Grocer

As next GCA league table looms, here's what suppliers need to look out for

By David Sables, CEO of Sentinel Management Consultants | 29 May 2019



Source: Getty

In six years, Tacon's collaborative approach has improved retailer compliance and seen millions returned direct to victim suppliers. It is not just working, it has become the envy of many other countries

On 24 June, at the Grocer Code Adjudicator's annual conference, we will see the new league table of retailer compliance.

It is based on 1,200 entries in this year's survey, and if you don't know about it, be aware your retailers take a huge interest.

I can remember writing that Christine Tacon's collaborative approach would take years to work, and calling for fines. Six years on, not only do we see it working, it is the envy of many other countries. In five years of the survey, the best-case retailer compliance scores have risen from 90% to 97%, while worst-case compliance has risen from 58% to 84%. It's a testament to the GCA's philosophy of 'encouragement vs penalty', motivating retailers to clean up their act.

As a GSCOP trainer I know the code is utterly vague. But a highlight for me is that the GCA used this vagueness to find a home for any wrongdoing in its loosely worded paragraphs. Also, Tacon has *not* fined any retailers, knowing the money would go to the Treasury. She has insisted instead that millions be returned direct to victim suppliers.

I recently asked Christine about the highs and lows of the role and she told me: "The highs are suppliers saying 'thank you'. Many people say things have changed so much for the better in five years, even though the market gets ever tougher. That's why I do the job. The low is receiving criticism for not doing what I can't do!"

This later comment refers to the fact that whilst six BEIS ministers have mostly stayed out of her way, including Jo Swinson and Anna Soubry, Defra and others have constantly pressured to extend the role down to farmers, demonstrating a complete misunderstanding of the code and its role.

A frustration for the GCA has been suppliers' reluctance to engage due to the 'climate of fear' of reprisal. Even now the office only gets about three calls a week. So, ready to try new things, the GCA's first webinar went ahead in April.

So for suppliers: go to the 24 June GCA conference and meet the retail code compliance officers, who will be staying after lunch for 10-minute sessions. Make the league table a top-to-top agenda item. The retailers' top brass are serious about it. And sign onto the next webinar, on 3 July, to get involved in the live interaction.

The league table, though, has been remarkable.

Iceland, which has been on or at the bottom, is changing its trading terms for simplicity to impact better supplier engagement and move up. Morrisons introduced a supplier charter after having its knuckles rapped to remedy its 'bottom end' reputation.

At the top, Aldi has been ahead all five years of the table. Perhaps it has an advantage with the simplicity of its business, but I know that the Aldi senior team is proud to be at the top of that list, and eagerly wait to see if they have remained. Yes, they play hard in negotiation, but they are fair in implementation – that's how it should be.

And my predictions? Aldi will indeed remain at the top of the league. Fallers will be Tesco and Coop, and the risers will include Iceland.