



## ***VICS Helps Trading Partners Collaborate to Reduce Uncertainty With CPFR Guidelines***

### ***For Immediate Release***

**October 8, 1998**

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The Voluntary Interindustry Commerce Standards (VICS) association announces the publication of new guidelines to help manufacturers, distributors and retailers work together to better plan, forecast, and replenish products.

Collaborative Planning, Forecasting and Replenishment (CPFR) is a collection of new business practices that leverages the Internet and electronic data interchange (EDI) to radically reduce inventories and expenses while improving customer service. CPFR differs from previous initiatives by requiring a greater level of integration between trading partners. Trading partner relationships may never be the same, as boundaries are erased through shared information and collaborative processes.

The Uniform Code Council is publishing and distributing the CPFR Guidelines for VICS. To order, call (937) 435-3870.

Ralph Drayer, VICS board member and Vice President Efficient Consumer Response for Procter & Gamble, states "I believe CPFR paves the way for the next major breakthrough in realizing our vision of a fully integrated supply chain. It builds on what the industry has achieved and provides the opportunity to effectively link demand creation and supply planning with visibility across the entire supply chain."

"Industry support for this initiative has been phenomenal", states Paul Benchener, VICS board chairman and Vice President Marketing for QRS Corporation. "CPFR exemplifies VICS role in the retail industry – the ongoing improvement of the flow of products and information throughout the supply chain."

CPFR is the result of contributions by over thirty companies including: Hewlett Packard, JC Penney, Kmart, Levi Strauss and Co., Nabisco, Philips Consumer Communications, Procter & Gamble, Sara Lee Apparel Group, Schnucks, Wal-Mart, and Warner Lambert. Benchmarking Partners Inc., Ernst & Young LLP, The DAMA Project and the Uniform Code Council (UCC) have provided significant support since the effort began in late 1996.

Joe Andraski, VICS board member and Vice President Customer Marketing, Sales and Integrated Logistics for Nabisco, leads the committee and relates the need for CPFR. "The benefits of an integrated supply chain are well established, and yet in spite of the organizational, process and system progress, success has remained just beyond our grasp. The reason: forecast accuracy remains poor at best; internal and extended supply chains are operated independently. CPFR is the new and exciting development, which will not only marry the elements of the extended supply chain resulting in greater effectiveness and efficiency, but also will grow sales and benefit the consumer."

The CPFR Guidelines are designed to assure that technology is not a barrier to implementation. To minimize the initial CPFR investment, current investments in electronic commerce, such as EDI, are heavily leveraged. The benefits of extending collaboration and inter-enterprise computing through use of the Internet are also recognized. Tom Rittenhouse, President and CEO of the Uniform Code Council (UCC) notes "CPFR leverages existing commerce standards, such as VICS-EDI data messages and UCC/EAN identification standards, to electronically communicate collaborative information between trading partners. This enables companies, both large and small, to improve their business practices – quickly and with significant savings." CPFR is also expected to expand the return on investment potential for decision support and enterprise systems as their capabilities can now be extended to integrate with customers and suppliers.

CPFR concepts are being tested by several pilots in grocery, general merchandise, apparel and consumer electronics. The committee will report these pilots as business case studies in 1999.

For more information about the VICS CPFR initiative, see [www.cpfr.org](http://www.cpfr.org). More information about VICS initiatives can be found at [www.vics.org](http://www.vics.org). For more information about UCC electronic commerce and product identification standards, see [www.uc-council.org](http://www.uc-council.org).