



16 June 2010

Dear Supplier,

Last November we talked to you about the changes that the Business Foundation Programme (BFP) will bring. This first phase of this mainly focuses on moving all our master data to SAP and is currently live in some of our Food Categories. We also updated you on our progress and plans to exploit our investment in RFID technology. This letter is to outline the key changes required going forward within the BFP rollout and to complete the implementation of RFID.

To enable us to improve the accuracy of our ordering and payment processes we will introduce the use of Electronic Data Interchange (EDI) for the following documents for ALL Suppliers.

- Contracts – Specifying a buy quantity for seasonal/long life products
- Purchase Orders (PO) for ALL products (includes all amendments to an existing PO)
- Proof of Delivery
- Invoices
- Invoice acknowledgements
- Debit and Credit adjustments

**The implementation of EDI will become compulsory for ALL suppliers from August 2010.**

Over the last 5 years we have also progressed the implementation of RFID with our cold chain supplier base to cover over 95% of our weekly tray volume. With the implementation of BFP and EDI we now also require the complete implementation with all suppliers for all tray volume of Pick Accuracy Verification (PAV) and Electronic Delivery Notes (EDN) - (65% is already covered)

This will enable the automated exchange of data by vehicle to our Depots and include transfer of your PO detail back to Depot to receipt against. It will also ensure inbound accuracy and offer efficiency opportunities across the end to end supply chain:

- Quicker receiving with no manual keying of data and associated errors
- Unique RFID tray ID making the query process more effective.
- Improved supplier accuracy leading to improved availability and reduced waste
- A number of suppliers have experienced payback within 6 months and have also integrated the change to support their own in house systems and manufacturing operations.
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**The implementation of PAV / EDN will become compulsory for TRAYS from September 2010.**

The attached pack outlines the changes in more detail and we will contact you in the near future with your 'on-boarding' questionnaires. Should you have any further questions on EDI please contact us via [food2020change@marks-and-spencer.com](mailto:food2020change@marks-and-spencer.com) and for PAV / EDN questions via [alistair.hill@marks-and-spencer.com](mailto:alistair.hill@marks-and-spencer.com)

**Jim Waller**  
**Commercial Director - Eat Out of Home & Groceries**