

# Electronic Product Cost Information Project Charter

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## Background

As the Crop Protection (CP), Turf & Ornamental, and Seed industries are realizing a more complex and dynamic market, the distributors are noticing that costs and related information in the past couple years has more cost releases throughout the season instead of just once a year. This creates more data entry for the distributors and channel. In addition, there is more diversity in costs and terms that makes it difficult for the channel to keep things consistent and accurate within their system. Because of the diversity, interpreting then having someone key in that interpretation into the channel's business applications can create higher risk for errors.

## Business Issue:

Costs and product information are changing frequently. There isn't any industry consistent product cost format and the buyers (distributors) are forced to manually key into their own business applications to load the product prices, which create duplication of efforts, prone to errors, errors in downstream costs, related information, reconciliation errors and frustrations.

## Objectives

- To have a business process where the seller transmits electronically their product related information to the buyers in a standardized XML format so that the buyers and sellers product related information within their business application systems would be synchronized with minimal manual intervention.

## Scope

### In Scope

- The Ag eStandard XML Electronic Price Sheet (message name)

- Standardize the data format for product cost, product attributes (such as minimum quantities, packaging configuration, pallet size, etc), effective dates, geography, terms and conditions (only the format of how the data will be presented, NOT the actual data)
- Utilization of the AGIIS product identifier (GTIN/Reporting ID), and entity identifier – consensus of which AGIIS identifiers will be used
- Replacing the manual process of receiving and entering product information
- Review the product data stored in AGIIS to determine if any enhancements might be needed (such as any delivery mechanisms).
- ebMS 2.0 and web services as options for transmission
- Participants may transmit product cost information from multiple segments
- A two phased project approach:
  - Phase 1 – to include requirement gathering, schema review, gap analysis, AGIIS review for enhancement; determine path forward for implementation
  - Phase 2 – implement message

#### Out of Scope

- How marketing programs are implemented or any details of marketing programs between manufacturers and their customers– THESE ITEMS WILL NOT BE DISCUSSED
- Rebate or subsequent marketing payments
- Calculations of the discounts and taxes (items such as mil tax or other regulatory charges) that are on the invoice

### **Deliverables**

#### The deliverables for the project

- Review of the current XML Price Sheet schema to determine any gaps and make any recommended changes for the gaps.
- Review the AGIIS product databases and determine any gaps and make any recommendations for enhancements
- Trading partner participants would electronically connect and either transmits or receive the XML Electronic Price Sheet
- Trading partners provide benefits/value from using the Electronic Price Sheet for the Product Cost Information
- Determine messaging protocols that will be used in this project

### **Timing**

- Complete the commitment letter and sent out by August 15, 2009 with a deadline for that to be received back by September 15, 2009
- Kick-off meeting sometime in October 2009
- Phase 1 completed by Jan 1, 2010
- Phase 2 commitment letter to be completed by Dec 1, 2009 with deadline for that to be received by Jan 15, 2010
- Phase 2 implementation would start Feb 2010

- Phase 2 completed by Aug 2010 (depending on the number of participants)

### **Project resources:**

- Both phases would need a project coordinator for collaboration and to address issues, especially to adhere to the Anti-trust guidelines.
- Typical conference calling capability, project repository for documents, etc.

### **Project leader**

#### Project Leader's Name/Company (if known)

TBD – Marilyn Hunter is preferred (if available)

#### Estimated required time commitment

20 – 25% of a PC time – depending on the number of participants

#### Estimated travel requirements

Depends on if there are any face-to-face meetings other than kick off meeting (new XML users internal kick off meetings)

#### Knowledge & skills

- Able to monitor and enforce anti-trust guidelines – this project will have a “high profile” for outsiders as a possible anti-trust concern.
- Understands the Ag eStandards schemas – to help determine what the elements mean and how they're used.
- Familiar with the mapping tools
- Good discussion leader/facilitator
- Good task master – keeping people on task – getting decisions made and assigning “to do items”
- Familiarity with price sheets
- Good meeting organizer and meeting minutes taker
- Someone willing to work with those that are having difficulties with others of internal issues

#### Other Considerations

This project will need to be monitored and documented fully because of “perceived anti-trust concerns”.

### **Project team members**

#### Number of participants required and description

The governing board will determine if the critical mass has been reached after the commitment letters are received, depending on the trading partner participation (mix and cross section). Target for the project:

- Minimum of 10 participants with at least 3 manufacturers and 3 distributors – no maximum limitation for Phase 1
- Minimum of 9 participants with at least 4 manufacturers and 5 distributors – no maximum limitation for phase 2
- Allied Providers and/or retailers may participate

Each participant will need to provide a business and technical person to represent their company. This may be one in the same, but also may have multiples of each. If it is a single person they must be knowledgeable on both the technical and business side.

#### Estimated required time commitment

4 hours – 20 hours per week for roughly 16 – 25 weeks for most companies. The internal resourcing will vary between each company and the number of conflicting/competing projects will have impact on the length of time.

#### Estimated travel requirements

Travel expenses are to be paid by the team member's employer.

Anticipate one kick-off meeting that would be face-to-face, and meet at both the summer and Annual conference.

Some manufacturers may choose to visit customer locations to start project.

#### Knowledge & skills

- Technical person – will need strong understanding of the business application and system infrastructure.
- Business person – will need strong understanding of the business process for product & cost information alignment and marketing programs.
- Someone in each participant need to have an understanding of the AGIIS product directory and how the information is imported, updated and extracted.

#### Other Considerations

- Having senior management support within each participating company is a high priority.

#### Estimated Costs

All projects costs will be borne by the project participants. Determination of how the cost will be paid will be determined prior to the commitment letter going out (what

category of companies will pay what percentage). Estimated costs for this compressed project (6-7 months) with 4-12 participants and a conservative contingency fund will range roughly \$75K - \$100K. Changes in the scope, length or size of the project will impact this estimated cost.