

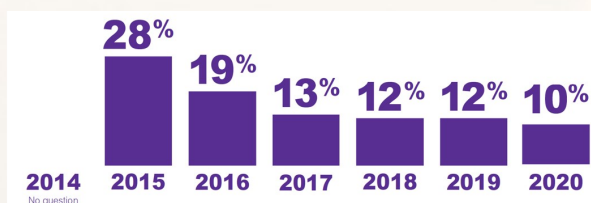
## Drop and Drive Workgroup 2021

‘Developing a Sustainable Alternative’

*Membership is by invitation only and is strictly for suppliers to the Grocery retailers*



GCA Survey  
Drop & Drive  
Complaints



## Objectives

1. We represent over 20 suppliers selling circa £5bn p.a. of chilled goods to UK consumers
2. Collectively our suppliers deliver appx.1bn cases to the Top 10 retailers
3. The current Drop and Drive process affects all chilled suppliers by deducting payments for unsubstantiated claims of 'undelivered' product – valued at £15m for the group in Nov 2014
4. We will continue the campaign, with the full support of the GCA, to change the current process to a more sustainable, equitable and cost-effective one for both retailer and supplier

### After five years of committed campaigning the workgroup has achieved:

- Total claims reduced by 90% vs 2014, recovering c.£13m p.a. for members
- Tesco - full implementation of their revised systems and processes, now achieving comparable levels of receipting accuracy, without the need for GFR
- 7 of the top 10 retailers now engaging with GFR
- Over £2 million of outstanding debt recovered from retailers due to historical claims disputes
- Collaborative workshops with Tesco and ASDA to continue to develop supply chain initiatives
- Awarded finalists' in 2 award categories 2020 – Supply Chain Excellence and the CILT
- Endorsements from the Grocery Code Adjudicator and major retailers

Membership is not open to consultants, retailers or service providers and is by invitation only.

Members are encouraged to recommend like-minded professionals and expected to participate actively in the group activities which include:

- \* **Up to 4 core meetings in 2021**—currently virtual via Teams platform, typically held quarterly in February, May, July and October, plus additional best practice sub workgroups.
  - Reviewing progress across the retailers and sharing best practice on how to reduce errors, reduce claims deducted and gathering the data that maintains the pressure on retail reform.
  - Opportunities to join best practice sub workgroups
    - ⇒ Product Differentiation Best Practice
    - ⇒ Good Received Not Invoiced Best Practice
    - ⇒ Returns Best Practice

**BECOME A MEMBER OF DROP AND DRIVE WORKGROUP 2021**

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## Workgroup Meeting Guidelines

- \* A formal agenda is prepared and distributed for all meetings
- \* The Drop and Drive Claims Workgroup operates on networking principles:
  - All information shared on the day remains non-attributable
  - No commercially sensitive information is to be shared
  - Surveys and questionnaires are run anonymously to retain the confidentiality of contributors
  - Presentations / survey results will only be circulated to attendees and / or contributors
  - No formal minutes will be taken (To ensure compliance with Competition Law requirements, members are invited to take minutes. A legally approved instruction is read out at each meeting to re-affirm these standards)

This meeting will be conducted in accordance with UK/EU competition laws. Accordingly you are reminded that you must not discuss any information which is confidential to your company and/or which is likely to affect the commercial strategy or activities of your company. You are in the best position to judge what is, and what is not, commercially sensitive or confidential and so responsibility lies with you in the first place.

By way of example, you must not discuss, communicate or exchange any commercially sensitive information, including non-public information relating to your company's prices, marketing and advertising strategy, costs and revenues, trading terms and conditions with third parties, including purchasing strategy, terms of supply, trade programmes or distribution strategy. This applies not only to discussions during the meeting but also to informal discussions before,

## Meeting Format

Events	Claims Data Reports	Retailer Workshops
<ul style="list-style-type: none"><li>• Minimum of 4 full member reviews</li><li>• Member / Culina hosts (currently online)</li><li>• Retailer workgroup updates on claims process changes and progress</li><li>• Strategic review for next steps</li><li>• PM: Best practice to reduce errors, recover more claim payment deductions and eliminate non-value-add activity</li></ul>	<ul style="list-style-type: none"><li>• Group-wide reporting on claims deducted as % of volume, by retailer (as supplied by participants)</li><li>• Trend and change analysis, with commentary</li><li>• Drop and Drive Claims updates for GCA</li><li>• Best practice targets for similar companies</li><li>• Quarterly reports on trends by retailer for each participant (Gold)</li></ul>	<p>Currently online due to Covid-19</p> <ul style="list-style-type: none"><li>• Retailer / supplier</li><li>• workshops to change the retailer receipting and claims processes to significantly reduce deductions</li><li>• Agree retailer change programmes at Director level without jeopardising supplier relationships</li><li>• Deliver retailer specific change to achieve Group objectives</li></ul>

### Best Practice Guidance

Access to our online knowledge bank and best practice groups via Teams portal for all Gold members with information updated on a regular basis

- \* Retailer / supplier workshops to change the retailer receipting and claims processes to significantly reduce deductions
- \* Agree retailer change programmes at Director level without jeopardising supplier relationships
- \* Deliver retailer specific change to achieve group objectives

**Membership Fee Structure** £rates shown for 2021 Membership. Apply for renewal payment by 31 Dec 2020. Meeting capacities will be limited, Gold members take priority up to 2 persons places

<b>BENEFITS</b>	<b>BRONZE</b> Free	<b>SILVER</b> £ 2000 p/a	<b>GOLD</b> £3000 p/a
<b>Events:</b>			
Group Reviews: Progress, strategy and best practice update	X	✓	✓
Retailer workshops (targeting specific retailer process change)	X	X	✓ selected participation only
<b>Event Attendance:</b>	X	X	✓
Multiple User	No attendance	Up to 2 per company	Up to 2 per company
<b>Claims Data Reporting:</b>			
Submit data	✓	✓	✓
Reported claims results (collective Group results and retailer trends)	X	Group reports	Group reports and individual company trends (quarterly)
<b>Blog &amp; Member Questions:</b>			
Circulate questions to help tackle issues	X	✓	✓
<b>Best Practice:</b>			
<b>D'n'D best practice scorecard</b> (on-site evaluation by SSC experts)	£1,500	£750	£750
Access to online Knowledge Bank	X	X	✓



## Drop and Drive Workgroup 2021 Programme

Survey feedback has shaped the following programme:

GCA Reviews	DnD Quarterly Reviews	DnD Retailer Workshops	Comments
GCA Retailer reviews - Jan	Data update Dec <b>Feb 10th</b>	Ongoing workshops with Tesco and Asda for GFR improvements and development of supplier best practice standards incl:	We are as keen as retailers to meet on site to explore the options practically—however due to government guidelines on Covid-19, venues will be confirmed in line with regulations and 2021 government updates.
<b>DnD Quarterly Review</b>			
GCA Survey Closes - Mar			
GCA Retailer reviews - Apr	Data update April <b>May 12th</b>	<ul style="list-style-type: none"> <li>• Returns</li> <li>• GRNI</li> <li>• Product Differentiation</li> </ul>	In the meantime we will be holding virtual meetings to maintain the momentum on these workshop streams
<b>DnD Quarterly Review</b>			
Data Review for GCA			
GCA Retailer reviews - June			
GCA Annual Conference June		Additional workshops anticipated with:	
<b>DnD Quarterly Review</b>		<ul style="list-style-type: none"> <li>• Sainsbury's</li> <li>• Morrisons</li> <li>• COOP</li> <li>• M&amp;S</li> </ul>	
Data Review for GCA	Data update June <b>July 14th</b>		
GCA Retailer reviews - Sept			
<b>DnD Quarterly Review And Dinner</b>	Data update September <b>October 20th</b>		

## **BECOME A MEMBER OF DROP AND DRIVE WORKGROUP 2021**

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Thank you for your continued support and  
looking forward to a productive year

**Jonathan Kittow**

**Simply Supply Chain**

