



Executive Q&A

with Russ Mann, Vice President of Finance, Topco Associates, LLC and a Member of the GS1 US Retail Grocery Initiative Executive Leadership Committee.



Q. How has your participation in the GS1 US Retail Grocery Initiative helped your organization?

A. Participation in the GS1 US Retail Grocery Initiative Executive Leadership Committee (ELC) has provided Topco an early look into the issues facing the industry and how other leading companies are approaching those issues. Our participation has forced us to consider the impact of evolving legislation, industry initiatives, and data governance on our business so we can meet the needs of our member-owners.

Q. What are some key efforts within your company related to product data management, data quality and completeness that directly impact Topco's business operations?

A. We manage over 50,000 retail SKUs, sourced from nearly 2,000 unique manufacturers. We are always looking for ways to extend the value of our investments in standards, like the UPC, to help drive efficiency and clarity from "farm to fork." Partnering with others in industry and GS1 US on implementing standards that simplify the technology investment necessary to do business in a high-volume, low margin industry like retail grocery, has been productive for our business. We see the participation with Verified by GS1 as one way to re-focus the industry on the completeness and accuracy of essential product data elements and as a way of enforcing Global Trade Item Number (GTIN) allocation rules. As more and more industry leaders participate in these initiatives, we believe the systems and processes of our industry will evolve to adopt and take advantage of the improved data. Then, as adoption grows, adherence to the standard will naturally follow.

Q. What are some key efforts within your company related to product data management, data quality, and rich product information that directly impact consumer satisfaction and their experience?

A. In order to connect with the shopper, we committed very early on to the transparency offered through SmartLabel™, and have piloted several traceability initiatives, including consumer-ready traceability for proteins, specifically for our seafood products. We addressed the consumer-focused bioengineering disclosures with "digital disclosure" and partnered on the GS1 US-led Food Safety Modernization Act (FSMA) 204* workgroup to ensure we utilized existing GS1 Standards to help meet the Critical Tracking Event (CTE) and Key Data Element (KDE) requirements of the proposed FSMA 204 rule.

Q. How do you think your trading partner network will be impacted by increased regulation, such as the FSMA traceability rules or the New Era of Smarter Food Safety Blueprint issued by the FDA?

A. Some of our suppliers are ready for the transition, and others will struggle. As we source products of varying input complexity, the ability to track and share the traceability data of all ingredients can be a daunting task. As an industry we will need to evolve our data requirements, including both master data and transactional data. At the same time, we will need to enhance the design of our transactional systems, in order to capture and share the data required to meet the regulations and ultimately build and maintain trust with our customers. We are currently working with 80 suppliers to create case and pallet level license plates that support the exchange of carrier data, source location, and product harvest date and/or pack date via the American Society of Nutrition (ASN).

Q. What quantifiable benefits have you seen as a result of leveraging GS1 Standards in your operations?

A. Operationally, we could not transact business without GS1 Global Trade Item Numbers—the item allocation standards that are generally accepted across the industry. Renewed focus on using these unique identifiers allows Topco to deliver a consistent way for retail POS systems to function efficiently in stores. In addition, we’ve been able to automate portions of our internal item set-up and data maintenance because of the rules that are in place. We have made those rules the norm across our trading partners and can rely on them as we set processes and systems to execute in more and more efficient ways.

Q. What are some steps that companies in the retail grocery industry take to ensure they are well-equipped to handle digital transformation?

A. The best companies follow the basics of unique identification and data accuracy. We all need to commit to good data governance because good data governance creates efficiencies. Systems have a challenging time automating processes and procedures if the data elements are not accurate, complete, and fit for purpose. The complexity involved to operationalize the capture of critical tracking events (CTEs) in the grocery industry is severe, but as an industry, we will need push industry to share data to support this digital transformation.

Q. Talk about how you navigate the unique space as a distributor/ cooperative with private brands.

A. We operate across every category in the store. Our processes need to address the unique requirements of pharmacy, fresh meat, produce & floral, as well as branded products (both food and non-food). From a data perspective, completeness means different things depending on which category is being sourced and sold. As the granularity of data and clarity of the standards grow, we find the harmonization of the data across partners requires ongoing verification that is likely less complex when a brand owns their production facilities. This creates a greater value for industry standards that sets common expectations for all business partners.

Q. What are some best practices to improve efficiencies?

Broadening the common understanding the differences between “specification” data and “transactional” data will be key to determining where and when to capture certain information and who is responsible for ensuring its accuracy. Also, implementing audits of our data (physical inspection and label reconciliations) is a best practice that more of us should perform. Finally, we need to think about what information will help us build trust with the consumers and users. If we focus on that, we can stay ahead of regulation and grow our respective businesses in sustainable ways.

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*For information about the act, see <https://www.fda.gov/food/food-safety-modernization-act-fsma/fsma-proposed-rule-food-traceability>

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