

856 Ship Notice/Manifest

Start Up & Overview

1. Before data transmissions to Kroger EDI can be initiated, the Kroger Logistics Requirements must be met. These requirements must be reviewed and confirmed with the Distribution Center. After the Kroger Distribution Center has signed off on the requirements, they will contact Kroger EDI.
2. When Kroger EDI contacts the vendor, the vendor can begin EDI communication with Kroger. The vendor must meet the Kroger EDI 856 Standard before implementation from test to production.

Electronic Data Interchange (EDI) is the computer- to -computer exchange of business documents between companies, using a public standard format. Rather than preparing paper and sending it through the mail, or using other communications methods such as EMAIL, companies exchange business documents with their respective computer systems.

The Kroger Co. uses the EDI856 to receive the Ship Notice/Manifest document from suppliers. The EDI856 ASN document is an electronic document that represents the product delivered to the Kroger warehouse.

There are several benefits for both The Kroger Company and its suppliers in using EDI for the Ship Notice/Manifest business transaction. The benefits include, decreased unload time, quicker and improve accuracy receiving at the warehouse, faster pallet put away by retaining a vendor's license plate (barcoded labels applied to pallets), advance notification of exceptions to an order, and a foundational building block for RFID technology. These benefits reduce the time needed to restock store shelves, and consequently improve product turns.

The intent of this document is to specify the basic components of an Advance Ship Notice required by Kroger. These specifications establish the model for an ASN that will interface with the initial implementation of a new Warehouse Management System (WIN) at Kroger Marketing Areas (KMA). The Kroger Co. recognizes the commitment, investment and effort required by our vendors to implement systems that generate and apply barcoded labels to pallets, capture and upload detailed information from their shipping areas, build the Advance Ship Notice, and transmit it in a timely fashion. For these reasons, Kroger intends to concentrate on the fundamentals that provide most of the anticipated benefits, through an ASN that directly interfaces into our new WIN system. Kroger expects its vendors to provide the required data, with 100% accuracy and the necessary timeliness, and to establish procedures that ensure the continued reliable delivery of their ASN. These are the primary goals for successful initial implementation of this document.

The following summarizes the conceptual components of the model ASN described within this document, its use within Kroger, and the procedures controlling its implementation and flow.

The basic model for the ASN to be sent to Kroger by suppliers has the following attributes:

Note: items highlighted, underlined, and noted below in italics are requirements that Kroger would like to receive for however will be flexible on.

1. The Shipment, Order, Tare, and Pack levels of the ASN Hierarchy are **REQUIRED**

2. Required Shipment level data: **Standard Carrier Alpha Code (SCAC), Bill of Lading Number, Trailer Number**, Ship-To DUNS + 4, Ship-From DUNS + 4, and Date Shipped
3. Required Order level data: the Kroger Purchase Order number
4. Product is shipped in unitized loads (pallets, slip sheets, etc.); no ASN is defined for non-unitized, floor loaded shipments at this time
5. Shipping labels with **unique** "license plates" (GS1/EAN-128 Serial Shipping Container Code Format (SSCC-18) bar codes) are to be applied to unitized loads, according to specifications published in the Kroger Shipping Container Marking Guidelines & Requirements document
6. Required Tare level data: the license plate (SSCC-18), **pallet TI-HI (blocks and tiers)**
7. Every license plate used in the shipment is to be transmitted within the 856 document
8. A **unique** license plate (SSCC-18) is to be sent at every Tare level of the ASN
9. The CASE GTIN Code (1-2-5-5-1) is required at the Pack level
10. Exactly one Case GTIN Code is to be associated with each unique license plate; this implies exactly one Pack level is to be sent under each Tare level within the ASN
11. Required Pack level data: Case GTIN Code, quantity shipped, and Production or Expiration Date (if one applies)
12. The U.P.C. Shipping Container Code (SCC-14) is NOT required in the ASN at this time
13. Item level information is not used at this time, and will be ignored if sent

Suppliers will establish procedures to gather information about shipments after unitized loads are loaded onto a truck. This underscores the importance to Kroger of the transportation information: SCAC, Bill of Lading Number, and Trailer Number.

One of the goals of the receiving process, and of the specifications in the Kroger Shipping Container Marking Guidelines & Requirements document, is to maximize the retention of the license plate applied by the supplier with the pallets that are put away in a Kroger warehouse. Kroger stores one item (identified by the CASE GTIN) per pallet (identified by license plate) in its warehouse slots. If the supplier follows the requirement of exactly one CASE GTIN Code per unique license plate, applying labels accordingly, then his license plate may be retained as mixed pallets are broken down to one pallet per item.

Suppliers must send an ASN in the X12 EDI Standard format. Kroger will initially accept ASN's whose format complies with version 005010UCS or 005010. Kroger will return an EDI997 Functional Acknowledgment document in response to each group of ASN's sent. Any violations of EDI Standards will be detailed in the EDI997 document.

In addition to compliance with EDI standard format, suppliers must send an ASN that complies with Kroger's published requirements. That is, the specified hierarchical structure, and all data identified as required by Kroger, must be present within each ASN. Kroger will perform edits to all ASN's that pass EDI Standards and reject an ASN that fails to meet Kroger's specifications. Kroger will return an EDI824 Application Advice document, detailing the results of these edits, in response to all ASN's passing EDI Standards. Any violations of Kroger requirements will be detailed in the EDI824 Application Advice, by associating error codes with an ASN. The supplier should review the explanation corresponding to each error code.

Note: Each supplier must perform appropriate monitoring functions of the EDI997 and EDI824 documents received from Kroger to ensure the uninterrupted flow of syntactically correct and complete ASN's to Kroger.

Kroger considers it to be the supplier's responsibility to review the EDI824 documents from Kroger and to send a EDI997 functional acknowledgment back.

Once an ASN passes EDI Standards and Kroger's requirement edits, it will be loaded into our WIN system. It is at this time that edits are performed to validate the Case GTIN Codes and the Kroger Purchase Order Numbers. Note: the EDI824 does not report data value errors of this type. When the shipment arrives, receiving is performed against an expectation of Purchase Orders, license plates, Case GTIN Codes and quantities, sent via the ASN. Exceptions to this expectation are noted within the WIN system. The Site ASN Coordinator at each warehouse will monitor loading and receiving exceptions. This person will notify suppliers of problems encountered and scorecard performance.

Kroger expects to "certify" the accuracy of a supplier's ASN's, during an Evaluation Phase in which manual verification of license plates, Case GTIN Codes and quantities is performed. Upon satisfactory demonstration of sufficient accuracy and following a supplier's assurance that his ASN generating capabilities have stabilized, a supplier is "certified," after which manual verification may be bypassed, and the accuracy of the items and quantities associated with license plates is assumed. This is when the maximum benefit of ASN's is achieved. Certified suppliers will be subject to periodic random audits to maintain their certification status.

Kroger will perform evaluation and certification by vendor Ship-From location, identified by the DUNS + 4 sent in the ASN. This is expected to be the appropriate level for expected ASN reliability and should allow the maximum potential for certification as suppliers implement their ASN capabilities. Each Site ASN Coordinator at the KMA will determine their own criteria for certification. Certification by one KMA does not necessarily imply certification by any other but is quite helpful.

Kroger will establish inbound ASN processing schedules to ensure that, for all KMA's, an ASN is loaded into our WIN system less than 90 minutes after the supplier sends it. Given this "under 90 minute" assumption, suppliers will generate and send an ASN to Kroger quickly enough after the truck is loaded, that the ASN is in Kroger's WIN system before the truck arrives. To achieve this, suppliers must consider all minimum delivery times from each of their Ship-From locations, to each Kroger warehouse. Failure to reliably provide an ASN, in enough time to be used, will adversely affect certification.

Special mention must be made of "shipper" or "module" pallets. These terms refer to various bundled quantities of multiple retail items, which are sold as a single unit to Kroger, often for promotional purposes. It is presumed that such a unit has a unique Case GTIN Code assigned to it by the supplier, and that a Kroger Purchase Order exists which reflects a quantity of the Case GTIN Code. From the perspective of the ASN, therefore, these units are simply represented at the PACK level by a quantity of that Case GTIN Code, which is associated with one or more license plates (from the TARE level), just like any other standard shipping container (case) of product.

From the hierarchical structure of the ASN, it is implied that multiple Kroger Purchase Orders may be specified as part of the same shipment, and that each tare level applies to exactly one Kroger Purchase Order. Note that, for consolidated or public warehouses, the multiple purchase orders in one shipment may apply to multiple Kroger vendors.

Multi-vendor ASN's are supported in this initial implementation. Within WIN, the vendor will be determined by the Kroger Purchase Order Number.