Adopting global best practices in barcoding to save costs

Dear Supplier,

To enhance supply chain efficiency and reduce overall costs across the retail sector in India, we collectively intend to adopt global best practices in product coding of all SKUs (product variants).

You may be aware, for over 40 years, GS1 product identification standards (EAN/UPC codes) are used worldwide to barcode products to facilitate unique, unambiguous and universal product identification. Although several products, particularly in food/FMCG/general merchandise categories already incorporate GS1 barcodes, many products in non-food/non-FMCG categories are barcoded by us with proprietary product codes in the absence of suppliers adopting GS1 standards.

This greatly diminishes seamless sharing of information related to product movement from suppliers to retailers, which in turn impacts real-time stock monitoring in the supply chain from a supplier through DC/warehouse and till retail outlets. Besides, this also limits product visibility, track & trace and product recall capabilities.

Additionally, in the absence of common product codes that can be used by suppliers and retailers, in several instances suppliers have to generate barcodes separately for each retailer based on a retailer's code. This leads to added barcode labelling costs, delay in shelf-ready merchandise, direct to store deliveries and stock outs. Absence of common product codes also leaves insufficient lead-time for re-ordering products, mismatches between orders and dispatches and longer dispatch cycles. This impacts product availability at retail shelves and subsequently top and bottom lines for both retailers and suppliers.

Another major issue that greatly affects billing time, which leads to consumer dissatisfaction, is the poor scannability of barcodes at PoS (Point of Sale). By using global barcode standards, close to 100% barcode scannability under different scanning environments can be achieved. Higher accuracy in dispatches, and elimination of mismatches between physical products received and their invoices/POs can also be achieved through the use of common product codes following global GS1 standards.

GS1 India, a standards body set up by the Ministry of Commerce and Industry, Government of India, along with apex trade organisations, such as BIS, etc., is authorized to provide GS1 company prefix numbers to brand owners for generating unique product codes that are used to create GS1 barcodes.

An attractive financial assistance scheme is available for registered SSI units through the Ministry of MSME, Government of India, for adoption of GS1 standards in barcoding, details of which can be accessed at http://dcmsme.gov.in/schemes/assist_bar_code.htm.

For further details, call 011-42890890 or email at msme@gs1india.org.

Sincerely