

PRODUCT INFORMATION COMMITTEE
DICTIONARY CAPABILITIES PROFILE

NAME OF DICTIONARY: *United Nations Standard Products and Services Code (UNSPSC)*

NAME OF DMO: *GS1 US (1009 Lenox Drive, Lawrenceville, NJ 08648)*

GS1 US manages UNSPSC on behalf of the United Nations Development Programme (UNDP)

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I. SCOPE OF PRODUCT COVERAGE:

How long has the dictionary been in use?

10 years

What industry sectors use this dictionary as their first choice for defining essential product characteristics?

Healthcare; Energy; Maintenance Repair and Operations; Information Technology; Telecommunications; Mining; Building + Construction; Power Generation, Electronic Components; Electrical; Medical Equipment, Office Supplies; Management and Business Services.

Automotive Aftermarket preparing wide scale enhancements and use of UNSPSC.

Selected governments i.e. Republic of South Korea, Scotland, Australia, HM Revenue and Customs, Honduras, Denmark, the Commonwealth of Pennsylvania, Delaware, Ohio, and others

The primary uses are by the procurement / purchasing and the catalog management departments of companies, organizations and governments

Describe the strength of the dictionary in characterizing products using the separate page titled "Coverage by Product Set." Enter "S" for Strong, "M" for Moderate, and two dashes (--) for incomplete or no coverage. (See page 13)

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II. DEPTH OF PRODUCT CHARACTERIZATION:

What hierarchy is used to organize and locate product classes?

UNSPSC has a four level hierarchy:

Segment

Family

Class

Commodity

The UNSPSC classification process embodies a "bottom-up" approach, e.g., Class, Family and Segment structure is based on accurate Commodity identification which best reflects marketplace realities.

(There is an optional fifth level called Business Function Identifiers (BFI) which the user can apply to items to identify the item or service's role in the organization i.e. retail, wholesaler, leased, maintenance or repair, etc.)

Can each product class be represented by a short numeric product code?

Each codeset item is represented by a unique 8 digit code.

Does the dictionary support the use of attribute or property value pairs to further describe product classes?

No

Is there a limit on the number of product classes in a hierarchy?

Segments: No limit (The 55 have been in place since the codeset's start)

Families – 99 per Segment

Classes – 99 per Family

Commodities – 99 per Class

(Under UNSPSC's 55 Segments the content limit is 53,366,445 items. If needed, current Segments could be sub-divided and new Segments proposed for addition which would increase the overall capacity.)

The number of attributes supported?

NA

The number of values supported for a single attribute?

NA

III. LEVEL OF DICTIONARY ADOPTION:

For what use does the industry typically use the dictionary – spend analysis, category management, product sourcing, etc.?

UNSPSC is used for procurement, spend analysis, asset management, catalog organization, website organization.

What languages/tongues does the dictionary support?

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English, French, Chinese (Simplified), Chinese (Mandarin), Portuguese, Hungarian, Japanese, Korean, Swedish, Norwegian, Danish, Spanish, Italian, German and Dutch.

What indications of active industry adoption and use are there?

UNSPSC Members are located in 45 countries. Recent download statistics indicate the codeset has been downloaded by users in over 175 countries.

UNSPSC records over 25,000 download instances of the codeset each year.

UNSPSC is contacted by industry and trade groups seeking to collaborate with UNSPSC to enhance / expand codeset content to meet their industry's / members' needs as they implement the codeset. UNSPSC provides support where needed and works with the groups to support their needs.

What level of use is seen for each region of the world?

The following information is from a UNSPSC survey of users (April, 2007).

- **North America – 49%**
- **Europe – 30%**
- **Asia / Australia / NZ – 10%**
- **India / Africa – 3%**
- **South America – 6%**
- **Middle East – 2%**

(A list of UNSPSC Members by Country is attached.)

Provide examples of how the dictionary is being used in international trade and what companies are using it.

Most UNSPSC Members and Users use the codeset to support their procurement process and product information management needs; examples of UNSPSC Members are:

Textron	D&B	Sprint Corporation	Hong Kong Trade Development
Monarch Paxar	Schlumberger	Agere Systems	Sub Zero / Wolf
Cleveland Clinic	American Express	Johnson & Johnson	Hagemayer Australia
Dell	BHP Billiton	GHX Europe	Hoffman-LaRoche
Office Depot	Ray o Vac	Centerpoint Energy	Canadian Coast Guard
3M Sourcing	Egyptian International Trade	Caterpillar	Northrup Grumann

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Masco	A.P.Moller	Carlson Companies	Barrick Gold
Dow Chemical	Sun Microsystems	Consol Energy	Pfizer
Roche Diagnostics	Trinidad Drilling	Petro-Canada	Government of India
State of Delaware	General Motors	Novo Nordisk	Milliken & Co.
Hertz	Microsoft	Hagermayer UK	Ingersoll Rand
Government of Scotland	Wyndham worldwide	United States Steel	Georgia Pacific
IBM	Florida Crystals	MasterCard	HM Revenue & Customs
Wolseley	Government of Panama	Republic of Korea	Government of Australia
Government of Denmark	Government of Canada	Government of Paraguay	Government of Honduras

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IV. LEVEL OF INDUSTRY SUPPORT:

How many supporting and/or voting members does the DMO have?

Across the 55 UNSPSC Segments there are 4265 Members representing 709 UNSPSC Member organizations including commercial firms, academic institutions, local and national governments, trade associations and standards organizations. 1049 Members have registered to vote in selected Segments.

Typically what companies and industry sectors are the DMO's leaders and subject matter experts drawn from?

Healthcare

Energy

Electrical

Government

Classification / Taxonomists

Consulting Organizations

Standards Organizations

Software / application providers

What improvements or expansions are planned?

The Automotive Aftermarket industry under the leadership of the Automotive Aftermarket Industry Association (AAIA) is planning major enhancements for various Segments utilized by the industry. The complete scope of the changes is TBD.

Under consideration is a new "Financial Instruments" Segment to address the growing needs of the financial, securities, leasing and banking industries.

Our intentions and strategy are to continue creating industry and government consensus on the "is" model level while collaborating with world class "is and has" models who are trying to develop to UNSPSC's level. UNSPSC is also researching and collaborating in the development of technological solutions that will reduce the cost and improve efficiency

The re-launch of UNSPSC's Steering Committee. Initial recruitment is underway and the hope is to have the new committee in place in Q1 2009. (The previous committee experienced a wave of retirements and career changes; since then the codeset has been overseen by an Advisory group consisting of Members, Taxonomists, and experts. Also UNSPSC utilizes web based survey and polling to monitor the needs of its Members and User communities.)

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What is the business plan to sustain the organization's goals?

UNSPSC's objective is to operate on a cost recovery basis; the UNSPSC team reviews the Membership fees and other revenue sources to ensure adequate resources and funding and makes adjust to support its needs.

UNSPSC does have access to GS1 US' resources for management, marketing, technology, Customer Service and financial services support which enables it to offer the codeset and supporting services at a minimal cost.

Expand support of other GS1 organizations to extend UNSPSC's global reach and use; while selected GS1 organizations i.e. GS1 France, GS1 Korea, GS1 Japan, GS1 Norway and others provide work with industries or companies in their country; UNSPSC plans to expand GS1 Member Organization support.

GS1 US is in the process of extending its UNSPSC management agreement with the United Nations Development Programme (UNDP) for another 5 years. (We do not see an issue with the renewal.)

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V. CHANGE REQUEST PROCESS:

Describe the Change Request (CR) Process?

UNSPSC Change Requests can be entered only by UNSPSC Members. Change Requests can be Additions, Moves, Edits or Deletes. The UNSPSC Member describes the proposed Change, for example, an addition of a Commodity to the codeset, provides a definition and a supporting business case or statement for the change.

All Change Requests are reviewed prior to the voting period to ensure basic requirements are met and then placed into the voting queue. Twice a year, Members vote on the Change Requests (They can vote Approve, Approve with Reservations, or Not Approved.); votes are tabulated on a simple majority basis.

The "Approved" Change Requests are reviewed by UNSPSC's consulting Taxonomist to ensure adherence to UNSPSC's Guidelines and as a final quality assurance check; the items then are placed into the codeset and assigned a UNSPSC number.

There is also a process for "Segment Reviews" which usually involve many members of an industry (sometimes led by a trade association) when entire Segments are reviewed and updated to reflect changes in the industry and its products and services requirements. UNSPSC management needs to approve these Segment Reviews and may provide additional resources to coordinate them. (There are no Segment Reviews underway now.)

All Change Requests are entered, reviewed and voted on through an on-line system.

How many CRs were submitted and processed in the past 12 months?

	Submitted	Approved and Passed QA	Released
Version 10.1201	5,400	4,307	April, 2008
Version 11.0501	14,316	13,658	September, 2008
Total	19,716	17,965 (91%)	

The normal Change Request period is usually 500-800 Change Requests; these two periods were unusually high due to enhancements to Segment 50 (Food and Beverages and Tobacco Products)

How many times in a year do you update the dictionary?

Twice a year (Additional minor releases can be accommodated.)

What are the eligibility requirements to submit a CR?

UNSPSC Members can submit CRs

May government entities submit CRs?

Yes; UNSPSC has many government Members. Examples are DHS, the states of Ohio, Pennsylvania, Delaware, New York, New Mexico, California, Louisiana, Indiana, etc. Other government Members include Australia, HM Revenue and Customs Service, the Republic of Korea, Nicaragua, Honduras, and others.

What are the eligibility requirements to vote on CRs?

When completing the UNSPSC Membership application, the Member indicates the Segments they wish to vote in (There may be a limit to the number of Segments they are eligible for based on their Membership category.) Government Memberships are eligible to vote on many more Segments than Corporate Members due to the wide range of products and services they provide.

How many vote on a typical CR?

It varies; in some categories it maybe 10 to 40 Members; in others fewer.

What is the average time to: Revise the definition for a commodity or attribute value;

Three months from the close of the voting period.

Add a new commodity attribute (if applicable); and Add a new commodity?

Three months from the close of the voting period.

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VI. LEGAL RESTRICTIONS ON USE:

Is all dictionary content in the public domain?

Yes

What agreements must an organization sign to use the dictionary?

None required; but some prefer license agreement when integrating into software application. (UNSPSC works with these organizations to provide an acceptable document at no charge.)

What limitations exist on the use of the content?

Cannot be resold "as is." If additional information is added then it can be included in a product.

Is the DMO a not-for-profit organization?

Yes

Does the DMO meet the definition of a voluntary consensus standards body as defined by OMB Circular A-119? A voluntary consensus standards body is defined by the following attributes: (i) Openness. (ii) Balance of interest. (iii) Due process. (vi) An appeals process. (v) Consensus, which is defined as general agreement, but not necessarily unanimity, and includes a process for attempting to resolve objections by interested parties, as long as all comments have been fairly considered, each objector is advised of the disposition of his or her objection(s) and the reasons why, and the consensus body members are given an opportunity to change their votes after reviewing the comments.

Yes

VII. BARRIERS TO INDUSTRY PARTICIPATION:

What barriers might limit mid- or small-size companies from using the dictionary content?

None we are aware of.

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VIII. ELECTRONIC ACCESS:

What electronic methods exist for accessing dictionary content (e.g., transfer of data files, web service real-time inquiries, etc.)?

Users can research UNSPSC codes for free on the UNSPSC website; all they need to do is enter the text term and if there is a match the website will display the appropriate UNSPSC code number.

Also, if the User has a UNSPSC code number and needs the description they can enter the code number on the website and the system will return the appropriate description.

PDF versions of ALL versions and translations of the codeset are available at no charge on the UNSPSC website.

Excel versions of the codeset (without the Audit files) are available to non-Members for a nominal fee (Currently \$50.00); an automated order and download application is available on the UNSPSC website.

UNSPSC Members can access the Members Area of the website which contains Excel versions of the codeset with the Audit file for easy migration from one version to another.

What data format can the dictionary content be provided in (e.g., XML, Excel spreadsheet, delimited file)?

Excel

How frequently could data files be obtained?

As needed; there are no limits or restrictions on Member or User access.

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What security controls are used to safeguard data integrity and to protect against unauthorized electronic access?

The Members Area is ID and Password protected.

- ***The site runs on a server which is secured behind a checkpoint firewall***
- ***The firewall controls access to the server and only allows regular http and secure http connections to the site/server***
- ***The database server resides on a different physical machine on a separate secure network.***
- ***The connections between the database server and UNSPSC web server is also controlled and secured***
- ***The site have a VeriSign data encryption security certificate for sensitive information that is transferred over the internet (e.g. Credit Card numbers etc)***
- ***The server which the site runs on has all current security patches***
- ***The site is also PCI (Payment Card industry) compliant.***

What ISO standards for formatting and transferring data (e.g., ISO 8000 and 22745) do you currently comply with or plan to comply with?

ISO 8000 does not affect us as it would require that users map and represent the data in our ontology correctly to get certified. ISO 22745 will work alongside our code set as the product classes are more granular (in most cases) than commodities and can be mapped and used as an extension of our code set that includes attributes

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IX. COST OF RECURRING ACCESS AND DATA TRANSFER:

What fees are charged to industry members to use the dictionary content? Please describe these fully and especially in terms of:

-Start up or "initializing" fees;

UNSPSC Members are charged an annual fee based on Membership Level / Category. This Membership enables Members to propose and vote on Change Requests, access codesets with the Audit Files to assess Changes from one version to another, participate in Information Sharing Groups (new), receive the Members' newsletter and have preferred access for questions and inquiries.

Corporate Global: \$6,000

Corporate Plus: \$4,200

Corporate: \$2,200

Corporate Individual: \$300

Educational Institution: \$500

Government:

-State / National: \$1650

-Local: \$1100

Trade / Standards Organizations: \$ 0 (Non voting)

Educational Research: \$45 (Non voting)

-Connectivity, system interface, or testing fees;

None

-Fees that are assessed by file size or have volume boundaries;

None

-Fees assessed by number of requests or access frequency;

None

-Any other fee or charge categories and their basis of operation.

None

-Monthly overhead or minimum usage fees; and

None

X. DATA QUALITY:

What web site support tools, training, or other assistance is available to industry users who wish to define their products using the dictionary?

A free on-demand webinar and supporting charts are available to interested parties.

UNSPSC Members receive the UNSPSC Guidelines for their use and reference.

The UNSPSC website contains a number of business / use cases and research papers describing use of the codeset.

The UNSPSC website lists a number of firms / organizations around the world which provide codeset support, services software.

UNSPSC has been piloting a "U.S.State Government Information Sharing Group" in 2008; the purpose is to provide a forum where state governments can share information, advice, experiences, and plans. It has also served as a CR development resource to identify Segments of the codeset which need enhancement to meet the needs of local governments.

In selected situations UNSPSC will provide complimentary consulting support to assist key new Members in implementing the codeset. (This is done at the discretion of management.)

How can industry users be certain they are properly applying dictionary terms when defining their products?

There are a number of service providers which do support the application and use of the codeset; they could perform quality checks for users or trade / industry groups could provide this as a service to their members.

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SUMMARY:

What are the strengths of this dictionary?

Global industry acceptance and use. Inclusion as an option in leading ERP systems i.e. SAP, Ariba, i2 and Oracle and in specialized software applications designed for spend analysis, the healthcare industry, procurement, etc.

Flexibility and interest in supporting the development of new applications and use of the codeset.

Affiliation with the United Nations Development Programme (UNDP)

A global network of users willing to share information with new / interested users.

10 years of acceptance and growth.

User Business Cases and research papers posted on the website for public access and use.

Periodic surveys of its Member and User communities to understand their industries, applications, direction, and Segments of interest. These web based surveys provide insights into the Member and Users which help guide future plans and development.

A global service provider community offering support and services for users of the codeset.

Trust in UNSPSC and GS1 US.

What are the weaknesses?

Some translations are lagging behind current versions but these are being addressed.

Some users need attributes but this is being addressed through collaboration with other codesets and resources.

General Remarks or Comments:

UNSPSC is supported by GS1 US Customer Service staff, marketing resources, financial and technology staffs. Also, global support is provided by selected GS1 organizations which work with local Members and Governments to promote the use of UNSPSC.

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COVERAGE BY PRODUCT SET

(See Section I)

HTS SECTION	PRODUCT SET	COVERAGE (<i>"S"</i> =Strong; <i>"M"</i> =Moderate; <i>"-"</i> = No Coverage)
Section 1	Live Animals; Animal Products	M
Section 2	Vegetable Products	S
Section 3	Animal or Vegetable Fats, Oils, and Waxes	M
Section 4	Prepared Foodstuffs; Beverages, Spirits, Vinegar, And Tobacco	M
Section 5	Mineral Products	M
Section 6	Chemical or Pharmaceutical Products	M
Section 7	Plastic and Rubber Products	M
Section 8	Leather, Fur, Travel Goods, and Handbag Products	M
Section 9	Wood, Cork, and Straw Products	M
Section 10	Wood Pulp, Paper, and Paperboard Products	M
Section 11	Textile Products	M
Section 12	Footwear, Headgear, and Umbrella Products	M
Section 13	Stone, Plaster, Cement, Asbestos, Mica Ceramic, and Glass Products	M
Section 14	Pearl, Precious or Semiprecious Stones, Precious metals, Imitation Jewelry, and Coin	M
Section 15	Base Metals and Base Metal Products	M
Section 16	Machinery, Mechanical Appliances, Electrical Equipment, Sound Recorder and Television Products	M
Section 17	Vehicles, Aircraft, Vessels and Transport Equipment	M
Section 18	Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical Or Surgical Instruments; Clocks And Watches; and Musical Instruments	S/M
Section 19	Arms and Ammunition	M
Section 20	Furniture, Bedding, and Lamps, Toys, Games, and Sports Products	M
Section 21	Works of Art, Antiques, and Collector's Pieces	M