

Navistar, Inc. Quick Receive Guideline

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Preface

This document explains the requirements of Navistar's use of the Quick Receive Guideline and process. Please take careful note of the subtle differences between Navistar's Engine and Truck divisions' use of the labels.

The combination of a Quick Receive Label and the ASN provides significant benefit reduction of redundant activity performed in the Receiving process.

1.0 Introduction

Bar Code applications Standards were developed by AIAG to facilitate improved efficiencies in the management of single container and pallet containment on behalf of the automotive and truck industries by eliminating discrete level data-entry.

Navistar has recognized the need to further reduce costs by facilitating our Receiving Process to utilize both the barcode labels and EDI at the shipment levels, i.e. full loads, LTL (Less than full truck loads), rail, air or any other controlled arrangement of shipping containers. This process is called "Quick Receive".

The integration of minimal barcode scanning with the ANSI ASC X12 856 Ship Notice, otherwise termed the ASN (Advance Ship Notice), will enable shipment level receipts that require little or no manual intervention. Redundant and non-value added effort to scan individual containers or systems applications inquiries to determine the presence of an ASN would be effectively eliminated.

To assist the planning and implementation of our cost efficient Receiving Process, Navistar recommends a method using data encoded in Code 39 barcode symbols along with the ASN to facilitate material receipts at the "load" level.

2.0 Definitions

ANSI The American National Standards Institute

ASC Accredited Standards Committee

ASN The EDI 856 transaction created by the supplier to provide the customer with shipment

details prior to the actual arrival of the load.

Bar Code Symbol An array of rectangular bars and spaces, which are arranged in a predetermined pattern following specific rules to represent elements of data that are referred to as characters. A

bar code symbol typically contains a leading quiet zone, start character, data

character(s), stop character, and a trailing quiet zone.

Building Block The building block is the basic unit of the label format as described in AIAG B-10 TPL.

Code 39 For the purposes of this guideline, Code 39 (also known as Code 3 of 9) shall mean the

symbols as specified by AIM Uniform Symbology Specification Code 39.

Data Identifier (DI)

A specified character string, which defines the specific data, that immediately follows as

defined by ANSI FACT-1, Data Identifier Guideline.

D-U-N-S® Data Universal Number System, assigned by Dun & Bradstreet.

Electronic Data Interchange (EDI) For the purposes of this document, EDI shall mean the computer communication of data

between trading partners.

ISA Interchange Control Header - To start and identify an interchange of one or more

functional groups and interchange-related control segments of an EDI transmission

Label A card (tag), strip of paper (with or without adhesive backing), etc. marked and attached

to an object to convey information.

Supplier Code/Vendor ID

The Navistar assigned 7-digit numeric or alphanumeric code used to identify the supplier/vendor. The Supplier Code/Vendor ID appears in the N1 Segment with the Entity Identifier Code (N101) of SF or optionally SU, from the EDI 856 transaction set.

For further information please reference the 856 Implementation Guide available at

www.navistarsupplier.com.

SID Shipment Identification

TPID Trading Partner Identification, this information is contained in the GS02 element., from

the ISA & GS Enveloping Standards. For further information please reference the ISA &

GS Enveloping Standards Guide available at www.navistarsupplier.com.

3.0 Business Process

The combination of a Quick Receive Label and the ASN provides significant benefit in reduction and or elimination of redundant activity performed in the Receiving process.

The functional activity of the typical business logistics process performed by suppliers and their customers is outlined below.

Suppliers

- Affix barcode-shipping labels on the material in accordance with Navistar's D13 Specification.
- Assign a control number to the ASN (i.e. BOL, SID).
- Develop the ASN from shipment data.
- Print your Quick Receive Label containing the Supplier Code and ASN control number and affix it to your Packing Slip (attached to document that Navistar will retain after signing for freight/delivery.)
- For smaller cartons and/or packages, such as those sent via package carriers (i.e. UPS), where each package is defined as a shipment, the Quick Receive Label can be placed directly on the carton near the "Ship-To" address.
- Transmit the ASN to Navistar for retrieval.
- Send the shipment to Navistar.

*** Special Note for Service Parts requirements: ***

For smaller cartons and/or packages, such as those sent via package carries (i.e. UPS), where each package is defined as a shipment, the Quick Receive Label must be placed on the packing slip.

Navistar

- Receive the supplier ASN from our electronic mailbox and audit for accuracy, storing the transaction data in our systems application.
- Navistar will transmit an 824 Applications Advice, where applicable.
- Receiving personnel will scan the Quick Receive Label, which processes the scanned data against the ASN data file to retrieve the ASN.
- Receiving personnel will then utilize the ASN data to physically "receive" the shipment after comparing the content of the load against the data content of the 856 Ship Notice.
- Navistar will transmit an 861 Receipt Advice where applicable.

Navistar and Supplier EDI Requirements

Documentation describing each of the EDI transactions listed below is available on Navistar's website, www.navistarsupplier.com.

Note that Navistar trades EDI transactions to specifically facilitate their unique business processes. Any questions or concerns must be directed to your EDI Coordinator supporting those transactions, or EDI Operations.

- 820 Remittance Advice
- 824 Application Advice
- 830 Material Release
- 862 Shipment Authorization where applicable
- 866 Sequence Shipment Authorization where applicable

- 856 Advance Ship Notice
- 861 Receipt Advice
- 866 Sequence Shipment Authorization where applicable
- 997 Functional Acknowledgement

Navistar Expectations of Supplier Activity

- On-time Deliveries
- Appropriate Packaging Labels
- Appropriate paperwork accompanying load
- EDI Capability and absolute compliance

4.0 Quick Receive Label

Purpose

- To uniquely identify the shipment for Navistar with the information from a bar code scan of the Quick Receive Label.
- To match a supplier's incoming material to the information contained on that supplier's ASN (856).

Quality Control

- MUST printed per the quality control parameters and procedures contained in the AIAG B-1 Symbology Standard and B-10 Trading Partner Label Guideline.
- MUST be constructed using the two "building block" design of the AIAG B-10 Trading Partner Labels Guideline (TPL) for a Quick Receive Label.
- MUST be affixed to the Packing Slip accompanying the load.
- MUST also be affixed to the Customs Invoice for export shipments.
- MUST match a Supplier's incoming material to the information contained on that supplier's ASN (856).
- MUST uniquely identify the shipment for Navistar with the information on the Quick Receive Label.
- MUST scan properly to retrieve the ASN off the Quick Receive Label (no partially printed, torn or wrinkled labels).

4.1 Two Building Blocks

Process Requirements

- Two building blocks are used, one to identify the shipment and the other to identify the supplier. (Figure 1 shows the two building blocks on a sample Quick Receive Label).
- Each building block in Figure 1 must have a title, and bar coded and human readable numbers. The maximum field length is 19 characters per building block, including the data identifiers.
- Shipment ID
 - Use the data identifier 2S (upper case only) plus the ASN number for the SID bar code symbol, and print the title "(2S) ASN SHIPMENT ID" above the bar code.
 - o Below the bar code, or adjacent to the title, print the ASN number.
 - o This must be exactly as transmitted in the BSN¹ or REF Header segment² of the ASN.³
- Vendor ID
 - Use the data identifier 13V or V (upper case only) plus the Supplier Code/Vendor ID number for the bar code symbol, and print the title "(13V) VENDOR ID" above the bar code. The Supplier Code/Vendor ID appears in the N1 Segment in the N104 element from the EDI 856 transaction set, with the Entity Identifier Code (N101) of SF or optionally SU.
 - o Below the bar code, or adjacent to the title, print the Supplier Code/Vendor ID.
- The 13V or V and 2S are data identifier characters imbedded in the bar code. The Engine Group only uses the 13V, while the Truck Group will accept either the 13V or V (shown in Figure 2).
- Optionally, print the heading "QUICK RECEIVE" at the top of the label.

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¹ Engine & Service Parts Divisions uses the BSN segment in the ASN, exclusively, to obtain the Shipment Identification (ASN Number).

² Truck Division uses the REF Header segment, with the appropriate qualifier, to obtain the Shipment Identification (ASN Number).

³ Please refer to Navistar's 856 Implementation and Business Process Guides found on <u>www.navistarsupplier.com</u> for specifics concerning the use of BSN and REF Header segments.

5.0 Quick Receive Conclusion

Available at Navistar's Internet Website

- Mandatory Documentation includes
 - Transaction specific Implementation Guidelines
 - o Transaction specific Business Process Guides
 - o D13 Supplier Packing and Shipping Standard

Available from the Automotive Industry Action Group

- Optional Documentation includes
 - o Quick Receive Guideline
 - o B10 Trading Partner Labels Guideline

6.0 Quick Receive Label Examples

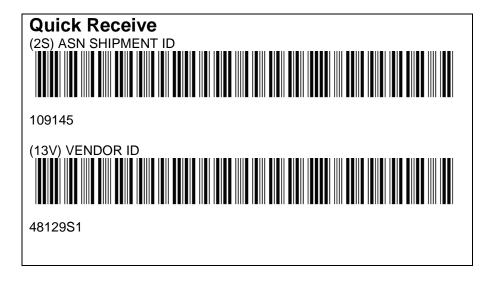


Figure 1a. – A Quick Receive Label for receiving at Engine Divisions only.

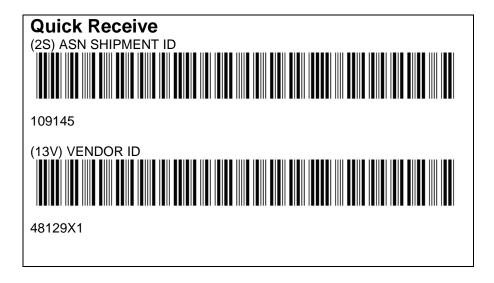


Figure 1b. – A Quick Receive Label for receiving at Truck Divisions only.

In Figure 1 above, the bar code lines contain the embedded characters of 2S with the ASN number 109145, and 13V with the Supplier Code/Vendor ID 48129X1. Despite the reference to Dun's vendor identification in the AIAG Quick Receive Guidelines, Navistar Divisions <u>cannot</u> use anything other than Navistar's assigned 7-digit Supplier Code/Vendor ID.



Figure 2 - A Quick Receive Label for receiving at Truck Division only.

In Figure 2 above, the bar code lines contain the embedded characters of 2S with the ASN number 108765, and a V with the Supplier Code/Vendor ID 48003X2. The human readable numbers are printed below the bar code lines for visual impact. This example provides an optional approach for shipments sent to the Truck Division. Engine Division cannot scan and process barcodes following the above example.



Figure 3 – A Quick Receive Label for receiving Service Parts.

In Figure 3 above, the bar code lines contain the embedded characters of 2S with the ASN number 107562, and with a V with the Supplier Code/Vendor ID 4800360. The human readable numbers are printed below the bar code lines for visual impact. The vendor code must be 7 numeric digits. A 13V embedded character is also acceptable in front of the Supplier Code/Vendor ID.