



NARTA'S GNFR PROGRAM LEVERAGED BUYING

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To : Australian Retail RFID Alliance

Introduction to NARTA



The National Associated Retail Traders of Australia (NARTA) is over 50 years old and is made up of more than 30 retailers across Australia & New Zealand

Overview

- > NARTA is a not-for-profit that is owned by its shareholding members. It's primary objective is to deliver value via **leveraged group buying**
- > It also offers **additional member support services** such as finance, data analytics/forecasting and marketing.
- > NARTA's historic scope focused solely on **"Goods For Resale"** (e.g. electronics & whitegoods).
- > 4 years ago the strategic decision was made to extend NARTA's leverage buying model to **'Goods Not For Resale'** (e.g. common operating costs)
- > To date the GNFR program has established **14 spend categories**. Numerous **affiliate members** have also joined NARTA to take advantage of the GNFR program

Shareholding Members (examples)

MYER **JB HI-FI**

DAVID JONES

Betta

BING LEE

THORN
Group Ltd

W Winning Appliances
since 1906

Affiliate Members

TJX

Glue.
STORE

GAZAL

FANTASTIC
FURNITURE

TRADE SECRET
Big brands, cheeky prices!

TOPSHOP
ESTÉE LAUDER

The NARTA GNFR Journey



NARTA's GNFR program has grown through four phases over the last four years



Benefits of leveraged buying



The success and longevity of NARTA's group buying model is due to its ability to deliver value for both buyers and preferred suppliers

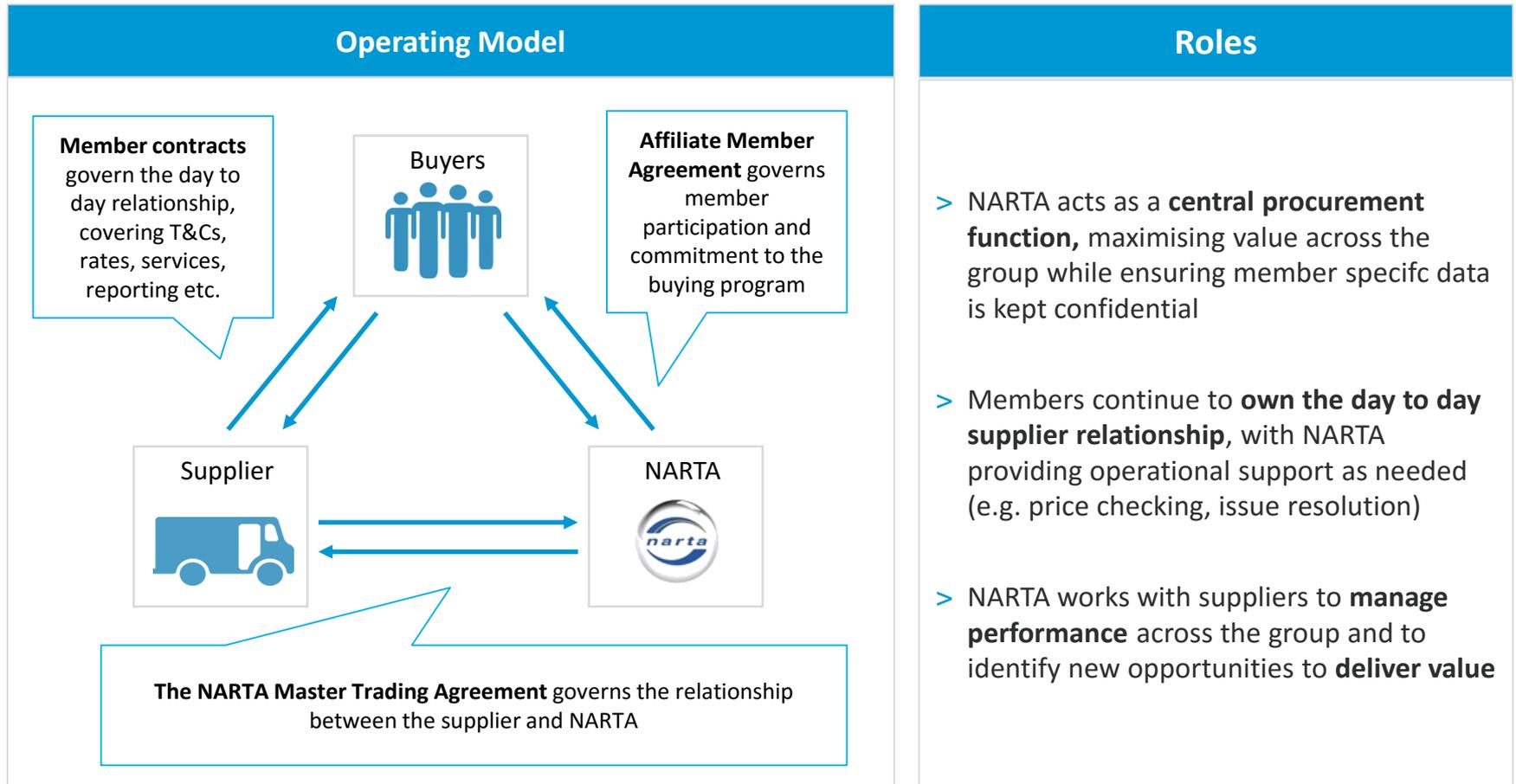
Value for Buyers 	Value for Suppliers 
Aggregated demand increases buying power resulting in improved unit pricing	Lower cost to serve through consolidation of requirements and increased economies of scale
Outsourced procurement model reduces Internal resources required to run sourcing process & manage suppliers	Access to multiple buyers under a single account reduces cost of sales
Opportunity to share learnings and best practice delivers additional value for members (e.g. spec/service changes)	Streamlined account management across the group delivers supplier efficiencies
Supplier performance can be better managed as a result of group level strategic account management	Supplier receives support from NARTA to grow business successfully over the long term





How the NARTA model works

NARTA acts as a end to end managed procurement service. Members continue to own the day to day relationships with suppliers, with NARTA providing support as required.



NARTA's Current GNFR Categories



We have successfully established long term partnerships for 13 GNFR categories, which on average have delivered cost reductions of between 10-20%

Category	Partner	Scope
Stationery	Staples	Supply and delivery of stationery items (including customer specific lines)
Packaging	JMP Holdings	Items include plastic bags, suit bags, online satchels, gift boxes etc
Catalogue Printing	Franklins	Printing of catalogue marketing material and delivery to nominated site
Catalogue Distribution	PMP	Catalogue letterbox distribution
Travel Management	CTM	Travel management services to help manage spend across the group
Airlines	Qantas / Virgin	International and domestic air travel
Car Hire	Hertz	Preferred car hire rates for various vehicle types
Hotels	Varies	Preferred hotel rates at various locations across Australia and New Zealand
Electricity	Origin	Preferred rates for both large and small sites
Waste	Suez	Pickup of general and recycled waste
Logistics	Toll	Freight forwarding, linehaul, warehousing, delivery & install, and couriers
Cash in Transit	Armaguard	Both overt and covert collection services
Gift Cards	Placard	Provision of gift and loyalty card products and services



NARTA's Procurement Methodology

The GNFR program was built on best practice procurement and sourcing processes

