



Transition Period – Workshop

4 July 2023

Summary

During the workshop, the collaboration and participation of producers and retailers was essential to understand the main challenges that all stakeholders will face during the transition period and to identify the appropriate solutions so that everyone can meet their needs and expectations and have a successful introduction of the Scheme in Ireland. 41 participants took part in the Workshop.

Key Transition Matters to Address

1. Communication is the key to a successful transition period, a two-way path that must be planned, executed and monitored. Re-Turn is available to assist through this period and facilitate further meetings that will help plan for the transition period. The involvement, in particular, of small retailers and producers needs a greater level of communications through the supply chain to understand the transition period.
2. One of the main challenges in the weeks leading up to "going live" is managing the inventory of two different barcodes (non-DRS stock and DRS products) at the same time between producers, warehouses and retailers. This requires strategic alignment between retailers and producers and early engagement and collaboration to manage inventory forecasting.
3. Managing the barcoding of DRS and non-DRS products at the cash register, which requires staff training, computer system changes to identify DRS products, visual identification on shelves, at the cash register, labeling, etc., and consumer education.

4. The management of the international barcode for producers and retailers, and the changing the international barcode to a national barcode and the re-labelling with the Re-Turn logo.

Communications

When it comes to working together in preparation for and during the transition period, producers and retailers have decided that:

1. Clear communication, collaboration and engagement with each other would help to implement regular stock checks to track the evolution of the transition period and understand each other's limitations and challenges.
2. In addition, they can share best practices applied, such as training and support of staff.

Practical Steps

The participants agreed that the practical steps a producer and retailer (including wholesalers) need to take to prepare for the transition are:

1. Agree a schedule with producers to deliver the DRS product to stores early on 1 January 2024;
2. Clarify product identification - from the old to the new SKU in transition;
3. Communicate the stock forecast and stock rotation system to producers and retailers;
4. Test IT and invoicing changes at an early stage;
5. Analyse other markets to see how they have managed stock models;
6. Train staff from producers, supply chain, retailers and IT;
7. Manage the old non DRS stock and the new DRS stock during the transition period. Some solutions were identified such as:
 - a. Forecasting and planning the supply of stock - according to demand,
 - b. Differentiation of stock on the shelves (Visual and Labelling - warn which are the DRS products,)
 - c. Till (pop-up message for DRS products) and warehouse
 - d. Marking of pallets with different logo or casing
 - e. Clear differentiation of SKU's (stock-keeping unit)
 - f. Knowledge of the sales of each SKU

g. Sale of non-DRS stock to other markets

8. International Barcode Management

- a. Clear gap in supply to allow selling through DRS
- b. Differentiation between international barcode, stock with and without logo and visual frame/colour
- c. Manage the transition through batch tracking
- d. Change the international barcode to national barcode
- e. Re-label where possible
- f. Sell stock without logo outside of ROI.

For June 2024

Producers and retailers suggested aligning the effort to ensure that, as of 1 June 2024, only DRS-compliant stock is on sale at the retailer level by implementing the following solutions:

- 1. Communications with producers on stock control - from early stage, seasonal in-store liquidation section;
- 2. Good stock forecasting and planning, including stock transfers/distribution between stores, tactical use of promotions to liquidate stock, comprehensive communications understood by retailer, producer and consumer and;
- 3. Governance and education for smaller retailer - understanding of compliance with the scheme.

All of these solutions will help minimize any potential negative impact of the transition period, including fraud, stock write off and financial risk to Re-Turn and cost challenges for all stakeholders.

Conclusion

Managing a successful Transition Period depends on the collaboration and partnership approach of everyone involved in the DRS scheme.

Re-Turn will continue to facilitate further communications between all stakeholders to create a plan and work together, ensuring a cohesive and successful transition period.