



How to Obtain a UPC Code

As a consumer, you've probably noticed how nifty and efficient Universal Product Codes are. And as an entrepreneur, you may have figured out that having UPCs or bar codes on your products could be important for ensuring their success at retail.

UPCs are the unique configurations – consisting of a block of black and white bars with an accompanying number – that appear on each individual product in the American retailing system. Because they help standardize the identities of millions of products across various manufacturing, distribution and retailing systems, UPCs have become crucial for making sure that everyone in the marketplace is buying and selling exactly what they think they're buying and selling.

And for startups, getting UPC codes for your products has become part of the price of admission for scaling up your production, distribution and sales. Here's what you need to know:

What exactly are UPC codes?

Each is a set of alternating black and white bars representing numbers (12 in the U.S.; 13 in Europe) that scanners recognize as unique from every other product. These markers caught on in the U.S. grocery business more than 30 years ago after the feds instituted new standards for nutritional labeling on food containers.

Today, the not-for-profit group GS1, based in the United Kingdom, administers UPCs globally. Among other things, there's a move afoot within GS1 to extend U.S.-based UPCs to 13 digits. Still, while product-ID standards and technology continue to evolve, it's a pretty safe bet that 10 or 15 years from now you'll still be able to use the same UPCs for your products that you're using now.

Do I really need UPCs on my products?

If you plan on selling through large retailers, absolutely. You won't get far in mainstream retailing without UPCs, because chains depend on bar-code info provided by their suppliers to ensure accuracy and drive efficiency in their own sales results, ordering and logistics.

Similarly, large B2B customers also require you to provide bar codes because they increasingly rely on the technology as well. And in the B2B and consumer-retailing worlds, you'll need UPCs to be able to use Electronic Data Interchange (EDI) to electronically receive and send info about orders.

On the other hand, if you mainly sell to a handful of small B2B customers, you might never need bar codes. Or if you largely retail your products through mom-and-pop shops, boutiques, artists' markets and other small-scale outlets that generally don't rely on scanning equipment, you might be able to avoid the bar-code requirement as well – though you should have your own internal way of keeping track of individual products.

Tristen Sullivan recently discovered the importance of UPCs when Nordstrom and Bloomingdale's began requiring her Los Angeles baby-accessories company to supply them.

"I would have lost an order from Nordstrom's several months ago if I hadn't been able to get up and running with UPC codes," says Sullivan, whose Dust Bunnies line includes baby blankets, boots and other accessories. But the \$1-million company continues to ship its wares to about 600 boutiques without attaching UPCs.

So, how do you get UPCs?

Fortunately, it's easy. You need to visit [GS1](#), a relatively new name for the creator and keeper of UPCs, then click on "BarCodes and eCom." The site will take you step by step through the sign-up process, asking you to answer a few questions.

You'll pay an application fee of a few to several hundred dollars, then a much smaller annual fee. The exact amount of the fee depends on your answers to application questions, including a revenue projection for the next 12 months, and the number of products for which you expect to need individual UPCs in that time. You won't be held to the answers, so it's OK to guesstimate.

Assuming your application is accepted, you'll be e-mailed a "member kit" including company-ID sub-code that will comprise the first few digits of each of your UPCs. You supply a few digits by numbering your own products. Then GS1 generates a random number for the last digit of each UPC.

Entrepreneurs uniformly report that the process is easy and fast. Sterling Ashby, for example, rushed through his recent UPC application because he wanted to get bar codes in time to put them on a line of historical-figure dolls he developed under his startup, Titus Venture Group. It was plenty quick.

"I literally plan to have the first batch manufactured by mid-October, in time for Christmas," says the Washington, D.C.-based real-estate lawyer.

How do I optimize my use of UPCs?

Some startups suggest assigning UPC management to a specific staff member, because the cost and inconvenience of lousing it up can be steep – and UPCs will likely take on more importance as your company grows.

Also, you should try to design bar codes directly into your packaging, if possible. Most packaging-design firms can do this for you, and you might also get help from companies that supply bar-code devices and technology.

“I’m designing my UPCs into my packaging early because I know I’m going to need it as I get larger in my industry,” says Joel Assaraf, senior vice president of sales and marketing for TherMark, a Los Angeles-based startup in laser marking.

Our Bottom Line

For many startups, UPC codes are one of those things that must be tackled, sooner or later. They’re part of your passport to business growth, so sooner is better. And, fortunately, they aren’t expensive or hard to obtain.

Source: <http://www.startupnation.com/business-articles/1486/1/obtain-upc-code.asp>

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