

GS1 Ireland introduces the Global Upstream Supply Initiative (GUSI)

The Global Commerce Initiative (GCI) is an international user group consisting of manufacturers, suppliers and retailers. Their main aim is to simplify and enhance global commerce thus improving consumer value in the overall retail supply chain.

They decided that the benefits already realised by using downstream Supply Chain standardisation and electronic messaging could be applied to the upstream processes. They further believed that benefits could be even greater.

The term “**upstream**”, when used in a supply chain context, refers to the relationships between manufacturers and their raw materials and packaging suppliers. “Upstream” is thought of as being closer to the source of supply chain items, on their way further “downstream” to retail and the consumer.

Global Upstream Supply Initiative (GUSI) is the GS1 & GCI Solution to address the challenges in the Supply Chain Integration between manufacturers and their suppliers. Upstream Integration is about improving the processes by sharing information and improving visibility of demand, demand changes and inventory. This will increase responsiveness to the manufacturing requirements and ultimately to the final consumers.

GS1 Ireland has identified five industry sectors where we believe this initiative will bring immediate benefits: **Pharmaceutical, Beverages, Medical Devices, FMCG & Food Services.**

Currently upstream integration is governed by manual & complex paper trails. This leads to excesses in held inventory, inadequacies in visibility of forecasting, and a general lack of synchronisation between manufacturers and their suppliers. Service levels suffer as a result, thus leading to higher costs in production and supply.

The Global Upstream Supply Initiative has already been implemented in several countries including Australia, UK, France & Denmark. GCI have published four case studies from diverse industry sectors, with differing supply chain strategies to highlight proven benefits of the Global Upstream Supply Initiative (GUSI).

From the case studies the following were some of the operating benefits observed after implementing GUSI:

- Better Accuracy and Query resolution
- Reduction in overall Supply Chain stock
- Reduction in Transaction Costs /handling
- Elimination of manual work (& thus Error) in Planning, Receiving and Financial
- Reduction in cash-flow cycle
- Improvement of Production/ Transport efficiency
- Scalable solutions that supported Supplier Managed Inventory (SMI) (or VMI)

Benefits

GUSI benefits are overall supply chain improvements, better visibility of Inventory, increased customer service and improvement of long term strategic partnership and a scalable eBusiness solution that can be rolled out worldwide. More specifically;

The benefits are somewhat different for Manufacturer and Supplier, and include;

- Paper copies of purchase orders and invoices completely eliminated resulting in:
 - Supplier's sales admin no longer needing to key in orders to their ERP system
 - Manufacturer no longer monitoring stock availability for items procured
 - Finance departments not having to physically receipt, open, scan, file, store and key-in paper based invoices into their back office system.
- Inventory levels reduced by between 10 and 30%
- Lead Times – reduced by 40-50% (in on-site requirement time)
- Sales Admin costs – reduced by 5-10%
- Finance Accounts Payable Admin – 80% reduction
- Stock-out situation and service level – 99.5% customer service level.

Tools

GCI and GS1 have produced GUSI tools that fully enable the users to implement the strategy quickly and easily. *Further support can be supplied by GS1 Ireland through our Professional Services Dept.*

These tools include:

- [The Upstream Integration Model](#) - an in depth narrative on what, where, who, how etc
- [The Business Case Outline & Key Success factors for implementing GUSI – Features & Benefits](#)
- [UIM Implementation Guide](#) – suite of Messages and their functions
- [UIM Message Implementation Guide \(MIG\)](#) – One for each Message at detail level.

It is recommended that GUSI should not be implemented just on the business process and XML message level, without coherently implementing location, item, and pallet identification codes and bar codes as per GS1 standards. Otherwise upstream suppliers are still faced with proprietary identification codes and bar codes that are specific to each buyer.

Benefits of using GS1 Standards in combination with GUSI are:

- Faster Integration,
- Reduced IT Costs,
- Larger Scope of supply chain benefit area.

Global Users

Some of the users that have benefited from using GUSI are:

Unilever, Kraft, Nestle, L’Oreal, Proctor & Gamble, Kellogg’s, Sara Lee, Heinz, Heineken, Danone, Smurfit Kappa Group, Crown, MM-Packaging, National Starch, IFF, Dow & Huhtamaki.

Case studies

The Global Commerce Initiative (GCI) published four case studies of successful GUSI implementations in 2006 where the names of the trading partners are omitted. They demonstrate the diversity of the GUSI application, while consolidating the benefits realised.

GCI have also published a named case study last year – Novozymes A/S Denmark.

Click here to Link to the full [Case study](#)

Summary

The aim of GUSI is to bring down the cost of providing tighter integration in the supply chain and thereby reduce costs and improve responsiveness so as to provide improved levels of customer service.

The GUSI working group comprises of many of the world’s largest manufacturing & their upstream supplier companies, all of whom have seen benefits and support the rolling out of business connections based on GUSI as quickly as possible.

As more companies adopt GUSI, the more rapidly the benefits rise, as standardisation make each connection faster to implement.

For more information please contact GS1 Ireland on +353 1 208 0660 or barry.spellman@gs1ie.org