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For Immediate Release:

VICS CPFR[®] Moving Forward

Lawrenceville, N.J. May 18, 2004 -The Voluntary Interindustry Commerce Standards (VICS) Association announces the update of the VICS CPFR[®] business process model. Building upon the lessons of hundreds of successful implementations worldwide, this major CPFR[®] revision describes a proven, practical business process that has delivered increased sales, improved profitability, greater capital efficiency and, most importantly, higher value trading partnerships.

According to Tom Cole, Vice Chairman of Federated Department Stores, *“CPFR[®] has been adopted by many leading edge firms who have experienced results far beyond their expectations. This new release, which focuses on the consumer, will have a dramatic impact on the rapid advancement of CPFR[®] into every industry and trading partner relationship.”*

The updated model supports the accelerating adoption of CPFR[®] globally. It is simpler for business executives to understand, yet provides implementers with more detailed guidance than before.

CPFR[®] Scenarios that Span the Retail Enterprise

CPFR[®] now provides distinct, clearly documented CPFR[®] Scenarios that meet different trading partner needs:

- *Retail Event Collaboration*, for highly-promoted channels or categories, increases the effectiveness of promotional spending and advertising
- *DC Replenishment Collaboration*, for retail DC distribution, reduces logistics costs and inventory
- *Store Replenishment Collaboration*, for direct store delivery or retail DC-to-store distribution, addresses store-level out-of-stocks and overstocks
- *Collaborative Assortment Planning* aligns sales strategy with the unique ordering requirements of fashion apparel and seasonal goods

Increased Emphasis of Collaborative Execution and Analysis

This update transforms CPFR[®] from a linear process to an iterative cycle of four activities: Strategy & Planning, Demand & Supply Management, Execution and Analysis. These Collaboration Activities rebalance the original model, maintaining the emphasis on planning and forecasting, while increasing the emphasis on execution and analysis.

Consumer-Focused

The consumer has been placed at the center of the CPFR[®] model. Enterprise tasks are oriented around satisfying consumer demand, originating at the point of sale.

Standards Development Process

This update incorporates the global experience and learning that has been realized by CPFR[®] veterans and their service providers who have been willing to share their experiences with industry through VICS. The VICS CPFR[®] Committee meets four times annually to drive ongoing development of the CPFR[®] guidelines, along with education sessions, practitioner discussions and best practice development.

For More Information

The VICS CPFR[®] website (www.cpfr.org) has a wealth of information on CPFR[®], including case studies, introductory presentations, and the guidelines themselves. Visitors to the site can also find details of upcoming VICS CPFR[®] committee meetings.

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About the Voluntary Interindustry Commerce Standards (VICS) Association

The mission of the VICS Association is to take a global leadership role in the ongoing improvement of the flow of product and information about the product throughout the entire supply chain in the retail industry. The Association's overall global objective is to improve product availability to the consumer by providing leadership and encouragement in the identification, development and implementation of volunteer standards, protocols, guidelines, and other mechanisms. The VICS Association approach allows companies to better anticipate and react to changes in consumer demand for these products, with the subsequent optimization of production and carrying costs. For information about becoming a member of VICS or participating in one of its other Board Committees, such as Floor-Ready Merchandise, Hardlines eCollaborative Commerce, or Logistics, please visit www.vics.org.

The VICS CPFR[®] Model

