



Belgium & Luxembourg

**Introduction
to the harmonized
Order to Cash (O2C) messages**



Content

1. What are the harmonized Order to Cash (O2C) messages?	4
2. How are these guidelines different from other MIGs?	5
3. Which principles to take into account?	6
4. How to use this documentation?	8

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1.0	July 2014	- Making document available
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1. What are the harmonized Order to Cash (O2C) messages?

Order to Cash (hereafter O2C) is the concept of electronically covering the orders, despatch advices and invoices (via EDI), and linking the documents to one another (as opposed to doing business transactions on paper or via traditional means such as phone, fax or mail).

What? The harmonized O2C message guidelines (this documentation) guarantee a **uniform implementation** of the EANCOM® 2002 order, despatch advice and invoice (hereafter ORDERS, DESADV and INVOIC) in the Belgian Luxembourgish retail sector. The guidelines describe for each message type (ORDERS, DESADV & INVOIC) which information elements to use, and when & how to use them.

Why? The harmonization initiative was launched at the start of 2013 on request of small and medium companies (hereafter SMEs), asking GS1 Belgium & Luxembourg to turn EDI into a profit center for SMEs (rather than a cost center). With this initiative GS1 Belgilux wants to enable SMEs, who have multiple Belgian Luxembourgish trade partners, to migrate from webEDI to full/integrated EDI whilst enjoying a positive ROI.

When? Carrefour Belgium, Colruyt, Delhaize, Deli XL and Makro Cash & Carry Belgium have agreed to be ready with the developments of the harmonized O2C messages **by 1/1/2016**. Everybody (else) is welcome to participate.

Who (scope)? The O2C ORDERS, DESADV & INVOIC are suitable for any company in Belgium or Luxembourg, irrespective of its role (supplier / customer / logistic service provider / ...) or sector (Fast Moving Consumer Goods / Food service / DIY & garden / ...). The more companies using these (same) guidelines, the bigger the economies and scale advantages for the users.



2. How are these guidelines different from other MIGs?

The harmonized O2C message guidelines were assembled together with and for retailers and suppliers from the Belgian Luxembourgish Fast Moving Consumer Goods sector, which form together the '**GS1 Belgilux eCom Committee**'.¹

<> GS1 EANCOM® 2002 (aka D.01B)

The harmonized guidelines are fully **compliant** to the GS1 EANCOM® 2002 recommendations but they are much more **refined** in terms of when and how to use the segments and code values.

<> *GS1 Belgilux IDEAL messages (2004)*

The harmonized guidelines **replace** the former GS1 Belgilux IDEAL messages (issued in 2004). The IDEAL messages were the first attempt towards a harmonized way of working, but these got overruled back then by retailer specific message implementation guidelines (MIGs) requiring separate development efforts.

<> *GS1 Netherlands Levensmiddelen MIG (and MIGs from neighbouring GS1 MO's)*

Although the GS1 Netherlands Levensmiddelen MIG is a perfect example of what a harmonized sectorwide implementation looks like, and harmonization attempts were made whenever possible, it was not possible to fully merge with/take over the GS1 Netherlands guidelines (or any other national MIG) for several reasons:

- 1) national legal requirements (cf. Belgian requirements in the INVOIC)
- 2) recent international GS1 recommendations overruling national initiatives (such as the identification of RTI in the DESADV & INVOIC)
- 3) or simply because of specific needs of the Belgilux FMCG sector that were not explicitly specified in other MIGs (e.g. transshipment order).

The harmonized O2C messages in summary:

- **One harmonized message content** to be implemented exactly the same way by every party in Belgium & Luxembourg.
- **Clear refined guidelines** for every thinkable scenario (e.g. in the invoice for 'payment discount', 'charging returnable pallets and consumer empties', 'invoicing variable weight products', 'correcting price errors' and many more).
- **Internationally compliant** (International codes and methods have replaced the former national ones e.g. for invoicing RTI. Except of course for the EBL001 code list to refer to Belgian articles for VAT exemption and BelgiLux taxes)
- **Legally valid invoice documentation** (Validation check together with the Belgian VAT administration).

¹ Companies who want to join the eCom Committee, can contact eCom.Support@gs1belu.org.

3. Which principles to take into account?

Preparation

EDI messages/transactions can only be processed optimally by both business partners if certain preparations have been taken care of before starting EDI.

- **Uniquely identify** trade items (through GTIN), locations (GLN) and logistic units (SSCC).
- Ensure that all trade items within their **product hierarchy** are uniquely identified by GTIN. **Keep out internal** company attributes; the GTIN (Global Trade Item Number) is the main line identifier.
- **Synchronize your master data** with your business partners; It is up to the supplier/manufacturer, who is the party in charge of the product hierarchy, to clearly inform his/her customer which occurrences (units, formats) of a product can be ordered.

1 ORDERS <> 1 DESADV <> 1 INVOIC

- An ORDERS message is placed for **1 delivery in 1 location at 1 time**.
- 1 ORDERS message should generate 1 DESADV message, which in turn generates 1 INVOIC. The only exception to the **1-1-1** recommendation are voluminous ORDERS that require 'n' trucks, and thus 'n' DESADV and 'n' INVOIC.

Order to Cash principles to ensure the matching of messages

- **Refer to the preceding EDI message**. (E.g. a DESADV is to refer to the EDI order message).
- Take over the **same GTIN** in the DESADV & INVOIC to allow the matching of article lines.
- Ideally take over the **same GLN** for the parties (E.g. the same GLN in NAD+SU for the ORDERS, DESADV and INVOIC).

Order standard and variable (weight) products

- It is recommended to order in '**trade units**' (rather than consumer units).
- When a product's quantity can **only be expressed in kg/l/m** (via the MEA segment) OR **its exact amount is not known in advance** because its true weight is to be invoiced, the product will always be identified with a **GTIN-14 starting with 9**. (It cannot be identified with a GTIN-13).



Example: cheese wheels ordered in different formats and invoiced in **its true weight** (e.g. ½ wheel, ¼ wheel).

- Any other product (or a product for which a **fixed weight is commercially agreed**) is considered a standard product and can be defined by a **GTIN-8** (for smaller items only), a **GTIN-13**, or a **GTIN-14** (for outer packaging only).

Note: GS1 recommends to allocate the same GTIN to the product expressed in pieces, as to the product expressed in kg/l/m.

Example: A cheese wheel for which it was agreed to order and deliver in pieces but to invoice based on an **agreed fixed weight**, should be identified with a GTIN-13.

Example 2: a crate of tomatoes for which a fixed weight is commercially agreed.

- For more GTIN related issues, check the O2C ORDERS examples 'what if'.

4. How to use this documentation?

The harmonized O2C message guidelines consist of the following documents:

1. The “**Introduction to the harmonized O2C messages**” (this document) provides background information on the why, what and who is concerned.
2. The “**O2C ORDERS**” consists of the Message Implementation Guideline (explaining the syntax rules and the use of the information elements) and the message examples (for illustrative purposes).
3. The “**O2C DESADV**” consists of the Message Implementation Guideline and the message examples (for illustrative purposes).
4. The “**O2C INVOIC**” consists of an introduction explaining the (VAT) calculation rules that apply in the invoice, the Message Implementation Guideline, the Mapping rules RD1 Art.5 explaining the legal requirements, the EBL001 code list providing the national codes for exemptions of VAT as well as the codes for environmental related taxes, and message examples (for illustrative purposes).
5. The “**O2C Retailer addendum**” provides additional information about the use of the messages. It explains e.g. the reasons why a message may be rejected by retailers, or how certain information shall be processed by the retailers.

About the ‘GS1 BeNeLux RTI list’

<http://www.gs1belu.org/nl/identificatie-logistieke-dragers>

<http://www.gs1belu.org/fr/identification-des-support-logistiques>

What? The harmonized O2C message guidelines allow companies to specify in e.g. the DESADV which asset types are used for delivery (e.g. CHEP block pallet 1200x1000 m) by mentioning their identification code (the so-called ‘nGRAI’, non-serialized Global Returnable Asset Identifier).



The GS1 BeNeLux RTI list identifies for each asset type the nGRAI.

Why? Before, companies sometimes had several identification codes to manage for one single asset type (meaning a different code per customer). With the ‘GS1 BeNeLux RTI list’ data management is simplified and harmonized.

Who (scope)? The use of the list is acknowledged in BeNeLux retail but in fact every company worldwide can use the GS1 BeNeLux RTI list because the nGRAI of each asset type is the official (global) identification code that was allocated by the owner of the asset type. Efforts are made to set foot in Europe with the list.