

## UPC— Easy As 1-2-3

As the distribution and retail links in the supply chains of most industries have increasingly used technology for tracking shipments, ringing up sales and monitoring inventory, Universal Product Codes (UPCs) have to appear on every product. This requirement is a shift in thinking for craft supply vendors who have managed to delay putting UPCs on their products until now.

Chain retailers have been the focus of most of the publicity about automated replenishment systems and new receiving procedures that require the use of UPCs to run their business day-to-day. Yet, necessity to manage inventory in an SKU-intensive business like arts, crafts, hobbies and more, independent retailers and distributors are installing technology that relies on UPC information. Soon it will be nearly impossible to sell to these companies if your products do not carry barcodes.

For vendors and retailers who have never used UPCs, putting them into practice can seem daunting. That's why the HIA Industry Standards Committee has reviewed the activities involved with implementing the use of standard methods of identification, packaging, shipping and community information about products and shipments. The new Supply Chain Standards™ Industry Standards Matrix demystifies how to apply for a UPC, how it should appear on craft product packaging and the benefits of using UPCs and standardizing their uses across the craft & hobby industry.

### What is an UPC?

The Universal Product Code has been helping retailers track sales for over 25 years. Codes appear as bars of thin and thick bars with a numerical code underneath. Codes are unique to the product manufacturer, allowing

computers to scan the graphic and process specific information about a product.

Use of the UPC is so common that many people mistakenly assume that they are assigned and managed by a federal agency. *Not true.* Codes are administered by the Uniform Code Council (UCC) a not-for-profit organization founded in 1972 as the Uniform Grocery Product Code Council.

Use of the UPC has grown and broadened its scope of applications to include wholesale, distributor, industrial/commercial and general retail applications. Today, the UCC administers the UPC for over 240,000 member companies doing business in 140 countries. The UCC is governed by a Board of Directors comprised of representatives from

leading retail and manufacturing companies. The group works in cooperation with EAN (European Article Number) International and functions as a primary resource for business and industry coordinating

worldwide identification codes, data transport media and electronic communication standards.

### Why Do We Need UPC Standards?

The UPC provides item identification and this information can be used in many ways by various members of the supply chain. Comprehensive use of barcodes saves companies money by speeding retail checkout, reducing data entry costs and reducing inventory management errors. Using a barcode allows you to take the price off a product, which is not only helpful to retailers who may want to sell a product at a different price but also when it comes to sales and markdowns. Retailers can use information scanned during checkout to create reports that immediately identify products that are moving quickly as well as those with static sales. This allows a retailer to better allocate shelf space and enhance turnover.

Standards in the use of UPCs benefit the industry by providing consistency. When product packaging has to be changed to accommodate different customers' needs, the result is that costs are driven up. HIA's barcode standards will ensure that member companies have the same information without the time-consuming research it takes to identify each customer's requirements.

UPC numbers should be the sole identifier for a product and should be used on products, back-tags and shelf labels. Minimal size and quiet space requirements ensure that codes are readable by most systems. HIA's matrix provides information on which kind of labels to use (not glossy), the proper location on the product, readable size and more. Standards also suggest when a new UPC is required if a product is new or substantially changed.

### Standards Help the Greater Good

While craft & hobby industry companies are not required by HIA to adopt the standards the Industry Standards Committee has put forth, the industry's major retailers expect their suppliers to comply. These standards were put together with input from technology experts and representatives from Jo-Ann Stores Inc., Michaels Arts & Crafts to distributors and independent retailers in order to create the most equitable and functional system possible.

For very detailed information on UPC and other standards visit the Supply Chain Standards™ Industry Standards Matrix at the member level of [www.hobby.org](http://www.hobby.org). The section includes three flow models as well as chapters with topics ranging from how to organize the labeling project or where the label is placed on a shipping container. The site also includes examples and links to the Uniform Code Council. Members may also email questions regarding UPC or other supply chain management concerns by using the Email Help Desk link or by calling the toll-free number (800) 669-2633. ❄

[Sources: "Observing the Code," by Beth Mauro, *CNA Magazine* (Krause Publications) for a complete copy of this article (May 2003), which includes detailed information on the Uniform Code Council [www.uc-council.org](http://www.uc-council.org) and recent changes in the code licensing process, visit [www.cnamag.com](http://www.cnamag.com)]



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