

Case Study:

M&S rolls out the GFR programme for 100% supplier base

M&S Food has adopted the RAS Supply Chain Integrity Good Faith Receiving (GFR) methodology, the concept pioneered by RAS in conjunction with large food and DIY retailers in the UK.

The concept requires the audit of a volume throughput related sample at various touch-points of the supply chain, more commonly at retailer inbound. The independently collected result is then provided to all parties to agree a cumulative claim or any financial settlements with a factual/validated error base rate to work from.

As part of an internal review and the need to meet the GCA's recommendations, M&S decided to employ the RAS Supply Chain Integrity (SCI) GFR programme. However, the desire was to onboard all cold chain suppliers within the remaining cycle of Q4 for a full launch by Q1, that gave SCI a total of 6 weeks to go from conceptual mobilisation to full deployment.

The RAS GFR programme is accepted by suppliers and FMCG retailers in the UK with the resulting output of the concept also fitting with the UK GSCOP legislation and GCA's recommendations.

Suppliers are encouraged to on-board with the programme which is widely agreed upon to be fair by most major high street FMCG retailers and most suppliers, in fact in excess of over 1,989 UK and European based suppliers are already on board with Benelux suppliers following suit.

M&S are unique in the way products arrive at depot, in green trays as opposed to cardboard boxes, this meant the inbound should be significantly better yet the individual units per tray maybe more incorrect, the audit profile was adapted to suit the requirements of the customer whilst maintaining the fairness, integrity and good faith principles of the audit.

Once on board, on receipt of delivery, the retailer submits the invoice to be paid in full, assuming that the delivery and related invoices are correct. In the meantime, RAS conduct audits on a 5% sample of their deliveries for a 13-week period and on a permanent basis.

The results of the audit are presented in real-time and summed at the end of the cycle on the Prosper™ dashboard to ascertain an error level, these are then matched against ASN, which is then applied as a charge-back against the corresponding 13-weeks invoices.

The new GFR process allows M&S to focus on delivering goods via the complex RCC and RDC supply chains and on selling their products by removing the need to validate the accuracy of every delivery, 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:

- Prompt payments
- No further delays in payments due to discrepancies
- 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

Not only was the onboarding the fastest, it was also the largest with almost 200 suppliers and in excess of 5.5m cases audited every quarter.

The RAS systems and processes were designed and built bespoke to handle both the volume and frequency.