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## **VICS ISSUES COLLABORATIVE ASSORTMENT PLANNING FOR APPAREL & FOOTWEAR: A BUSINESS PROCESS GUIDE**

**Lawrenceville, NJ** — The Voluntary Interindustry Commerce Solutions Association announced the release of a new comprehensive guideline that identifies, develops and documents standardized collaborative processes for the Apparel and Footwear industries leveraging proven VICS Collaborative Planning, Forecasting & Replenishment (CPFR®) concepts. Entitled *Collaborative Assortment Planning for Apparel & Footwear: A Business Process Guide*, the document also provides a best practices business model.

CPFR is a business practice that combines the intelligence of multiple trading partners in the planning and fulfillment of customer demand. CPFR links sales and marketing best practices, such as category management, to supply chain planning and execution processes to increase availability while reducing inventory, transportation and logistics costs. CPFR is also a strategy for improving supply chain efficiency and effectiveness by making demand transparency drive the execution of the supply chain participants to maximize value for the end-customer.

“For fashion retailers and manufacturers, the process of determining and executing store assortments is increasingly complicated by changing consumer demand, short life-cycle inventory, size intensiveness and data challenges. The new business process guide enhances the VICS CPFR model to incorporate the unique business requirements of the Apparel and Footwear industry,” said Anita Spence, Director of Vendor Relations at Dillard’s Inc. and co-chair of the CPFR for Apparel and Footwear Subcommittee. “Our goal is to create a flexible, replicable model that will drive efficiencies for all participating trading partners.”

To define Collaborative Assortment Planning best practices, the VICS CPFR Committee formed an Apparel and Footwear Subcommittee of VICS members with industry expertise responsible for establishing and encouraging Apparel and Footwear collaborative assortment planning best practices. The group then incorporated business processes and requirements from a variety of retailers and manufacturers, and identified how the current VICS CPFR model could be

enhanced to meet the needs of the Apparel and Footwear industries. The result is the business process guide, which establishes the following:

- Collaborative assortment planning business processes, best practices, and standards
- A Scorecard with standard metrics to measure the success of the collaborative arrangement
- An ROI model based upon knowledge acquired during the development of the standards
- A Capability Assessment to evaluate readiness to adopt the recommended practices

The subcommittee also is providing ongoing implementation education and promotional support to drive adoption of best practices in the industry.

“Apparel and footwear retailers and vendors must work together to build and modify assortment plans based on financial plans, historical sell-thru data, market trends and production schedules. The coordination and sharing of this information both internally and among trading partners is critical to delivering the right products to the right place at the right time,” said Joe Andraski, President & CEO of VICS.

“Both retailers’ and vendors’ financial and assortment planning processes affect inventory management, yet the business processes and underlying systems are often not integrated or synchronized between parties, which leads to a wide variety of inefficiencies in the supply and demand chains. This document offers guidelines on how to effectively address these challenges by improving assortment planning execution and collaboration (both internal and external) between all involved parties.”

Contributors to the guide include Dillard's Inc., Hanesbrands Inc. (formerly Sara Lee Branded Apparel), Jones Apparel Group Inc., Kellwood Company, Levi Strauss & Co., Liz Claiborne Inc., Macy's, Inc., Nike Inc., Nygard International Ltd., VF Corporation, Wolverine World Wide Inc., (TC)2, 7thOnline Inc., JDA Software Inc. and Retail Systems Alert Group Japan.

**Editors Note:** *Collaborative Assortment Planning for Apparel & Footwear: A Business Process Guide* is available from the VICS website at [www.vics.org](http://www.vics.org).

## **About VICS**

The Voluntary Interindustry Commerce Solutions (VICS) Association has enabled companies in the retail and consumer-focused industries to eliminate billions of dollars of waste and delay. By creating voluntary guidelines, often referred to as “standards,” VICS has created new best practices that ultimately lead to lower costs and better availability of products for consumers. VICS’ volunteer members improve the flow of products and information throughout retailing and the consumer-focused industries that supply retail. The Association provides leadership and an environment in which executives can make a difference in their industry, their company performance—and their personal commitment to make the world work a little bit better. VICS’ members help define the next best practices in the industries and thus anticipate and optimize business processes and costs. Additional information can be found at [www.vics.org](http://www.vics.org).

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