



Supply Chain Insight: Improve Accuracy and Visibility with GS1 Standards

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It's no surprise warehouse processes have grown more complex in the on-demand economy. Greater demand and higher customer expectations mean employees must move product through the warehouse as efficiently as possible.

Warehousing technology has evolved to meet these challenges, helping employees better track inventory through the receiving and put-away processes. While these advancements address concerns within individual warehouses, they don't provide a solution for tracking inventory throughout the supply chain. Manufacturers needed a standard system to guarantee they'd have complete visibility into shipments as they arrived.

That's why manufacturers in industries such as food and beverage turned to GS1 standards. GS1 is a not-for-profit organization that maintains standards for business communication.

GS1's leadership in barcode innovation stretches back more than 40 years, but we've yet to achieve universal adoption of GS1 standards. Even some warehouses that work with GS1 standards maintain redundant barcoding processes.

Greater adoption of GS1 standards could transform the way we work with barcodes and help warehouse managers achieve maximum efficiency.

BARCODES: A STEP FORWARD—BUT HOW EXTENSIVE?

It wasn't long ago that most warehouses relied on manual inventory processes. Trucks would arrive, workers would take stock using pencils and paper, and items would be placed on the shelf. For managers, however, these processes were headache-inducing: If one employee recorded a wrong number while receiving stock, the consequences would ripple across the warehouse.

RF scanners erased much of the manual burden—staff could scan a barcode rather than relying on a physical record. By adding an extra set of "eyes" to the receiving and putaway processes, warehouse operators were able to achieve higher levels of inventory validity.

Still, because these barcodes contained little information beyond item listing, it was entirely possible employees could miss inventory or count it incorrectly. Supply chain innovators have introduced various solutions for the issue; for instance, advanced shipping notices provide recipients with critical inventory information, giving their team greater visibility into what stock, and how much, should arrive.

However, GS1 standards deliver the same information—and because some of the world’s largest industries follow these guidelines, greater GS1 standard adoption is a natural solution.

GS1 LABELS: A STANDARD FOR EXCELLENCE

Companies that utilize GS1 labels comply with standards for what information is kept on barcodes—such as the weight of each case, or the quantity of cases. When you scan a GS1 barcode, you’ll know which, what kind, and how many of each product is located on the pallet. GS1 also provides standards for every step in the shipping process, including label placement and barcode color.

The challenge isn’t convincing warehouse operators to ship using GS1 labels—in fact, many warehouses receive shipments with GS1 tags on inventory, and many must place GS1 tags on items before they’re shipped.

Errors are likely to occur when warehouses place their own label on an item while it’s in inventory. This process not only wastes paper, but it also risks data loss or duplication. Because GS1 tags come with a unique identifier for the product and a unique serial number for each case that will never be duplicated, there’s no need for an internal barcoding system.

By adhering to GS1 standards, warehouses also improve traceability—a hot topic among supply chain innovators. Take, for instance, food manufacturers. Technology allows food and beverage suppliers to track every location a raw material has been during production. If there were to be an outbreak of food-related illness in a concentrated area, GS1 standards would provide manufacturers a common language to research and determine the contaminant.

TECHNOLOGY FOR A BETTER SUPPLY CHAIN

Today’s supply chain demands efficiency. As warehouses do more with less, demand rises for solutions that streamline operations. If you receive GS1-labeled inventory but maintain an internal barcoding system, it’s time to consider dropping the redundant process. If you don’t currently work with GS1 barcodes, consider moving to a system that helps improve inventory validity and traceability across your supply chain.