



Confirm order

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Table of Contents

Confirm order	3
Use of EDI in the retail trade	3
Confirm order	3
The establishment of bilateral agreements for the assessment of shelf life	5

Confirm order

This sub process consists of the following activities:

- Manage orders and send order confirmation
- Receive and process order confirmation

Areas affected by, and subject to guidelines from STAND are:

- How EDI is used in the retail trade in general and in the order confirmation process in particular
- Requirements for EDI messages
- EDI exchange agreement
- Generic description of order confirmation process
- Assessments related to delivery capability and temporarily sold out
- Bilateral agreements on the assessment of shelf life on products covered by this

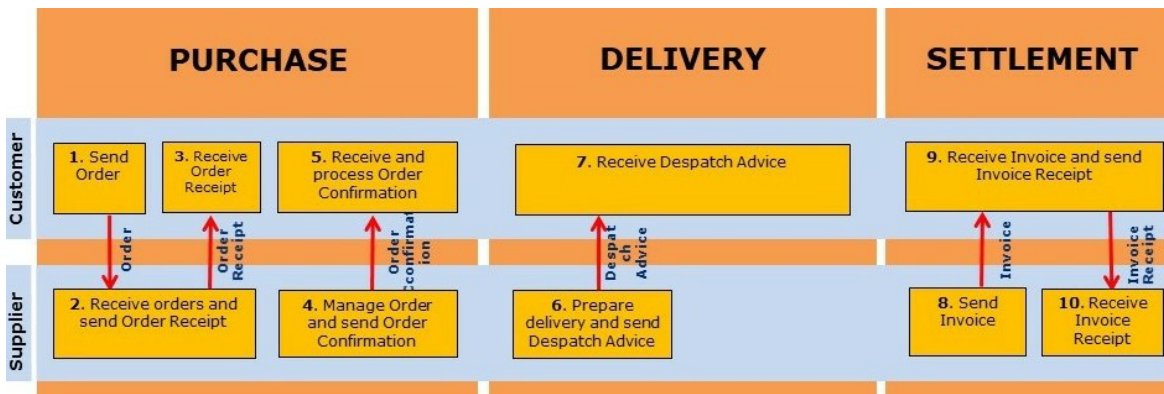
Use of EDI in the retail trade

EDI – Electronic Data Interchange – Used in the retail trade industry to trade commercial documents like EDI order, EDI order receipt, EDI order confirmation, EDI Despatch Advice, EDI invoice and EDI invoice receipt.

EDI is available in various forms, from fully automated solutions where the entire process is carried out by both customer and supplier computers, for web solutions based on manual routines for information exchange.

EDI is used for all forms of distribution.

Overview of EDI messages and in which processes they are used



Which EDI messages to use vary with the form of distribution.

An overview of this, along with deadlines for when the messages are to be sent, are described in [EDI messages, distribution form and deadlines](#).

Before using EDI, it is necessary to clarify which messages are to be used, message formats, methods of exchange, electronic message addresses, etc.

This is done in the [EDI Exchange agreement](#).

This also specifies other bilateral issues related to the exchange of EDI messages.

How to get started with EDI is described in [Implement EDI in the retail trade](#).

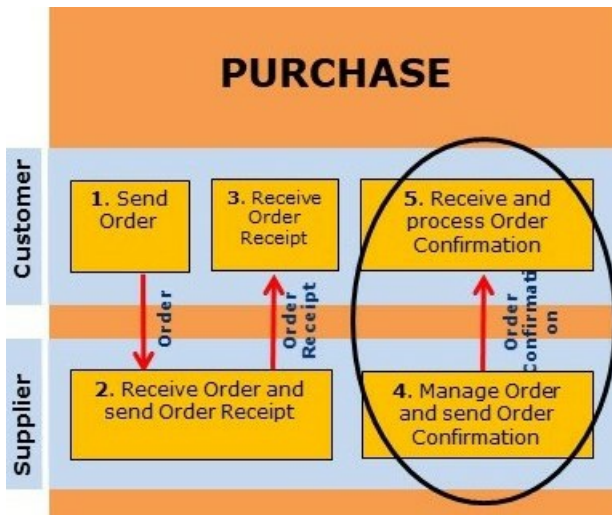
In order to use EDI, trading transactions must be translated into an EDI format.

The following formats are available:

- [Message description EANCOM for order, order receipt, order confirmation, Despatch Advice, invoice, invoice receipt](#)
- [Message description XML for order, order receipt, order confirmation, Despatch Advice, invoice, invoice receipt](#)

Revisions of the EDI formats, is documented in [Change log current version vs. past versions](#)

Confirm order



Manage orders and send order confirmation

Upon receipt of an order, the supplier shall check that the order complies with the bilateral agreements specified in the EDI Exchange Agreement.

Check for delivery ability

The order confirmation confirms whether the customer receives the ordered products or not.

This means that it must be checked for delivery ability. The following wording applies from STAND:

«Order Confirmation is sent from the "ready to deliver" understanding, which means that the supplier expects to deliver with "high probability". This implies the possibility of a discrepancy between what is confirmed and what is delivered. The parties will start a dialogue on any deviations in a constructive and flexible manner.

In case of repeated deviations, the parties reserve the right to establish bilateral agreements to correct the relationship.

When checking for delivery ability, consideration shall be taken regarding any bilateral agreements that allow products to be delivered which, under normal conditions, do not meet the requirements for the distribution of total shelf life between the players. Look to

The establishment of bilateral agreements for the assessment of shelf lif

The establishment of bilateral agreements for the assessment of shelf life

The risk of food waste is related to the remaining shelf life of a product. To avoid food waste, the players in the grocery industry have agreed to exhibit flexibility in the value chain to handle minor deviations in assessment of shelf life. This is done by establish bilateral agreements.

Bilateral agreements will contribute to more flexible assessment of shelf life, thereby reducing food waste in the value chain (manufacturers, distributors, retailers), considering specific and specific conditions, such as geographical distance to customer / market, and volume of sales.

The grocery industry has defined a table for the assessment of total shelf life, based on a three-division between manufacturer, distributor and retailer / consumer. The table prepared for this applies unless otherwise agreed bilaterally.

For products with short shelf life (42 days or less), conditions such as distance to the market and volume of sales will be decisive for determining optimal assessment of shelf life.

- For products with shelf life between 17 and 42 days **it is encouraged** to consider establish bilateral agreements
- For products with shelf life below 17 days there **shall** be established bilateral agreements

How to establish bilateral agreements

The assessment of shelf life as stated in the table is the basis for the bilateral agreements.

All parties can initiate bilateral agreements based on expected potential for reduction of total food waste.

Description of how the risk will be shared should be included in the agreements.

Measuring consumed shelf life in the value chain is an instrument for securing facts and monitoring development.

Some examples of situations where it may be appropriate to establish bilateral agreements:

- *Deviant date from the table*

One example of reducing waste for products with short shelf life is that a supplier in the eastern part of Norway establish a bilateral agreement with a customer regarding a better date than is stated in the table for deliveries to, for example, northern part of Norway, while for example a customer in the middle and western part of Norway receives deliveries according to the table and with the possibility of deviating dates for smaller volumes for deliveries to the southern and eastern part of Norway.

- *Divergence date in the beginning of the week*

Products delivered at the beginning of a week is quickly reaching the distributor / distribution centre and the retailer before the weekend and is less prone to simple date deviations. Similarly, it is less appropriate to deliver products with "last day according to STAND" or with date deviations on Fridays, if they will not be received by distributor / distribution centre before Sunday evening / Monday.

- *Deviant date for promotions*

In advance of a promotional period, a delivery agreement with a few day date deviations may be applicable, as these products will have higher turnover than usual for the distributor / distribution centre and at retailers. To reduce the risk of increased drop by lower turnover than usual at the distributor / distribution centre and at retailer at the end of the promotional period, a better date should be provided than indicated in the table.

- *Product / value chain specific assessments*

Depending on the product / value chain, it may be advisable to redistribute days. For example:

Product with uneven turnover at retailers and / or a lot of waste at retailers.

Here it may be advisable to redefine days from supplier and / or distributor to retail days.

Product with steady turnover at retailers and / or a small amount of food waste.

Here it may be advisable to redefine days from retail and / or distributor to supplier.

Products that are not covered by a bilateral agreement must have a remaining shelf life that satisfies the requirements for distribution between the players as specified in [134 Table for assessment of shelf life of a product](#)

If a product is temporarily sold out, it is a general request from the distributors that the time of when the product is again available for sale must be returned in the order confirmation. However, this must be agreed bilaterally.

In connection with this, the following wording applies from STAND: «*If the supplier does not have systems that provide the opportunity to inform about this in the order confirmation, it is a wish from the distributors that suppliers will be able to return this in the long term and that this information should be used actively in the order.*»

Reservation of quantity for order confirmation

When the order confirmation is sent, the supplier must reserve the quantity that is confirmed delivered to the current order.

Confirmed quantity versus what can be delivered at delivery time

If the order confirmation confirms a quantity that differs from what has been ordered, it is what is stated in the order confirmation that will be included in the delivery to the buyer.

This also applies if the supplier in the meantime will be able to deliver the ordered products.

Requirements for order confirmation

- The order confirmation must be sent by EDI
- One order confirmation shall be sent per order
- The order confirmation must be sent within the deadline
- The order confirmation shall provide a code that gives the customer a quick understanding of the status of the order. One of the following codes must be sent:
 - The order is accepted and delivered in full
 - The order is accepted, but can not be delivered in full
 - The order is accepted, but contains one or more product numbers that have expired
 - The order is accepted, but contains one or more product numbers that are unknown
 - The order is accepted and checked for product information, however inventory information / delivery ability is not verified
 - The order is accepted, but there is an error on a line with an undefined reason
 - The order is rejected (usually due to syntactic errors in the order itself)

For Crossdock, the following feedback applies in addition to the above:

- The order is accepted, but the quantity on a line is reduced by agreement with the final customer
- A new order confirmation can not be sent to replace a previous order confirmation, even if the delivery situation changes

Receive and process order confirmation

An order confirmation is an end of the procurement process, and the customer should therefore not respond to the order confirmation even though this should have changed according to the order.

The order confirmation number from the supplier must be unique. Recipient shall reject an order confirmation with an order confirmation number received and processed earlier.

How the order confirmation is used by the customer in internal systems is not covered by the STAND guidelines.