



THE GLOBAL LANGUAGE OF BUSINESS



## CASE STUDY



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—STEVE ROOSDAHL,

*Director of Supply Chain Management,  
The Oppenheimer Group*

# THE OPPENHEIMER GROUP

Global produce distributor uses the Advance Ship Notice for efficiently sharing traceability data

### CHALLENGE

The Oppenheimer Group (Oppenheimer) wanted to determine how to effectively integrate Produce Traceability Initiative (PTI) best practices for traceability into its order fulfillment process. The company also wanted to test the Advance Ship Notice (ASN) compared to the Hybrid Pallet Label, an interim industry solution for capturing and sharing traceability data.

### SOLUTION

Oppenheimer joined with Safeway and iTradeNetwork to conduct a pilot for exploring the costs, benefits and barriers of implementing produce traceability using PTI best practices, which are based on GS1 Standards. They found the ASN not only offered a more efficient way for sharing traceability data, its use also provided additional supply chain benefits for suppliers and buyers.

### BENEFITS

- Reduced costs for suppliers due to not using Hybrid Pallet Labels
- Reduced costs for receivers since scanning of inbound Hybrid Pallet Labels is not needed
- Improved inventory and warehouse management for receivers due to advance visibility of shipment and any substitutions
- Elimination of “missing data” errors caused by missing or damaged Hybrid Pallet Labels and the avoidance of resulting labor of having to scan barcodes on each individual case to rebuild that data



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## DEVELOPING BEST PRACTICES

In 1858, four brothers followed the gold rush to British Columbia and founded Oppenheimer Bros. & Company to provide food and supplies to thousands of fortune seekers. Today, Oppenheimer – or “Oppy” – is firmly established in North America with headquarters and facilities in Canada, nine offices in the “lower 48,” and a transportation division, all operating collectively under The Oppenheimer Group name. The company supplies nearly 40 million cartons of fresh produce each year from over 125 grower partners across 25 countries.

“Oppenheimer’s operations span continents and hundreds of growers, and pack houses with thousands of growers,” says Steve Roosdahl, Oppy’s director of supply chain management. “Traceability implementation driven by the PTI is not simply about making a change for one company, it is about making operational changes and recommendations that can guide the whole industry.”

With 12 years experience in IT, the last five in supply chain management, Roosdahl is well suited for the role, blending his operations and technology expertise with his “people person” personality. He is actively engaged in various food industry organizations and initiatives, including serving as co-chair of the PTI Implementation Working Group.

The PTI provides a standardized approach for implementing traceability using global GS1 Standards, as well as recommended milestones for the industry.

Roosdahl adds, “GS1 [as the worldwide standards organization] is invaluable, because we have growers in many countries around the world. When they need help with implementing GS1 Standards for traceability, they can call on their local GS1 member organization.”

The PTI Implementation Working Group focuses on developing best practices for implementations that can apply to major buyers – both retailers and foodservice operators – at one end of the supply chain and small family farmers at the other. As a result, a major function of the group is to coordinate pilots between suppliers and buyers that test various operational practices and bring findings and recommendations back to the group for sharing.

## ABOUT THE PRODUCE TRACEABILITY INITIATIVE

Sponsored by Canadian Produce Marketing Association, GS1 US®, Produce Marketing Association and United Fresh Produce Association, the Produce Traceability Initiative (PTI) is designed to help the industry maximize the effectiveness of current trace-back procedures, while developing a standardized industry approach to enhance the speed and efficiency of traceability systems for the future. The PTI website serves as a central resource to provide industry members with extensive education and guidance on implementing case-level traceability processes. [www.producetraceability.org](http://www.producetraceability.org)

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## PARTNERING FOR A PILOT

As members of the working group, Oppenheimer joined with Safeway, one of its customers, to conduct a pilot for produce traceability.

In addition, Oppenheimer and Safeway called on iTradeNetwork, a GS1 US Solution Partner. “iTradeNetwork is a critical team member since it provides Safeway, Oppenheimer and many other produce companies with EDI transaction connections,” explains Roosdahl. “iTradeNetwork is also a GS1 certified-data pool providing GDSN® [GS1 Global Data Synchronization Network™] services for product data sharing.”

Each company assigned supply chain and technical members to the pilot team; they established primary and secondary goals and then commenced to explore the costs, benefits and barriers of implementing produce traceability.

“One of our primary goals and initial phase of the pilot focused on reviewing our order fulfillment processes – from Oppenheimer growers to the Safeway distribution center [DC] and out to stores,” says Roosdahl. “We determined how PTI best practices could be incorporated into our current processes.”

Other goals of the pilot included an evaluation of the partners’ Global Trade Item Numbers (GTINs) – how they were assigned, their attributes, and options on how they could be shared.

Roosdahl explains, “We wanted to make sure we had a firm foundation of item identification and sharing before moving on to labeling. We then worked with our growers to evaluate and implement labeling at the case level, whether printing directly on cases or printing labels to apply.”

The industry also considered the use of the PTI Hybrid Pallet Label, an “interim” solution for trading partners unable to implement an EDI-generated ASN. With the Hybrid Pallet Label, when trading partners mix cases of different types of produce from different lots on one pallet, they can link the mix and batch/lot numbers to a GS1 Serial Shipping Container Code (SSCC). The SSCC is encoded in a GS1-128 barcode on the label along with additional GS1-128 barcodes for each different case configuration containing GTINs, batch/lot numbers and the count (quantity) on the pallet. The Hybrid Pallet Label allows receivers to scan the barcodes on the Hybrid Pallet Label rather than scanning each barcode on every case. This means fewer scans of product and reduced labor.

### EVALUATING THE ASN

As the pilot progressed, a primary goal came to the forefront. As the Hybrid Pallet Label and ASN are different methods for addressing the PTI milestone six, which is the ability to read and store GTIN and lot information on inbound cases, the team decided to *compare the use* of the ASN to the Hybrid Pallet Label.

“We identified the ASN as the primary method for potentially further streamlining our shipping and order receipt processes,” says Roosdahl.

The ASN addresses the challenge of just-in-time delivery. The reduction of buyers inventory in their distribution centers pushes the responsibility back to suppliers like Oppenheimer.

“A decade ago, we would ship truckloads of full pallets of cases filled with the same produce,” explains Roosdahl. “Now, we may get daily orders from customers for same-day or next-day delivery, often with changes to orders just before shipping. More shipments of smaller case quantities of different produce means we must operate with increasingly greater efficiency.”

As growers and Oppenheimer build pallets, information systems are updated automatically, providing accurate information for an ASN to be sent once each truck is loaded. A Hybrid Pallet Label, on the other hand, needs to be printed at the time pallets are built, then reprinted if the pallet configuration changed in any way prior to shipping; for example, case count or product mix.

At a busy cold storage facility with multiple trucks loading concurrently, printing and re-applying new Hybrid Pallet Labels could negatively impact productivity. Using an ASN keeps productivity levels high since it eliminates the labor required for printing, applying or re-applying Hybrid Pallet Labels.



### ADVANCING TRACEABILITY WITH THE ASN

The team prepared four purchase order (PO) test scenarios and created ASN files, following PTI best practices. “We looked at the test scenarios from the meat and poultry trial, then modified them for produce,” explains Roosdahl. “Our PO scenarios ranged from very simple to more complex, mixing different numbers of PO lines, pallets, GTINs per PO line, and lot per pallet.”

Chuck Gragg, vice president of iTradeNetwork, adds, “The scenarios were certainly true-to-life examples. We developed our ASN files for EDI testing, considering the standards used for ASNs in other industries. We worked through the scenarios, mocking up the data, then pushing it through the system and process, making modifications along the way.”

Using the ASN as the method to share traceability data, the process was tested with Safeway first transmitting the PO (test scenario) via iTradeNetwork’s EDI network to Oppenheimer. The PO was acknowledged by Oppenheimer with any substitutions noted.

As Oppenheimer prepared the order for shipment, the various GTINs and lot numbers linked to each pallet’s SSCC were listed on the ASN. Oppenheimer then transmitted the ASN to iTradeNetwork, which updated the PO with the shipped product detail in advance of Safeway receiving the shipment.

Upon receipt of the ASN, Safeway processed the ASN in its system, matching the product details to its purchase order. Safeway could then flag substitutions and/or missing items before receiving the actual shipment.

**SAVINGS ADD UP**

Roosdahl noted the pilot validated the ASN as a reliable method for sharing traceability information between trading partners.

“By receiving the ASN, the receiving warehouse can plan for slotting incoming products and standard receiving processes remain the same, comparing the product received to the PO. Yet by using the ASN, they are not scanning the Hybrid Pallet Label to capture the traceability data, which should offer a significant savings in labor.”

Roosdahl explains, “Suppliers also experience cost savings. With an ASN, you don’t need to be concerned with the availability of the data on a label. For example, a Hybrid Pallet Label may get scuffed in transit or too much moisture may mean it doesn’t stick to the pallet. All these unforeseen situations add up to more labor with re-work.

“By using the ASN, both suppliers and buyers can save costs. Suppliers no longer need to acquire, print and apply Hybrid Pallet Labels and their customers no longer need to scan labels. Errors and confusion can be minimized by curtailing missing or ‘un-scannable’ labels. Buyers can also better plan when receiving and storing produce for shipment to stores.”

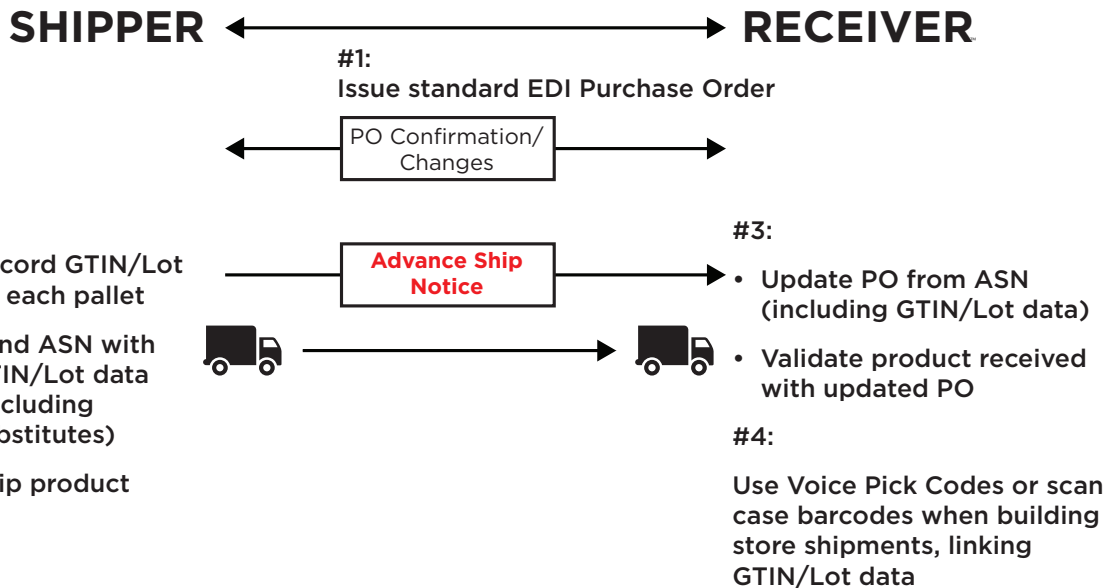
As part of the pilot, the team calculated and summarized the costs and savings associated with using the ASN versus Hybrid Pallet Label over a five-year period.

While start-up costs for the ASN were higher, the return on investment could be realized in as little as six months. Based on Oppenheimer’s volume, Roosdahl estimated savings of over \$120,000 annually using an ASN rather than a Hybrid Pallet Labeling system.

Yet, the financial savings advantage is relatively small when compared to the significant operational benefits achieved when trading partners no longer need to use Hybrid Pallet Labels throughout the supply chain.

“With the pilot, we found the ASN enables traceability between trading partners,” concludes Roosdahl. “Beyond traceability, the ASN also provides advantages for both suppliers and buyers with a more reliable exchange of data with the advance notice and reporting of shipment details and exceptions. In short, the ASN offers significant promise for driving traceability and improving supply chain efficiency – today and in the future.”

**A PTI Process Using the ASN**



The ASN offers a more efficient way of sharing traceability data when compared to the Hybrid Pallet Label.

“The ASN offers significant promise for driving traceability and improving supply chain efficiency – today and in the future.”

—STEVE ROOSDAHL,

*Director of Supply*

*Chain Management,*

*The Oppenheimer Group*

### CONTACT US

To learn more about produce traceability and how GS1 US can support your company, visit [www.gs1us.org/industries/fresh-foods](http://www.gs1us.org/industries/fresh-foods) and/or contact the GS1 US Customer Service Team at +1 937.435.3870.

### ABOUT THE OPPENHEIMER GROUP

Based in Vancouver, Canada and also operating in the U.S., Chile, Argentina and Peru, The Oppenheimer Group is a leading international fresh produce distribution and marketing company. Through a comprehensive grower network, the company sources over 100 varieties of fruits and vegetables from more than 20 countries and delivers them to retailers, wholesalers and foodservice operators across the U.S. and Canada, as well as export markets. While bringing fresh, nutritious, great-tasting produce into the market safely and efficiently, Oppenheimer manages every step of the supply chain, adding value through its packaging, food safety, logistics, quality assurance, and sales and marketing expertise. [www.oppy.com](http://www.oppy.com)

### ABOUT SAFEWAY

In 1915, M.B. Skaggs, an ambitious young man in the small Idaho town of American Falls, purchased a tiny grocery store from his father. M.B.'s business strategy, to give his customers value and to expand by keeping a narrow profit margin, proved spectacularly successful. By 1926, he was opening 428 Skaggs stores in 10 states. M.B. almost doubled the size of his business that year when he merged his company with 322 Safeway (formerly Selig) stores and incorporated as Safeway, Inc. Two years later M.B. listed Safeway on the New York Stock Exchange. M.B. did not let the difficulties of the Great Depression dilute his pioneering focus on value for customers. In the 1930s Safeway introduced produce pricing by the pound, adding “sell by” dates on perishables to assure freshness, nutritional labeling, even some of the first parking lots. M.B. Skagg's value vision still drives Safeway, though on a dramatically larger scale. There are now over 1,600 Safeway stores across the US and Canada. [www.safeway.com](http://www.safeway.com)

### ABOUT GS1 US

GS1 US, a member of GS1, is an information standards organization that brings industry communities together to solve supply-chain problems through the adoption and implementation of GS1 Standards. More than 300,000 businesses in 25 industries rely on GS1 US for trading-partner collaboration and for maximizing the cost effectiveness, speed, visibility, security and sustainability of their business processes. They achieve these benefits through solutions based on GS1 global unique numbering and identification systems, barcodes, Electronic Product Code-based RFID, data synchronization, and electronic information exchange. GS1 US also manages the United Nations Standard Products and Services Code (UNSPSC). [www.GS1US.org](http://www.GS1US.org)

### ABOUT ITRADENETWORK

iTradeNetwork, Inc. is the leading global provider of on-demand supply chain management and intelligence solutions to the food industry. Built upon vast industry expertise, a comprehensive data foundation and the industry's most extensive trading partner network, iTradeNetwork's collaborative solutions allow distributors, manufacturers, operators and retailers of all sizes to reduce supply chain costs, increase revenue, improve compliance and strengthen trading partner relationships. [www.itradenetwork.com](http://www.itradenetwork.com)





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