

# SUNRISE 2005—LESS THAN 10 MONTHS ... AND COUNTING



by John Rossi

**By Jan. 1, 2005, North American companies must be able to scan a variety of bar code labels (EAN-13, UPC-12 and EAN-8). Presently, most North American restaurants and retailers only scan the UPC-12 label, but by Jan. 1, many manufacturers may only have an EAN-13 label on their products.**

The last Sunrise 2005 article (see *Hospitality Upgrade*, fall 2003 issue, page 146) was a high-level primer to the impending Sunrise 2005 compliance provided by the Uniform Council Code (UCC) and already implemented by many leading consumer products and retail manufacturers. By Jan. 1, 2005, North American companies must be able to scan a variety of bar code labels (EAN-13, UPC-12 and EAN-8). Presently, most North American restaurants and retailers only scan the UPC-12 label, but by Jan. 1, many manufacturers may only have an EAN-13 label on their products. After Jan. 1, global companies that were labeling their packages with EAN-13, EAN-8 and UPC-12 symbols will no longer have to include the UPC-12 symbol. If you are used to “reading” the UPC-12 symbol and it is no longer on the box or package, your inexperienced cashier may try to read one of the other labels, causing significant problems. In addition, any new company created after Jan. 1, 2005 will only use the EAN-13 labeling schema.

If your back-office systems cannot process these labels, a variety of problems will ensue: timely price lookups at the registers; incorrect inventory reports; wrong sales figures and an inability to accept coupons.

In the last few months, many manufacturers have become Sunrise 2005 compliant. They have modified their labeling to coincide with the global standard of a 13-digit schema. Some have moved forward to the GTIN-compliant 14-digit schema (see the “Sunrise” article in the fall 2003 issue of *Hospitality Upgrade* for more information at [www.hospitalityupgrade.com](http://www.hospitalityupgrade.com)). More than likely, if your hardware is less than three years old, it will read these 13 or 14-digit labels. While your hardware needs to be tested, the real problem is with your software and databases. You need to begin a survey of at least your major systems (see chart in Figure 1) although this will affect any system that is associated with the use of a bar code.

If you use direct store delivery (DSD) within your organization, Sunrise 2005 will have a larger impact. You need to verify which of your suppliers are compliant and identify which ones are not. This is a simple but time-consuming task. The organization must be:

- 1** | Able to scan, process and store EAN-8, UPC-13 and 12-digit UPC symbols (and possibly GTIN-compliant 14-digit symbols).
- 2** | Recognize new company prefixes which will vary in length (previously fixed in North America).
- 3** | Modify internal UPC numbers to avoid conflict with new UCC lead digits.
- 4** | Ensure that all symbols are not parsed or changed, therefore preventing storage of erroneous information. If you distribute or accept coupons, parsing is a larger issue.

We have seen that many overtaxed information technology departments are not sure what questions to ask or what a truly compliant solution is. At this late date outside help may be the quickest solution. These are just a few of the “gotchas” that need to be considered: split product identifiers, missing check digits, inability to zero-fill and non-standard use of previously reserved digits.

### Quick Vulnerability Analysis

The following issues will help determine if you are vulnerable to problems by not being at least Sunrise 2005 compliant:

- **If your organization uses products, raw materials or services that use bar codes.**
- **If you create bar codes for internally developed products that are sold in your stores and restaurants, or outside stores and restaurants.**
- **If you use many of the systems found on the chart in Figure 1.**
- **If your organization works with suppliers, partners or customers that already use the new format and are at least Sunrise 2005 compliant.**
- **If you will add suppliers, partners or customers after Jan. 1, 2005 who will automatically be using the new format.**
- **If your organization uses international suppliers or customers.**
- **If you use EDI to work with your supply chain partners.**
- **Or you may have problems if your POS and scanning hardware is more than three years old.**

Each checked item identifies the importance of becoming Sunrise 2005 compliant. Identifying the risks and benefits is an important first step. Setting priorities based upon a solid ROI and creating a strategy that identifies business process and technology changes will create a proper roadmap.

Typically, the assessment-to-implementation schedule takes between 12 and 18 months. With Jan.1, 2005 less than 10 months away, it is important to complete any remediation by the end of the year. Proper testing needs to be included in the plan, and manual business processes should be included for any items that you may miss. Expert-level assistance is available within the marketplace.

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**Figure 1.**  
Checklist of Major Systems Affected by Sunrise 2005

SYSTEM NAME	✓
Accounts payable	
Accounts receivable	
Asset management	
Catering	
Coupon processing	
CRM	
Demand planning/forecasting	
EDI	
ERP	
Event planning	
Food costing/recipes	
General ledger	
Hotel sales (products)	
Inventory	
Invoicing	
Logistics	
Markdown optimization	
Merchandising	
Order management	
Payment processing	
Payroll	
Planogram	
Point-of-sale — events	
Point-of-sale — restaurants	
Point-of-sale — retailing	
Pro shop	
Receiving	
Returns processing	
Sales force automation	
Scale management	
Scanners	
Shipping	
Trade promotion	
Warehouse management	

Industry-leading CPG and retailers are Sunrise 2005 and GTIN compliant. Through a Wal-Mart and Government Service Administration initiative, many are rapidly moving to a larger 24-digit coding structure. This initiative includes Sunrise 2005 and GTIN compliance, while these top 100 suppliers moved toward a Wal-Mart mandated radio frequency ID (RFID) solution. If you are selling any of these suppliers' products will you be able to scan their labeling throughout your enterprise?

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