

GPC-UNSPSC ALIGNMENT UPDATE for the User Community

I - Linkage between Global Data Synchronisation Network (GDSN) and an agreed classification standard

One common classification system, as a global reference of categorization for seller and buyer organizations, is a fundamental component that GDSN relies on to allow information to pass through the network. It also has the role of supporting the integrity of information and needs to be sufficiently aligned and flexible to be linked to other standards that may be used within / across businesses – allowing people and businesses to talk the same language.

GS1 and GS1 US each manages a classification system serving different business needs:

- Global Product Classification system (GPC). (Managed by GS1)
 - Provides a **mandatory classification methodology for the GDSN** with depth and breadth across 36 categories.
 - Supports selling and buying programs - **global categorisation reference**.
 - Endorses **category management**.
 - **Developed and maintained by GS1 Global Office in Brussels**
- United Nations Standard Products and Services Code (UNSPSC®). (Managed by GS1 US)
 - A global, multi-sector classification system supporting primarily **spend analysis, procurement and catalogues**.
 - Has broad industry sector participation in 55 segments including products and services.
 - Developed by **UNDP** and **maintained under contract by GS1 US** in Princeton, NJ

II - What Drove the Decision to Align vs. Integrate?

In order to enable both to be used in tandem albeit for different purposes and to eliminate confusion, under the leadership of the user community, GS1 launched an initiative to assess the feasibility of GPC and UNSPSC® alignment.

The assessment has focused on **how to establish interoperability** whilst minimising any disruption to existing users of either standard. The findings have shown that

- At a **higher level** they **align reasonably well**, however
 - The supporting **rules** and the **governance** mechanisms are **different**
 - The **code sets** are completely different
 - **Only 16% one-to-one match** between the UNSPSC® Commodity and the GPC Brick
- **UNSPSC is not granular enough for GDSN** since it was designed for high level categorization of products and services.
 - **> 85%** of the Commodities are **without definitions**
 - **No attributes** (elements that further define the hierarchy unit)

- Integration would require significant effort and cost and would inevitably results in **big structural changes**
 - **not supported by the users** which the systems currently serve.
 - GS1 US **does not own** the code set to UNSPSC and therefore **does not have the right to integrate**
- Each solution serves different purposes (with some overlap). There is a role for both.
- Alignment mapping establishes:
 - **Interoperability** for both user community
 - **Access** to each others' code set
 - **Promotes** GDSN, Category Management, Catalogues and Spend Management
 - Allows the **strategic positioning** of GS1 Classification Systems with other 3rd parties such as CEN, ISO, WCO, NATO, eCl@ss etc.

In summary it has been decided to **run GPC and UNSPSC parallel and separately while maintaining interoperability**. GPC will remain in place providing the necessary classification depth required for GDSN. Both user communities have **access to the other system** without having to invest effort in their own mapping. GS1 will release a web-accessible **mapping tool** in English and possibly later in several other languages and remains committed to maintaining this alignment into the future due to the needs of our global community.

III -How to add new sectors to GPC / GDSN and get changes into UNSPSC

GPC is supported by the **GSMP** Process. A Change Request triggers a GPC development process on the basis of **UNSPSC** and other relevant systems such as **GMDN** and others.

Any necessary changes for **UNSPSC** are submitted by the UNSPSC Membership through GS1 US / UNSPSC regular **standards development processes** annually.

IV -Next Steps

- Alignment based on an MoU between GPC & UNSPSC, joint promotion and communications CY Q3'08
- Education and Training CY Q4'08
- Mapping Tool Available CY Q4'08
- Develop Case Studies in conjunction with GCI CY Q1'09
- Strategic review of other classification standards CY Q2'09
- Translations Ongoing
- GS1 to maintain the map Ongoing
- Extend GPC for GDSN Ongoing