

Conclusion

Collaborative Planning, Forecasting, and Replenishment seems to be common business sense. And it is—setting up front-end agreements for business partnerships, sharing expectations and goals, and taking those expectations into order fulfillment.

But it goes beyond a few simple ideas. Partners must also trust that they are working in each other's best interest. This sort of trust does not always exist in business relationships; it's a cultural change that must take place before CPFR can be successful.

The pilots have proven that CPFR can deliver expected improvements such as reduced inventory, higher in-stocks, and increased sales. It also benefits the partner companies by reducing fixed assets and working capital.

But the most important benefit is that it serves to satisfy consumer demand. In today's hectic world, the consumer is time-deprived...unable to shop around, yet demanding convenience and service. CPFR helps to fulfill that demand while building customer loyalty to both brand and retailer.

This roadmap provides the direction to follow with CPFR, but it is not the end of the road. It is still a challenge for partnerships to scale the CPFR process to handle hundreds of items and distribution points without straining their resources. Many pilots relied on manual techniques to uncover problems, but getting to full production requires automation. The technical specifications have been developed to help make that a reality.

Companies currently active with CPFR are progressing in the area of scalability. Most expect to use the Internet to handle both the volume of information CPFR requires as well as the timeliness it demands. They are strongly investigating an industry standard for XML to help them in this pursuit. They are also looking at CPFR beyond the original concept of manufacturer and retailer relationships, forward to suppliers and transportation carriers.

These forerunners stand to benefit the most from CPFR. Rather than hunting for the right path, it will give them a lead along the competitive road.



6.0 Conclusion