

## Case Study:

# **Coop are the latest FMCG retailer to adopt the Good Faith Receiving methodology, the service designed and developed by RAS Supply Chain Integrity in association with the UK's major food and DIY retailers.**

The RAS Supply Chain Integrity (SCI) Good Faith Receiving (GFR) programme is widely accepted as the industry standard by FMCG retailers and their suppliers alike, with the resulting output of the concept also aligning with the UK Government's 'Groceries Supply Code of Practice' (GSCoP) legislation and the Groceries Code Adjudicator's (GCA) recommendations.

The GFR provision audits a volume throughput related sample at various touchpoints of the supply chain, more commonly at retailer inbound. The independently collected result is provided to both retailer and supplier in order to agree a cumulative claim or financial settlement with a validated error base rate to calculate from.

Suppliers are encouraged to on-board with the program, which is simple, intuitive and requires minimal effort on the supplier side. In fact in excess of 1,989 UK and Europe based suppliers are already onboard with SCI.

Coop were keen to increase their supply chain efficiency and gain a greater validated and accurate measure of stock to make more prompt and accurate payment to their supplier base. They were eager to adopt the end-to-end GFR service with SCI where deployment, operational integration, supplier on boarding, strategic audits, supplier and retail representation AND data results analysis are all included in the service.

SCI thrive on being able adapt their services specifically for each client's objectives, processes and procedures. The Coop's request was unique, with an opportunity to take advantage of electronic 'Advanced Shipping Notices' (ASN) Invoices and Delivery Notes, meaning the RAS technology would be programmed to validate the information and present a level of compliance using three reference points.

Coop suppliers were invited to an onboarding forum to receive the Supplier GFR presentation followed by a Q&A session. The take up following the event was over 98%, which was much greater than initially estimated.

Future deliveries for onboarded suppliers would result Coop submitting their invoice to be paid in full, assuming that the delivery and related invoices were correct. In the meantime, RAS would conduct a 5% sample audit on the deliveries over a 13-week cycle and on a permanent basis.

The results of the audit are presented in real-time and summarised at the end of each cycle on our Prosper™ dashboard to ascertain an error level. These are then matched

against the submitted Invoice or ASN, which are then applied as a charge-back against the corresponding 13-weeks invoices.

The newly introduced GFR process now allows Coop to focus on delivering products to their customers through an even more efficient supply chain whilst creating an onset for a cost neutral balance, meaning efficiencies gained and savings made, outweigh and cover the cost of service.

In addition, the GFR provision provides significant further benefits for both retailer and supplier:

- Reduces supplier/retailer administration burden
- Little or no invoice matching or dispute issues
- Independently validated accuracy level of stock
- Credible and real-time delivery information
- Fair process and treatment of suppliers

**The Coop onboarding was the fastest and most streamlined GFR mobilisation to date, it was also the largest at the time, with almost 150 suppliers joining and in excess of 3.2m cases audited every quarter.**