ordering.

The process of product Synchronisation will be ongoing between Lincraft and the Supplier as products and product data changes.

Lincraft will recover the cost of the Product Synchronisation process as a direct charge to the supplier. This charge will be in the form of a Quarterly invoice from our eCommerce partners IPT. Refer appendix VI for cost recovery schedule.

Product labelling Requirements

There are standard product labels for some categories of product shipped to Lincraft. Refer to the Lincraft Local supplier information pack or the Buyer. Other formats and variations may be accepted but must first be approved by the Lincraft Buyer.

Further information regarding EAN numbers and the generation thereof can be obtained from our Electronic Trading consultants IPT Pty Ltd on 03 9090 3055. A copy of the Supplier Implementation Guidelines information Pack can be obtained from the IPT website www.iptoz.com

Price Ticketing

- If price ticketing is required it will be specified by the Buyer
- Where possible, price tickets are to be located on the top left hand corner of the product

Barcode policy

1. All products **must** have a barcode number
2. The only acceptable barcodes are E.A.N. 8, E.A.N. 13 and U.P.C. 12 (see examples below)
3. The barcode must be a minimum of 10mm high and 16mm wide. There must be a minimum of 3mm of white space on either side of the barcode.
4. The Barcode must be a dark colour against a light background e.g. Black barcode on a white background
5. The barcode must be positioned where it will not cover any product information and is to be applied to a flat surface to ensure it can be scanned.
6. The barcode must have crisp, clear and well-defined bars. Smudged, blurred or hazy print cannot be read. An industry standard barcode printer should be used.
7. Any exceptions to the standards outlined above need to be approved in advance by the relevant Lincraft Australia Buyer. A sample barcode is required for approval to be granted to ensure compatibility with Lincraft Australia scanning equipment.

The following page contains examples of acceptable barcodes.

Examples of acceptable barcodes

1. E.A.N. 13
Comprises of 13 digits. E.g.



2. E.A.N. 8

E.A.N. 8 are used to barcode smaller type products. Numbers, which start with 2, are used internally within companies. All other numbers are used worldwide. E.g.



3. UPC-12

12-digit barcode originating from North America. E.g.



As part of the implementation process you may be asked to provide Lincraft Australia with a sample of your Product label for testing and approval. Those Suppliers who are already using or choose to use the approved Lincraft Australia option will not be required to undergo this testing process.

Mandatory Transactions

To successfully implement the eCommerce Business to Business partnership we have chosen to implement the following electronic documents.

Purchase Orders (PO)

The receiving and translating of Electronic Purchase Orders will be mandatory. Your system must have the ability to receive and replace previously transmitted Orders with a 'newer' copy of the same Order in the event that it has been updated and re-transmitted.

Lincraft Australia supports the UN/EDIFACT standards

Electronic Orders are created and sent to Suppliers based on a Cross Dock multiple store Order with delivery to the Lincraft Australia DC (Distribution Centre), however allowance must be made to read the 'Ship To' information in the purchase order in the event that goods need to be delivered direct to store.

The standard Purchase Order will contain the following information:

- Purchase Order Number
- Date
- Delivery Window
- EAN's (Products)
- Product Quantities
- Product Prices (these prices will be inclusive of GST i.e. Invoice Prices)
- Deliver To location
- Ship To Location
- Comments

Order Processing

On receipt of a Purchase Order you will be expected to perform the following:

- Send an electronic acknowledgment on receipt of Order.
- Review the order and decide to accept or reject the order, critical information required for your review would be cost prices, quantities, pack sizes and delivery window.
- Communicate any discrepancy to the Lincraft Australia buying department.
- Where the resolution of any reported discrepancy requires an amendment to the Order the amended Order will be Re-Transmitted with the appropriate changes. **Do Not** begin packing/processing the order until you receive the Amended Order and agree that the changes are correct.

It is imperative that this is completed diligently as your payments will be based on the cost price as per the

Lincraft Australia Electronic Order. "What is on the order is what is used to pay you"

Advanced Shipment Advice (ASN)

The Lincraft Australia Advanced Shipment Advice requires that Suppliers Pick and Pack their Orders by ship to location and strictly as per the Order without allowance for product substitution or over supply.

Lincraft Australia will not accept multiple shipments and ASN's for store against any Order and therefore all undelivered goods will be cancelled, there is no provision for 'Back Orders'. If Lincraft Australia requires the undelivered goods another new Order will be raised and electronically sent to the Supplier.

To ensure integrity of all shipments the Supplier is required to use a Scanner and accredited Scan Packing software to pack the Order.

Lincraft Australia will support the UN/EDIFACT standards

Supplier Processing

Your Internal processes and Scan Pack technology must have the ability to perform the following:

- Allow the original Order to be directly interfaced, re-keying of Orders will NOT be accepted.
- Collect and store EAN detail per carton by scanning either individual EAN's and/or carton TUN barcodes.
- The resultant ASN must identify all Cartons and the EAN's in each carton separately.
- Generate a unique EAN/UCC 128 carton number.
- Produce Shipment Labels to Lincraft Australia specifications that will be affixed to each carton.
- Compile and transmit the ASN to Lincraft Australia in the appropriate format and before physical shipment occurs.
- Match returned electronic acknowledgments sent by Lincraft Australia to the original ASN.

Advanced Shipment Notice (ASN) Processing

An ASN **must** be sent to Lincraft Australia at least 6 hours and preferably one business day before despatch of goods. Sending the ASN one business day before despatch of goods will ensure the supplier is notified of any ASN errors before goods leave the supplier. A Supplier, who despatches goods in less than one business day of the ASN being sent, takes the risk of the goods being rejected at the store or DC (Distribution Centre).

On receipt of the Supplier ASN the Lincraft Australia systems will check the validity of the shipment, the following will cause an ASN to be rejected and therefore delay the receipt of the goods into DC and store and delay payment.

- ASN quantity higher than Order quantity
 - EAN not ordered.
-
- Delivery date outside Order delivery window.

Where an ASN matches the Order successfully, delivery, receipt and payment will proceed uninterrupted.

Where an ASN has been rejected, the Supplier will be notified by Email of the details of the ASN error(s). These errors must be rectified and the ASN re-sent before goods are despatched.

Physical goods received before or without an ASN will also delay the process and may even be returned to the Supplier.

Receiving Process

All deliveries will be to the Lincraft Distribution Centre DC unless specified on order. On delivery into the Distribution Centre DC, Lincraft Australia will count the shipper/cartons and compare them to the consignment note and sign off accordingly. This is the initial proof of receipt.

Lincraft Australia will scan cartons as Part of the acceptance into DC. To be able to do this the ASN must have been transmitted from the supplier and processed by Lincraft Australia without error prior to the goods arriving at DC.

Cartons will be scanned to ensure the contents exactly match the ASN details. At this point Lincraft Australia can verify the contents and will accept ownership of the goods.

The scan receiving process will check all cartons against the ASN and when the ASN is complete it will receive the goods into our inventory. This will also trigger a transaction to be processed by our accounts payable, including the transmission of an RCTI (Reverse Calculated Tax Invoice) to the supplier.

Supplier will also be requested to sign off on acceptance of RCTI as a taxable raised on their behalf. An Agreement to issue Recipient created tax invoice will be sent to the supplier as part of the accreditation process.

Detailed specification papers for both the UN/EDIFACT and ANSI documents used by Lincraft Australia can be made available on request, however Lincraft Australia believe that a 'turn key' solution would be the best and most cost effective solution for the majority of it's suppliers. To obtain these specifications please contact our eCommerce Consultants IPT Pty Ltd.

Delivery Requirements

As part of the Initial electronic Trading delivery process all suppliers will be required to adhere to the following guidelines for all DC (Distribution Centre) and Direct-to-Store deliveries.

Documentation

- A delivery docket must accompany each delivery.
- An invoice detailing the purchase order number, quantity, unit of measure, price and EAN / UPC must accompany each delivery.

- Fabric Suppliers **must** specify the weight of the fabric, grams per square metre, by colour by design and the core weight.
- Only one invoice per purchase order is accepted.
- Exceptions will be approved only with the written consent of the Lincraft Receiving Manager, phone: 03 93459267.
- On delivery, the invoice must be readily accessible or handed directly to the Receiving Clerk. Should the invoice be unable to be located then Lincraft Australia Pty Ltd will not sign to acknowledge acceptance of the delivery.

Pallet Requirements

- Pallet heights shall not exceed 2.1 metres. The Lincraft Australia Distribution Centre must approve exceptions to this standard in advance.
- “Skids” are only accepted on mixed pallet deliveries.
- Only one mixed pallet is acceptable provided it is clearly marked “Mixed Pallet”
- Lincraft Australia does NOT have a CHEP pallet account so where possible stock should be delivered on plain pallets

Packaging Requirements

- Cartons must not exceed a total weight of 15kgs. In extreme circumstances where the cartons must weight more than 15kgs and the Lincraft Buyer agrees, a 2 person lift sticker **MUST** be attached to the cartons and clearly visible.

Booking Deliveries

Direct-To-Store Deliveries

- No bookings are required for direct-to-store deliveries
- An agreed day for regular deliveries will be determined with the relevant Lincraft Australia Buyer.

Distribution Centre Deliveries

Booking must be made a minimum of 48 hours in advance

- All deliveries must be booked in advance with the Receiving Clerk on between the hours of 8.00am and 4.00pm Monday-Friday.
- When a delivery booking is made you will need to quote the Purchase order Number and the number of pallets, cartons or rolls to be delivered and you will be provided with “Booking Number”
- Deliveries will be received up to 30 minutes before or after the stated Booking time. Deliveries outside this window will not be accepted and must be rebooked
- Deliveries without a “Booking Number” will not be accepted
- The “Booking Number” is to be recorded on the delivery docket

Carton Labelling

All cartons to be labelled with the Lincraft Australia required carton label as per the details in the following section Carton Label Specifications.

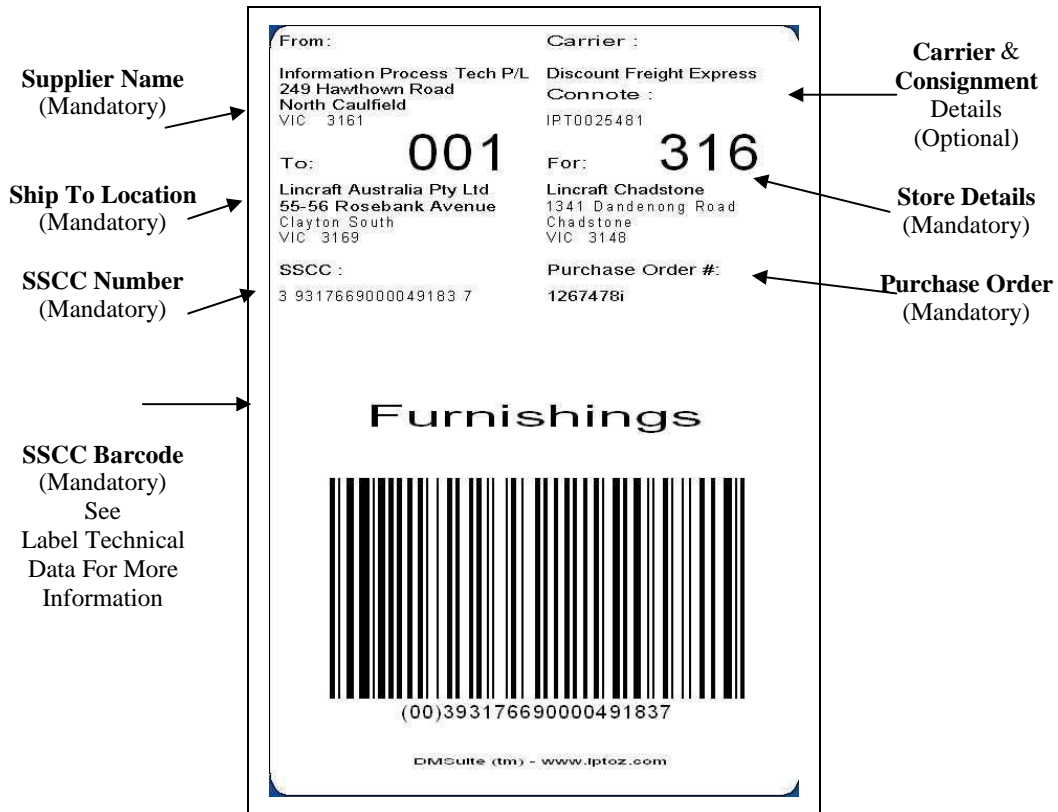
Carton (SSCC) Label Specifications

Lincraft Australia accredited carton label format.

Below is a

As part of the implementation process a sample carton label must be submitted and tested before a Supplier can be accredited. Those Suppliers who are already using or choose to use the approved Lincraft Australia option will not be required to undergo this testing process.

Figure 3 – SSCC Label



Label Technical Data

- Label Size:** A6 – 105mm x 148mm or nearest equivalent.
- Barcode Symbology:** UCC/EAN-128 - Multi
- Start Code:** Code Set C followed by a Function 1 (FNC1) character
- End Code:** Modulo 103 check character and a stop character
- Magnification:** 50%
- Light Margin:** minimum 5mm each side

Appendix I – Request To Begin Trading Electronically

If you have not yet been contacted by Lincraft Australia and would like to begin trading electronically you may initiate the process by completing this request facsimile and returning it to the eCommerce Implementation Team.

FACSIMILE TRANSMITTAL SHEET

**Attention: Lincraft Australia eCommerce Implementation Team
Information Process Technology Pty Ltd**

Fax: +61 3 9509 8205

Request To Begin Implementation

We would like to be contacted regarding beginning implementation of the Lincraft Australia eCommerce Business to Business system.

We require a copy of our product information held at Lincraft Australia to be emailed to the nominated contact below.

We have also attached the Electronic Trading Compliance checklist. Yes No

(The Electronic Trading Compliance Checklist is available in Appendix II of this document)

Supplier Name:

*** EDI Address:**

Supplier Contact:

Title:

Contact Number:

Contact Email:

*** Note:**

If your company currently doesn't have an EDI Address, insert the words "No EDI Address"

Please fax this in ten days of receipt or Call IPT to Discuss.

Appendix II – Electronic Trading Compliance Checklist

To help us assess your Electronic Trading Capability and provide assistance to help your organisation become an accredited Lincraft Australia electronic Trading partner please fill out the following questionnaire and return by fax.

FACSIMILE TRANSMITTAL SHEET

Attention: Lincraft Australia eCommerce Implementation Team
Information Process Technology Pty Ltd

Fax: +61 3 9509 8205

Supplier Name: _____

Supplier Contact: _____

Contact Number:

Are You Currently Trading Electronically With Any Other Retailer? Yes [] No

Contact

Email:

If Yes, What Systems Are You Using?

EDI Software: _____ Version: _____

Service Provider: GXS Telstra IPT Other _____

Scan Pack Software _____

of PC's Used For Scan Packing _____

Brief Description Of Your PC's _____

Yes No

Barcode Scanners Used _____

If Yes Please Specify Make/Model

Barcode Printers Used _____

If yes please specify make/model

Yes No

Accounting Software: _____ Version: _____

Is Your Accounting System Integrated With Your Scan Pack System? Yes [] No []

What Computer Operating Systems Do You Use?

Please Specify :

Supplier Name: _____

ABN: _____ **Supplier No:** _____

Title: _____

Contact Number: _____ **Email:** _____
Address: _____

Supplier Contact:

Signed:

Appendix IV – Ten Step Implementation Guide

Once you are capable of sending and receiving the required mandatory Electronic documents required to trade with Lincraft Australia, and, that you have an accredited Scan Packing system you may request to begin Implementation (see Appendix I).

Use the Implementation guide below and ensure all steps are successfully completed.

FACSIMILE TRANSMITTAL SHEET

Attention: **Lincraft Australia eCommerce Implementation Team**
Information Process Technology Pty Ltd

Fax: **+61 3 9509 8205**

Step	Process	
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Product Synchronisation

1	The first step in the Lincraft accreditation process is the completion of the synchronisation of the Supplier product details with Lincraft. To register complete and fax Appendix III	
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Test Communications

2	Receive one Test Purchase Order and return Functional Acknowledgments.	
3	Identify and Report any errors in this Purchase Order. If Errors repeat step1 again	
4	Receive Updated Purchase Order (without errors) and return Functional Acknowledgment (ensure original Order have been replaced).	

Test Scan Pack Capability

5	Scan Pack the Test Order. If total SKU's greater than 25 than scan pack minimum 10% (DO NOT send any goods). Minimum SCM carton Labels required three.	
6	Send Product labels (Where Applicable) in individual envelopes per carton with Carton labels affixed to IPT P.O. Box 2066 Nth Caulfield 3161 for testing.	
7	Send ASN for Test Order	
8	Check that you receive RCTI & Functional Acknowledgments for the Sent ASN's	
9	Perform steps 2-9 with a Real Order selected by Lincraft Australia, this time Goods must be shipped (but only after ASN has been sent) and normal payment will be made.	

Go Live

10	Sign and fax this completed checklist to Lincraft Australia. From this date on all Orders received electronically must be Scan Packed with ASN's sent prior to the dispatch of goods.	
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Implementation Tests Completed - Request to Go Live

Signed for and on behalf of (*Supplier name*) _____

Signature of Supplier: _____

Position Held: _____

Print Name: _____

Date: _____