

# CHANGES IN UPC LABELING— ARE YOU PREPARED?



by John Rossi



## Sunrise 2005, what is it and what does it mean?

Back in 1997, the Uniform Council Code (UCC) realized that there needed to be changes to our existing UPC labels (bar codes). The UCC estimated by early 2005, the new company pre-

fixes for North America's existing 12-digit UPC would be depleted. In addition, Europe and most of the world was using a 13-digit code (EAN-13). The UCC provides new UPC labeling for companies and products and needed an answer, which is Sunrise 2005.

Sunrise 2005 is not like Y2K. Technically, Sunrise 2005 is elective. In reality, it is not. If your suppliers are Sunrise 2005-compliant and you are not, you will not be able to read their UPC. In addition, it is not as simple as adding leading or trailing zeros to an existing UPC. Most importantly, it is not an IT issue. It is a business issue that will affect many facets of your organization. If you're not compliant, the world won't come to a halt, but you may not be able to sell any products, inventory will be wrong, security processes may fail and areas that use scanning will not work.

Areas affected are numerous. Since every area within your organization that uses scanning will probably be impacted, you will need to review your entire organization. The easiest place to look is in the retailing and food and beverage areas. Your warehouse and distribution centers will be involved. Don't forget the front desk, valets, bell service and housekeeping. We've seen bar codes throughout the security operations and definitely in maintenance. Overall, the typical property will have 20 to 25 different areas affected by Sunrise 2005 compliance. If you manufacture or OEM any items, the likelihood of Sunrise impacting your organization tremendously increases. Also, organizations with ticketing and gaming operations will be heavily affected.

Although there are many details within the initiative, the basic requirement is to be able to scan and read a 13-digit number and to discon-

tinue parsing the UPC number and using digits 2 through 6 to identify vendors. One of the main "gotchas" is to move to Sunrise compliance or jump to Global Trade Item Number (GTIN) compliance.

## The Difference Between Sunrise and GTIN Compliance

Sunrise compliance requires a move from the existing 12-digit UPC to a 13-digit code while GTIN requires an upgrade to 14 digits. Many firms are moving directly to the 14-digit GTIN requirement and bypassing the intermediary Sunrise 13-digit requirement. The reason is simple; the 14-digit code is a global standard and why pay to upgrade to 13-digit and then again to 14-digit. The 14-digit GTIN has two additional benefits. Vendors are using reduced space symbology which tracks more information (expiration dates, batch numbers, product info) and is physically smaller. Another benefit for larger organizations is the ability to use data synchronization via UCCnet.

Moving to Sunrise 2005 compliance is basically a subset of becoming GTIN compliant. Most major manufacturers are moving to GTIN compliance and eliminating the Sunrise intermediary step. GTIN compliance is not mandated by UCC and should be a factor in your initial strategy. It is a building block moving to RFID and ePC compliance.

## What Do You Need to Do?

For the hospitality industry, the problem is not with your hardware. Most, if not all, of your existing scanners will read the label. The real issue is with the applications that are being fed this information. The point of sale, ERP, customer loyalty, catalogs and most databases will need to be reviewed.

All retailing systems must accommodate variable length company prefixes and properly read four different types of UPC labels (UPC-A, UPC-E, EAN-13 and EAN-8).

Products from overseas manufacturers will be arriving into North America using any of these bar codes and you will need to be able to read and process the information.

A company must make a business decision to become GTIN compliant or not. In most circumstances everyone will need to become Sunrise 2005 compliant. You will need to assess the incremental costs associated with moving to GTIN compliance.

January 1, 2005 is right around the corner. Without being an alarmist, there is still much work to be done. Your suppliers are moving to Sunrise compliance and many are jumping directly to GTIN compliance. To receive and sell these goods, you will also need to be compliant. Your existing vendors should be able to assist you with portions of their applications, but compliance is going to require an all-out review and effort. The impact on your supply-and-demand chains needs to be minimized and January 1, 2005 is only 15 months away. You need to put Sunrise on your company's radar. Look at the positives. You want to say "here are the benefits" not "we have to do this."

To receive a free whitepaper, which includes additional Sunrise, GTIN and RFID information, please contact the author.

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## ROADMAP TO SUCCESS

- 1 Audit** – Existing departments, systems and processes
- 2 Assessment** – Where am I compliant, where am I vulnerable?
- 3 Strategy** – Sunrise vs. GTIN; What areas are affected?
- 4 Roadmap** – Where do we begin, how do we test?
- 5 Execution** – Hardware, software, reports and processes
- 6 Contingency Plan** – What if I missed something?