

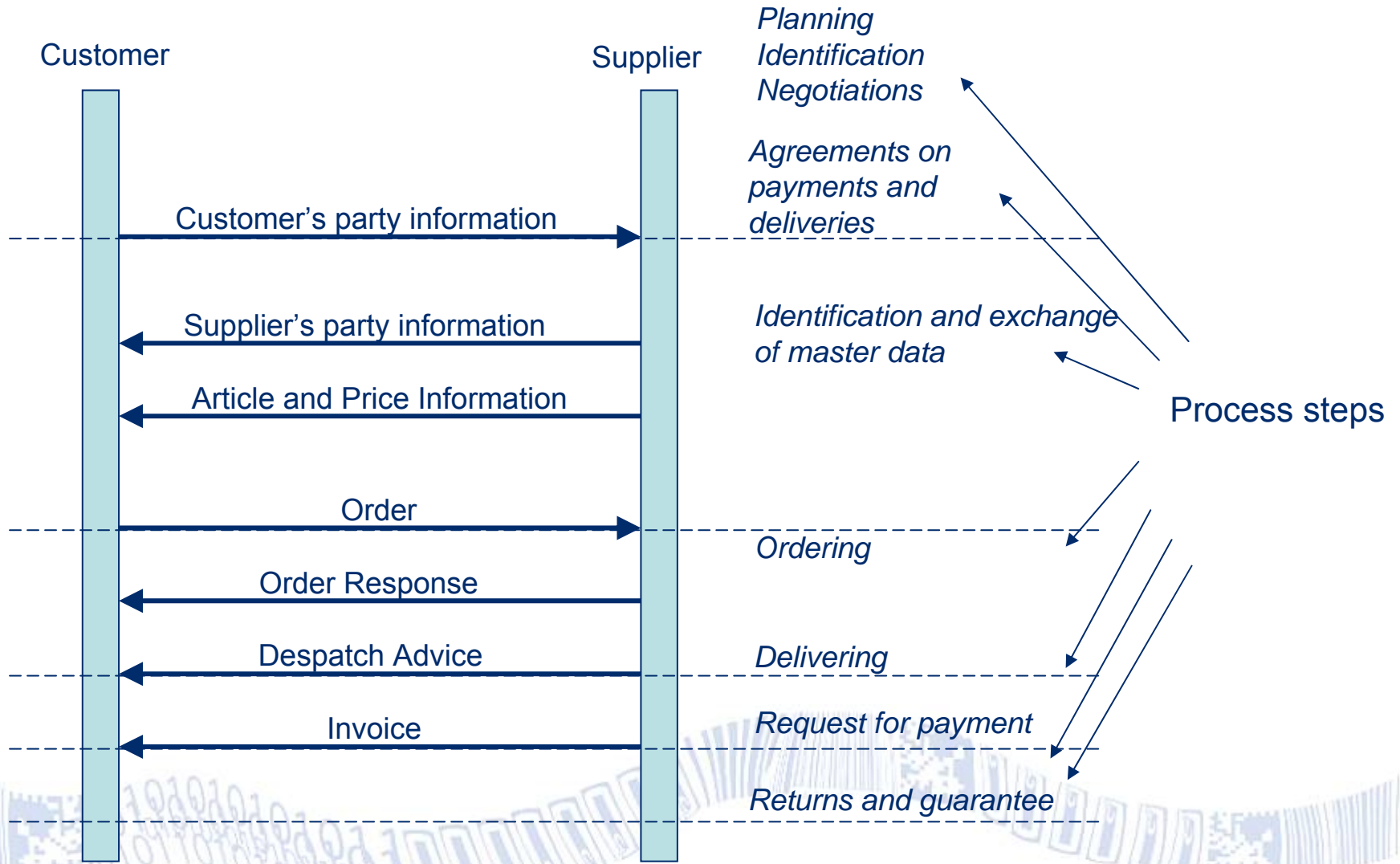


Swedish public sector Successful implementations of electronic procurement

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Purchasing Business process





Opportunities given by e-commerce

Optimize purchasing

- Use eCatalogue (make order)
 - Verified article information incl agreed prices (by authorized person)
 - All products in one eCatalogue
- Scanning barcodes (make order)
 - Reduces errors
 - Save time
- Handheld computers (make order)
 - Save time
- Orders can be issued at 24 hours basis
- Orders automatically into suppliers order system
 - Reduces errors
 - Save time
- Improved compliance to framework agreements



....Opportunities given by e-commerce

Automated authorization (purchasing, invoice settlement)

- Verified article information (incl agreed price)
- Verified suppliers information (incl identity, name and address)
- Verified delivery information (incl delivered quantities and cases of product replacements)
- According to national rules on authorization



Automated invoice check

- eCatalogue - verified article information incl agreed prices
- Verified supplier information
- Order information
- Delivery information

Automated registering in the accounts payable ledger

- Verified suppliers information (incl identity, name and address)
- Verified invoice



....Opportunities given by e-commerce

Improved financial control

- Orders in one system
- Automated registering of accounts for each invoice
 - Reduces errors
 - Reduces time

Traceability of all purchases made

- Message level
- Item level
- Supplier level

Statistics

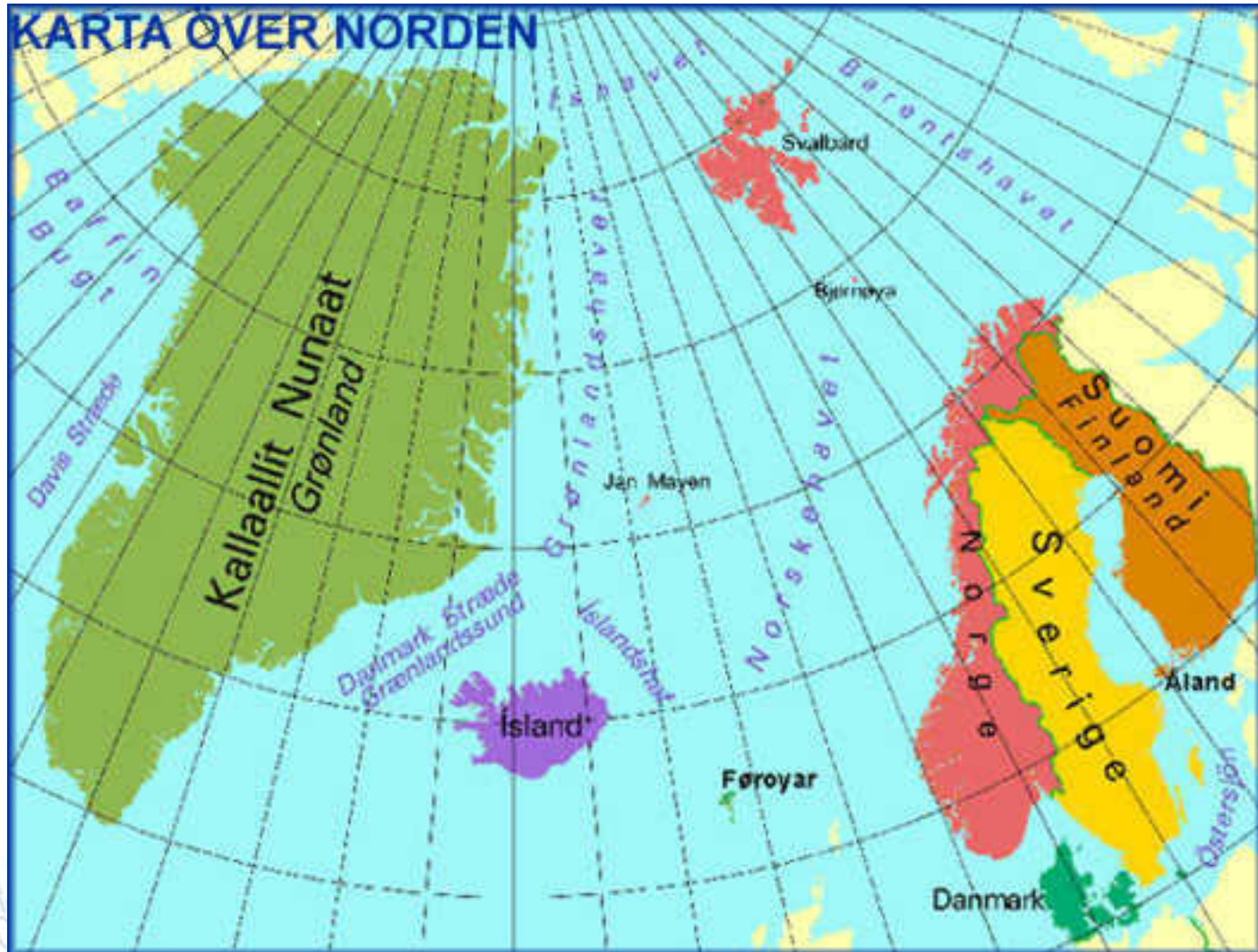
- Improved quality
- Easy available
- Useful in a future time of a process of negotiation



Swedish public sector and eCom

- **Starting point**
 - Decision by Swedish Public Sector to implement eCom (1995)
 - A joint project started
- **Action**
 - e-Procurement solution based on GS1-system and standards was developed together with representatives from the buyers and the suppliers
- **Time frame**
 - 1995 first initiative and project starts
 - 1997 pilots in municipals and county councils
 - 1998 project ends
 - Since 1998 – ongoing business
 - Since 2008 also include national authorities and services

Nordic countries





290 Municipalities 18 County councils and 2 regions

Sweden is divided into 290 municipalities, 18 county councils and two regions. There is no hierarchical relation between municipalities, county councils and regions, since all have their own self-governing local authorities with responsibility for different activities.

The Parliament, Riksdagen is the supreme political decision-making body in Sweden.

County councils of Kronoberg and Blekinge



To this comes...

248 different Swedish public authorities and services such as the Swedish National Road Administration

and a number of public companies....

.... all together now rolling out electronic commerce





Facts and figures - Kronoberg

- 1 400 active users
- 320 departments
- 15 of the largest suppliers are connected through the electronic business process
- some 90 000 invoices per year is received in total
- some 25 000 invoices per year is received and processed in the e-commerce system
- 35 000 call-offs are made by the e-commerce system per year (today) (no data on total number of call-offs)



Experienced benefits

Time savings as a result of automation

- 20 to 50 minutes per order
 - Pre-defined order forms
 - Handheld computers
- 15 minutes on average per invoice
 - Savings of > 55 000 hours per year (=27 FTE)
- And “a vast amount of time” is saved in receiving orders direct into the order system of the county councils shared central store and the sterile centre (no detailed analyses made)



Improving care

The time saved is mainly used for improving
care of patients

Not for reducing the amount of staff



Experienced benefits

Cost savings as a result of increased consciousness of prices and costs.

Economic thinking

both when ordering and in use of supply (products).

- up to 160 000 € per year
 - choosing the basic range of office supplies(lower prices than the supplementary range)
- laundry costs quickly fallen by five to ten percent
 - using paper to mop up water on the floor instead of towels

Experienced benefits

Raised patient safety

- Only possible to call-off approved products in the Catalogue



Other observed effects

- Cut more than 45 meters of invoices/year (archiving)
(City of Malmö)
- Savings of 1.5 milj SEK of budget of 8 milj SEK on
administration
(County Council of Västmanland)





Key success factors

- High level management acceptance crucial (political decision)
- Process view is necessary
- Analyses of the organisations business processes in advance
- Focus on the benefits and change the work to be more efficient
- Inspire to use the system and change way of working
- Use of common business process based on standard
 - Cost savings
 - Acceptance from suppliers
- Use of globally unique codes for identification



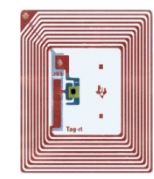
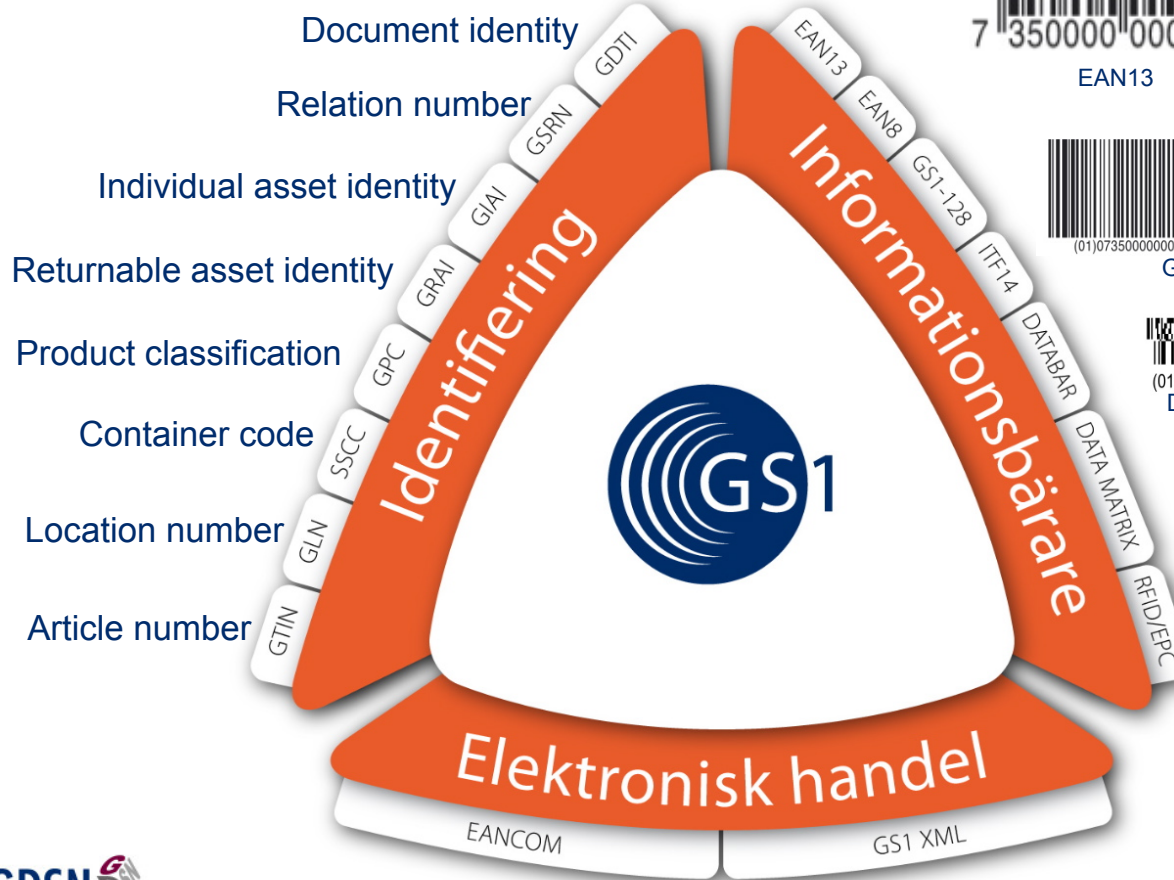
GS1 system

An introduction to the GS1 system
and organisation

EAN International
is renamed to GS1

One global organisation 2005





Synchronised master data



Periodic invoicing
Call-offs from frame contract

Material supply/Upstream
Trade process/Supply chain





GLN Global Location Number

- Globally unique codes which can be used in communications with all business parts (suppliers and customers)
- GLNs must not be changed when changing of supplier
- GLNs are provided by the national GS1 office
- A provided serie of GLNs can also include serie of GTINs
- Self administration – each company with a GLN serie generates and maintains their own GLNs
- Information on GLNs are available on Internet (GS1 GEPIR)
 - Today only the name of owner of GLN serie
 - Under development: GLN publication mechanism for voluntary publication of all GLNs and connected information

GLN – in public sector

- GLN is used to identify all parties

Party

Finance departments

Kindergartens, schools

Retirement homes

Hospitals

City offices

Role

Invoice recipient

Buyer, delivery point, goods recipient

Buyer, delivery point, goods recipient

Authorized orderer, delivery point,
goods recipient

Buyer, delivery point, goods recipient





GLN – in public sector

- Each municipal, county council and authority (and their suppliers) are recommended to get their own company prefix for GLN generation. No central GLN allocation.
- City of Malmö has allocated 1150 GLNs.
- All clinic's delivery points in Kronoberg are identified with a GLN.





GLN – in swedish FMCG (retail sector)

- All major retailers (97% of volume) have implemented GLN
- GLN is used to identify all parties relevant for eCom and logistics
 - Retail stores
 - Distribution centres
 - Dock doors at distribution centres
 - Finance departments
 - ERP systems
 - EDI systems
 - Datapools
 - Suppliers
 - Logistics providers



GLN – in swedish Transport & Logistics

- Wide use of GLN to identify delivery points and warehouses
- Example: Bring Frigoscandia
 - Offer services as 3rd party logistics provider and transport company.
 - All
 - delivery points
 - customers for storage services
 - relevant parts of Bring Frigoscandiaare identified with GLNs
 - Bring Frigoscandia is IKEA's logistics provider for all Swedish foods worldwide
 - All IKEA delivery points (stores) are identified with GLN





GLN – other examples

- Nordea (largest bank in Scandinavia)
- Scandinavian Airlines, SAS
- Swedish National Government Employee Pensions Board
- Swedish Public Employment Service





GS1

- GS1 serves more than 145 countries from 109 GS1 national member organisations
- GS1 is a leading global organisation dedicated to the design and implementation of global standards and solutions to improve the efficiency and visibility of supply and demand chains globally and across sectors.
- The GS1 system of standards is the most widely used supply chain standards system in the world.
- GS1 is a fully integrated global organisation with over 30 years experience in global standards.
- GS1 offers a range of products, services and solutions to fundamentally improve efficiency and visibility of supply and demand chains.
- GS1 operates in multiple sectors and industries.
- GS1 is a not-for-profit organisation



GS1 in Europe

- GS1 in Europe is a collaboration of 44 GS1 member organisations
- To lead the creation and implementation of harmonised, user-driven solutions for improving the supply and demand chain in Europe. These solutions will be based on GS1 standards.





GS1 in Europe

GS1 Armenia, GS1 Austria, GS1 Azerbaijan, GS1 Belarus,
GS1 Belgium & Luxembourg, GS1 Bosnia-Herzegovina,
GS1 Bulgaria, GS1 Croatia, GS1 Cyprus,
GS1 Czech Republic, GS1 Denmark, GS1 Estonia,
GS1 Finland, GS1 France, GS1 Georgia, GS1 Germany
GS1 Greece, GS1 Hungary, GS1 Iceland, GS1 Ireland
GS1 Israel, GS1 Italy, GS1 Kazakstan, GS1 Kyrgyztan
GS1 Latvia, GS1 Lithuania, GS1 Macedonia, GS1 Moldova
GS1 Netherlands, GS1 Norway, GS1 Poland, GS1 Portugal,
GS1 Romania, GS1 Russia, GS1 Serbia and Montenegro, **GS1 Slovakia**
GS1 Slovenia, GS1 South Africa, GS1 Spain, GS1 Sweden, GS1 Switzerland,
GS1 UK, GS1 Ukraine, GS1 Usbekistan





The role of GS1 in Europe

- Coordinate a single implementation of GS1 standards for the European Market.
- Work with users and MOs to ensure that European requirements are properly reflected in the development of GS1 standards.
- Maximise the adoption of GS1 standards and solutions in existing industry sectors.
- **Implement and promote pan-European GS1 solutions to new industry sectors, such as public sector.**
- **Promote the aims and objectives of GS1 to European institutions and industry bodies.**
- **Raise EU Funding for developing cross European projects.**
- Coordination of inputs in European industry bodies.
- Work together to develop common solutions to accelerate the adoption of GS1 standards across Europe.
- Seek to remove divergences in the deployment of GS1 standards across Europe.
- Coordination of inputs in GS1, EPCglobal and GDSN governance bodies.
- **Work together to organize training on implementation of GS1 standards in Europe.**
- Support of Member Organizations in European matters.



Standardization of electronic commerce

- GS1 eCom solutions is based on UN/CEFACT standards
 - EANCOM UN/EDIFACT
 - GS1 XML based on UN/CEFACT XML rules - new developed format
- During Q1 2009 the UN/CEFACT will publish XML standards for the processes of ordering, delivering and invoicing.
- GS1 will immediately converge GS1 XML to UN/CEFACT XML standard



Thank you for your attention!





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