

Countdown to Compliance

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Are you on board yet? Last January at the 2003 HIA Show, the HIA Industry Standards Committee challenged members to adopt HIA's industry standards related to supply chain management. Specifically the challenge included the following action items:

1. Use the industry standards matrix to gain understanding of what these standards are and their benefits.
2. Conduct an internal audit to see if you or your supply chain partners meet these standards.
3. Develop an action plan for your company to meet these standards.
4. Complete UPC and product packaging labels standards by December 1, 2003.

Standards and the technology that supports them are important to all of us. As an industry we need to improve the efficiency and effectiveness of the communication between our member companies. The benefits we will receive by implementing these standards include improved supply chain efficiency, reduced costs and increased profits for all members. An efficient supply chain allows us to minimize our inventory investment while still providing high in-stocks to our customers. Mistakes cost all members of the supply chain excess inventory, increased operating costs, out of stock situations and ultimately customer satisfaction.

December is fast approaching and it is critical that we achieve this date. Other industries are far ahead of us in implementing these standards and we need to close the gap. Consider that we compete with many other industries for the limited leisure time dollars of our consumers. If our customers believe they will receive more overall

value from other products we will lose their business.

Wal-Mart and other retailers are pushing forward with new standards initiatives including RF-ID and Electronic Product Codes to lower their costs. These are exciting new technologies but they require the foundation in the craft industry to be ready. These steps include Universal Product Codes (UPCs) an Electronic Data Interchange (EDI).

So what do you need to do to be on board? If you are a supplier or manufacturer make sure you have a unique bar code on each of the products you supply. Refer to the Universal Code Council guidelines to be sure they are formatted and printed so that they can be successfully scanned using a variety of devices in the retail stores. Also make sure all shipments are to be labeled according to the

guidelines listed in the industry standards matrix. If you are a retailer, you should insist that your suppliers conform to these standards.

Also, please share your success stories on how you have improved your systems or saved money by adopting standards with us so that we can share them with other members. Send them to Member Services at HIA headquarters (MemberServices@hobby.org). We will be putting together future emails and articles and would love to include real life examples of how these standards have helped member companies.

Detailed information on these standards can be found at the members-only section of www.hobby.org. This matrix gives members information on key industry standards such as UPCs, EDI weights and measures, labeling and product safety. ❄

You Wanted to Know...

One of the benefits of HIA membership is the access to technology experts who can assist you with your unique technology related questions and issues. Direct your questions to HIA's technology expert by calling (800)669-2633 or by using the Email Help Desk Link located under the UPC category link within the Industry Standards Matrix at the member level of www.hobby.org.

As many of you have similar questions, we'd like to highlight a few here.

How do I get a UPC?

Universal Product Codes (UPCs) are assigned by the Uniform Code Council (UCC) based in Princeton, NJ. In order to get a code you must become a member of this council and pay an annual licensing fee for your codes. The UCC's Web site offers extensive information on the Council's work and specifically UPCs. Logon to www.uc-council.org for more information.

I heard that the UPC-A format will be changing to longer numbers (more than 12). When will this new format be mandatory?

The change that you are referring to probably relates to the expansion and harmonization of the UPC goal date (Jan. 1, 2005) that we use in the United States with the EAN used throughout the rest of the world. To make everything work globally and at every level of packaging, the EAN/UCC guidelines now use a 14-digit Global Trade Item Number (GTIN) which really is not new.

If you have an existing 12-digit number to identify an item with the UPC simply put in two leading zeros (00+12 numbers =14 digits) in the database, not in the bar code. If a company in Europe has a 13-digit number they will simply add one leading zero (0+13 digit number= 14 digits) to the database, not in the bar code. If a company has assigned a 14-digit container code number it will use that existing 14-digit number because it IS the GTIN. ❄

