



STAND

STANDARDISERINGSUTVALGET FOR
NORSK DAGLIGVAREBRANSJE

Order

Please be aware that this document may contain hyperlinks to reference pages /document. These pages / documents will not automatically attach if you choose to print the main document.

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Order

The process is a generic description of some elements of an ordering process. It focuses on the interaction between supplier and distributor, or between supplier and retailer. It does not describe internal activities of the individual player.

Order includes the following sub processes:

- Order
- Confirm order

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

- Order and order confirmation process using EDI for deliveries from supplier to distributor or retailer, and Crossdocking deliveries
- Which EDI messages to use for given forms of distribution, as well as deadlines for when to be sent
- EDI exchange agreement
- Content in the EDI messages and how to implement these for the following messages
 - Order
 - Order receipt
 - Order confirmation
- Use of bilateral agreements for distribution of shelf life, for products covered by this
- Evaluation of the delivery ability of ordered products

Order

This sub process consists of the following activities:

- Send order
- Receive orders and return order receipt
- Receive order receipt

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

- How EDI is used in the retail trade in general and in the ordering process in particular
- Requirements for EDI messages
- EDI exchange agreement
- Generic description of the ordering process
- Bilateral agreements on the assessment of shelf life on products covered by this

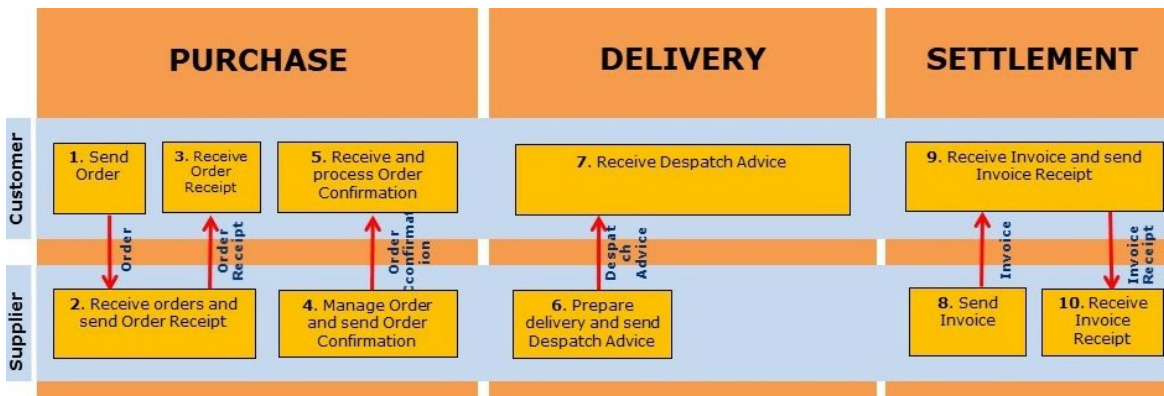
Use of EDI in the retail trade

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](#)

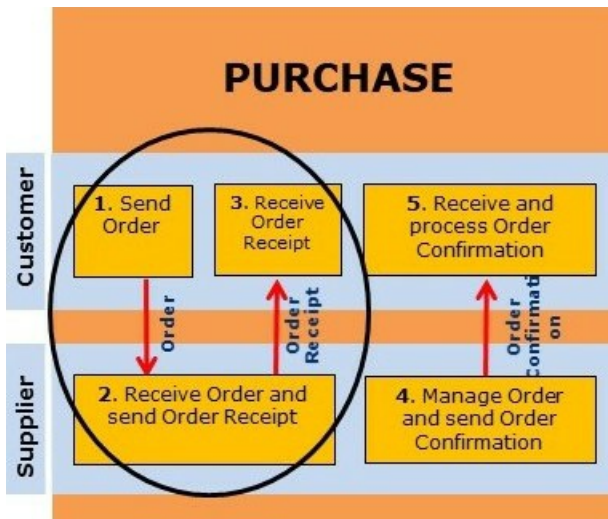
In order to use EDI, trading transactions must be translated into an EDI format.

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](#)

Order



Send order

An order is sent in the form of an EDI order, and specifies products / services ordered under the terms agreed between seller and buyer.

The order shall fulfil bilateral agreements specified in the EDI exchange agreement.

The order includes buyer and seller, product, quantity, desired delivery date and place of delivery.

The order must be sent in accordance with the agreed order stop time.

Possible corrections that can be made on an order after it has been sent:

- **Cancellation** of the order can be done in the following alternative ways:
 - It is agreed on the telephone that the supplier must send an EDI order confirmation, with 0 in the amount on all product lines
 - It is agreed on the telephone that the order is manually deleted in the system of both parties
- **Additional Orders** for delivery at the same time as the main order must be made within the agreed order stop time for the main delivery. This is done by placing an ordinary EDI order on the products and quantities to be ordered as well.
- **Amendments** on a dispatched order can be made in the following alternative ways:
 - It is agreed that an EDI order confirmation will be sent with 0 on the item lines to be changed, upon which a new EDI order will be sent on the item lines that should be changed
 - It is agreed on the phone that the original order is deleted, and that a new EDI order will be sent
 - It is agreed on the telephone that an EDI order confirmation will be sent with 0 on all product lines, and there will then be sent a new EDI order

Special relationships related to order

The order number should be unique to each order sent from a buyer.

The supplier must reject an order where the order number is received and processed earlier.

For certain products, there is a bilateral agreement on how to split shelf life between the parties. Look to [the establishment of bilateral agreements for the assessment of shelf life](#).

For EXW delivery terms, the rules dictate **one** order should only include **one** delivery from **one** pick-up point to **one** place of delivery and **one** desired delivery date.

For delivery terms where the supplier is responsible for transportation, the same applies, except that the order may contain deliveries from multiple locations.

Receipt of orders and return of order receipt

The supplier, if agreed upon in the EDI Exchange Agreement, shall return an EDI order receipt immediately after the order is received.

Order receipt has the function of confirming to the customer that the supplier has received the order. Order receipt contains no information on whether the customer receives the ordered products.

Receive order receipt

Upon reception of order receipt, it provides the customer with an assurance that the order was received by the supplier.

How order receipt is further used by the customer in internal systems is not covered by the guideline.

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

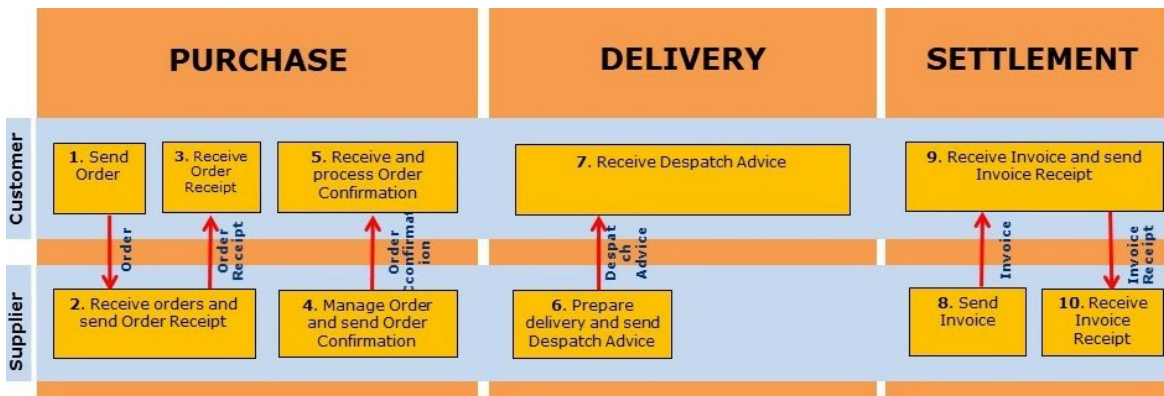
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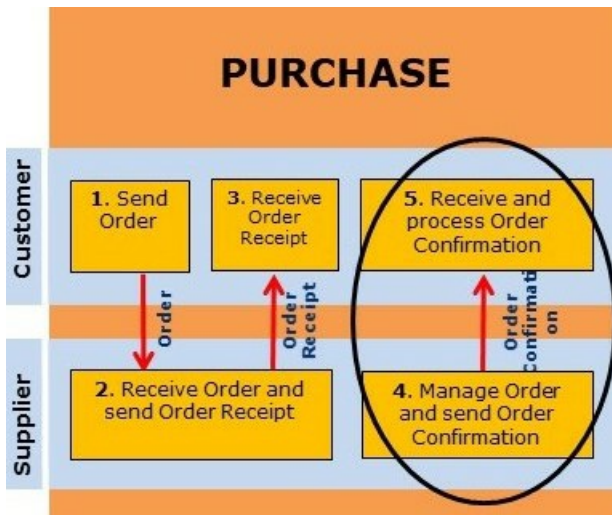
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Confirm order



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.