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**1 Roadmap: How to Get Started with CPFR®**

After becoming familiar with the Collaborative Planning, Forecasting, and Replenishment (CPFR®) process, it is important to consider the steps taken to implement CPFR and demonstrate how it can increase sales and reduce costs. CPFR can be piloted with one or several partners to support the internal momentum necessary for broader implementation, or may be ready for targeted implementation. Regardless, companies are likely to focus on a particular process area like collaborative sales forecasting before expanding into the entire CPFR process.

Piloting and early implementations will help organizations understand the benefits of CPFR, document changes required for the further expansion, and develop strategies for overcoming obstacles.

The CPFR Roadmap is divided into five steps:

Step 1: Evaluate the Current Conditions

Step 2: Define Scope and Objectives

Step 3: Prepare for Collaboration

Step 4: Execute

Step 5: Assess Results and Identify Improvements

The CPFR Roadmap provides templates that can be customized for different partnerships. It also provides a checklist for each step to ensure all critical items have been completed.

#### 1.1 Step 1: Evaluate the Current Conditions

For an implementation to be successful, it is important to assess company's needs, values, culture, strategies, trading partner relationships, and track record when implementing best practices. This step looks for areas where change is needed to implement Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) successfully. Only after this step is done will a company be prepared to articulate a meaningful vision for CPFR. In addition, the senior leadership of a company must not only understand the concept of CPFR, but also openly offer their support.

CPFR can provide both demand and supply benefits. Mapping these potential benefits to your company's priorities will assist in cross-functional buy-ins.

#### CPFR Benefits: Demand

- Enhanced relationship: CPFR strengthens an existing relationship and substantially accelerates the growth of a new one. Buyer and seller work hand-in-hand from inception through fruition on business plan, base, and promotional forecasts.
- Greater sales: The close collaboration needed for CPFR implementation drives the planning for an improved business plan between buyer and seller. The strategic business advantage directly translates to increased category sales.
- Category management: Before beginning CPFR, both parties inspect shelf positioning and exposure for targeted Stock Keeping Units (SKUs) to ensure adequate days of supply and proper exposure to the consumer. This scrutiny will result in improved shelf positioning and facings through sound category management.
- Improved product offering: Before CPFR implementation, the buyer and seller collaborate on a mutual product scheme that includes SKU evaluation and additional product opportunities.

#### CPFR Benefits: Supply

- Improved order forecast accuracy: CPFR enables a time-phased order forecast that provides additional information, greater lead time for production planning, and improved forecast accuracy versus either stand-alone Vendor-Managed Inventory (VMI)/Continuous Replenishment (CRP) or other industry tools.
- Inventory reductions: CPFR helps reduce forecast uncertainty and process inefficiencies. Companies no longer have to hold inventory to "cover up" for forecasting errors or a trading partner's inability to have the product available in a timely manner. With CPFR, product can be produced to actual order instead of storing inventory.
- Improved technology return on investment (ROI): Through the CPFR process, technology investments for internal integration can be enabled with higher quality forecast information. Companies benefit by driving internal processes with common, high-quality data.

- Improved overall ROI: As other processes improve, the ROI from CPFR can be substantial.
- Increased customer satisfaction: With fewer out-of-stocks resulting from better planning information, higher store service levels will prevail, offering greater consumer satisfaction.

### 1.1.1 Where Does the Company Stand Today?

Companies should consider the following questions when determining if they are ready for Collaborative Planning, Forecasting, and Replenishment (CPFR®):

- Does the company have a culture that values cooperation and communication between its departments and with its trading partners?

For a CPFR partnership to succeed, there must be a commitment to work with and share information between functional areas and between trading partners. Many companies recognize room for improvement here, but both recognizing it and committing to make progress is an overwhelming indicator of the future success of both CPFR and other business partnerships. Information sharing brings strength that technology alone cannot provide.

- Has the company implemented other industry best practices?

Companies that have worked to adopt industry best practices, such as standard product identification (Global Trade Identification Number™ (GTIN™)), Electronic Data Interchange (EDI), and the basic principles of Quick Response (QR) or Efficient Consumer Response (ECR) already understand both their implications and benefits. Companies that have designed a Vendor-Managed Inventory (VMI) or Continuous Replenishment (CRP) group have also gained valuable learning applicable to CPFR.

- Is using information technology to solve business challenges a company priority?

CPFR has been piloted with relatively little technology assistance. However, once a pilot proves a business case, implementing CPFR on a broader scale may become more effective when technology is applied. CPFR sponsorship by senior management becomes particularly important at this point, as CPFR may be viewed as competition for information technology (IT) resources. Given proven results, however, it will become evident that CPFR complements IT priorities.

The Internet offers an opportunity to improve both internal and external business communication. Whether using the Internet as a vehicle to expedite shared information or to use software, CPFR is a prime example of how Internet technology can be used to enhance business-to-business relationships.

### 1.1.2 Develop a Company's CPFR® Vision

Before implementing Collaborative Planning, Forecasting, and Replenishment (CPFR®), a company needs a vision for it. With this vision, plans can be outlined for improving a company's business processes to support CPFR as well as its overall goals. Throughout the CPFR process, companies should validate that organizational changes are in harmony with the CPFR vision. A well-thought-out vision answers these questions:

- What are the company's objectives for CPFR?
- What areas of the organization will be impacted and how?
- How will success be measured?
- What will be the scope of the project?
- Which product lines will be included?

- How many stores and distribution centers (DCs) will be included?
- How many trading partners will be brought on board in order to have a significant impact?
- What is the level of technical sophistication of the company and its trading partners?
- What is the long-term market position of the trading partners?
- What corporate stance will the company develop for press releases?
- How will the vision be documented?

### **1.1.3 Are Trading Partners Ready for CPFR®?**

Consider these factors when reviewing potential partners for a Collaborative Planning, Forecasting, and Replenishment (CPFR®) relationship:

- Can trading partner relationships be characterized as open and trusting?

A trusting and open relationship is required, since CPFR depends on the sharing of sensitive information.

- Do trading partners have complementary strengths and weaknesses?

Think of what each partner can bring to the table. For example, one may be strong technologically, providing the majority of the technology infrastructure. The other may be strong in market and consumer knowledge, and through the CPFR relationship be able to provide this strength. Be cautious not to assume that the largest trading partner is the most likely candidate.

- Does a trading partner have the appropriate commitment and resources required to make CPFR successful?

Without a strong commitment to CPFR, its potential will not be realized.

- Does a trading partner have experience with CPFR with another partner?

Build on learning. Even though development time may be greatly reduced by leveraging the learning already gained through a partner's previous efforts, the template for each new partnership will probably be different.

- Can a trading partner quantify the potential internal and external benefits?

CPFR requires a paradigm shift from an adversarial stance to a win-win relationship, as well as a commitment to working together by departments that may have never communicated directly or effectively in the past.

### **1.1.4 Develop a Business Case to Take to Trading Partners**

The capability assessment helps answer these questions and helps the partners recognize their current state and where they need to change to implement a successful Collaborative Planning, Forecasting, and Replenishment (CPFR®) partnership.

This assessment process is a method to identify areas that need immediate attention or that could be sequenced later in CPFR process improvement. The key to this assessment process is understanding two critical aspects of CPFR:

1. All four process areas identified in the assessment must be maximized to fully realize the benefits of CPFR.

2. Partnering companies have the flexibility to decide the priority in which key CPFR processes will be worked on and improved.

### 1.2 Step 2: Define Scope and Objectives

After creating a Collaborative Planning, Forecasting, and Replenishment (CPFR®) vision, implementation can begin. Step 2 requires:

- Gaining commitment from trading partners
- Assigning team members and establishing their roles
- Selecting products and locations that will be included in the process
- Deciding which part(s) of the nine-step CPFR process to test
- Establishing key performance metrics to measure the initiative's success

This is truly the implementation of the CPFR Collaboration Arrangement as designed in the CPFR Guidelines. See Tab 2, Section 4, Appendices, for a sample CPFR Collaboration Arrangement.

### 1.2.1 Preparations

#### 1.2.1.1 Template: Team Members, Roles, and Responsibilities

- Each trading partner identifies a management-level sponsor. The sponsors select team members, ensure commitment to the project, and review results.
- The management sponsors for each company identify a team of three or more individuals who can participate in the initiative at least 10 hours each week. One team member from each side is assigned to each of three areas: sales collaboration, replenishment, and collaboration technology.

Figure 1.2.1.1

Role	Responsibilities	Typical Position Retailer	Typical Position Supplier
Sales Collaboration	The sales collaboration team is responsible for establishing sales forecasts, promotion plans, and collecting and reporting sales results. The team is also responsible for recommending and implementing changes to the replenishment system.	Category manager, buyer, store replenishment	Sales representative (account relationship owner)
Replenishment	The replenishment team determines the order forecast and collects actual order and inventory information.	Inventory analyst buyer, rebuyer	Customer service manager, forecast analyst, order management analyst
Collaboration Technology	The collaboration technology team sets up the collaboration environment, monitors technology effectiveness, and evaluates technical rollout requirements.	IT coordinator, project manager, systems manager	IT coordinator, project manager, systems manager

- The management sponsors may also include an external project facilitator (systems integrator, software vendor, or network services provider) whose prior experience can help guide the project team.

- The management sponsors select a team captain for daily management of the project.

### **1.2.2 Project Kickoff**

Once the project sponsors identify team members and roles, the project is formally initiated with a kickoff meeting.

#### **1.2.2.1 Template: Kickoff Meeting**

All team members, including sponsors and affected department liaisons attend a one-day kickoff meeting.

Agenda:

1. Introduce the team.
  2. Create the project overview, including performance metrics.
  3. Begin joint scope-setting (see template).
  4. Begin joint objective-setting (see template).
  5. Set future meeting dates, times, and locations.
- Give all team members the Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) Guidelines and other supporting materials. If a software package is used, distribute the user documentation. Information Technology (IT) team members should also receive software package administration and integration documentation. (Detailed training sessions on CPFR practices and associated software are held in the second phase of the project.)
  - During the scope- and objective-setting sections of the meeting, discuss adjustments to the basic pilot implementation approach that the team would like to consider, and document them carefully.
  - Schedule a one-day CPFR/collaboration technology training session for all team members (except sponsors) within two weeks of the kickoff meeting.
  - All team members attend two three-hour meetings at the conclusion of project steps 2, 3, and 4. These meetings should be in person, though they may also be conducted as conference calls.

### **1.2.3 Finalizing Scope and Objectives**

If additional work is required after the kickoff meeting to finalize scope and objectives, the sales and replenishment collaboration members work informally within their organizations to come to a conclusion.

#### **1.2.3.1 Template: Project Scope-Setting**

- Limit the initial phase by using only one product category (between 10 and 50 Stock Keeping Units (SKUs)) and possibly by limiting the number of distribution centers involved. If store-level forecasting is used, the project should involve fewer than 50 stores.
- Determine which Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) processes will be initially implemented. Starting with the Front-End Agreement, decide how far into the nine-step process to proceed. For example, some companies test CPFR through the Sales Forecasting Collaboration before proceeding on to Order Forecasting Collaboration.
- Determine which trading partner will take responsibility for the creation of the sales forecast, the order forecast, and generation of the actual order. Since this is probably already established in the relationship, discuss the reasons as they relate to the

strengths, systems, and resources of each company. Before making this decision, discover which trading partner has the best data and technology or software that could be used to increase forecast quality. This is critical, since a high-quality forecast on the front end greatly reduces the amount future exception communication.

- Identify a process for determining both sales and in-stock inventory positions for each SKU(s)/location(s) that will be included in the project. (This information can be collected and entered from other systems, or entered manually, if necessary.) Capture baseline data in order to determine if objectives have been met.
- Identify where the best forecast data resides and how it can be used for the project. Use SKUs where historical data is available.

#### 1.2.3.2 Template: Objective-Setting

Set performance metrics. The project should focus on increasing forecast and planning accuracy, reducing both safety stock requirements and out-of-stock conditions. The team sets targets for these measures relative to performance in the same period a year earlier (or some other comparable period). Here is a sample set of objectives:

- 15 percent increase in forecast accuracy (from 60 percent to 75 percent)
- 10 percent reduction in supply chain inventory (from 2000 cases to 1800 cases)
- 3 to 5 percent increase in retail in-stock position (from 90 percent in-stock to 94 percent)

When setting objectives, consider how the data will be collected. One common example is total supply chain inventory. Often, manufacturers do not tally inventory by customer, so assessing total supply chain inventory may be difficult. Do not be discouraged. Work with the information that is available. In this example, a manufacturer may be able to provide good estimates on inventory by analyzing how its total inventory for each item is affected.

#### 1.2.4 Step 2: Closure Checklist

Before beginning Step 3, the team captain verifies the status and reports it to the project sponsors:

- All team members have been assigned, and time has been allocated for team member participation throughout the project.
- Products and locations for collaboration have been identified, and associated personnel have been notified.
- Metrics such as forecast accuracy, inventory reduction, and out-of-stock targets have been established.
- Sources of forecast data have been identified.
- Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) training session and future project team meetings have been scheduled.

#### 1.3 Step 3: Prepare for Collaboration

In Step 3, the project team studies the details of the Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) business process and identifies the technology and additional resources required to support it. Sales and replenishment team members develop ground rules for managing exceptions and changes. Collaboration technology team members install and configure the information systems (purchased, developed, or simple spreadsheets and e-mails) used to support collaboration between partner teams. At the end of this step, collaboration is ready to begin.

### 1.3.1 Process and Technology

Step 3 starts with a training session for the team, so team members can begin working with Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) processes and technology.

#### 1.3.1.1 Template: Collaboration Training Session

All team members except sponsors participate in day-long collaboration training.

- The first session reviews the Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) process model and Front-End Agreement, concluding with a case study.
- The second session trains team members on how to use the selected technology to review exceptions, revise forecasts, and monitor scorecard measures.
- Training concludes with an online simulation of a trading scenario, using the selected technology to interact.
- Collaboration technology team members take an additional day of training on technology administration and integration.

#### 1.3.1.2 Configuration

Once the sales and replenishment collaboration team members are trained, they begin to prepare their forecasts and exception thresholds. Meanwhile, collaboration technology team members set up collaboration technology and integration interfaces.

#### 1.3.1.3 Template: Sales Forecasting Preparation

- The sales collaboration team creates an initial sales forecast for weeks 9 to 14 of the project. The number of weeks in the forecast can be extended to align with the next fiscal period.
- Create a Stock Keeping Unit (SKU) level in normal buckets (such as weekly), aggregated to the retail distribution center level or other appropriate customer ship point (or by store, if direct store delivery is being used).
- Specify promotional forecasts (promotions with effective dates, projected prices, and volume impacts) independently of the base demand forecast values. Seasonal uplift may be combined with base demand for simplicity. The accuracy of promotional forecast can be greatly enhanced through the use of high-quality lift tables that incorporate historical Point-of-Sale (POS) data and related causal information.
- Set exception thresholds at 5 percent change in base demand and 15 percent change in promotional demand.
- Share the sales forecast among trading partners. Exceptions are triggered based upon changes to this forecast, regardless of who makes them.

#### 1.3.1.4 Template: Order Forecasting Preparation

- Give replenishment team members early access to promotional plans to develop the order forecast.
- Set the order forecast to the level of detail that will be replenished (such as Stock Keeping Unit (SKU) level, weekly, or by customer distribution center).
- Either the supplier or retailer creates an initial order forecast covering the weeks of sales planned in the sales forecast and incorporating the suppliers' order requirements (such as minimum order quantities). For example, if the purchase-order-to-store replenishment cycle time is one week, and the sales forecast is for weeks 9 to 14 of the project, then the order forecast should be for weeks 8 to 13. Additional weeks can be added to support inventory builds and other logistics to support the sales plan.
- Set exception thresholds at 5 percent change in base demand, 15 percent change in promotional demand.
- Share the order forecast among trading partners. Exceptions are triggered based upon changes to this forecast, regardless of who makes them.



#### 1.3.1.5 Template: Collaboration Technology Configuration

Each company sets aside server systems for the project or can subscribe to a Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) service provider.

- Information technology (IT) staff or software vendor personnel install collaboration software on-site or activate the service provider.
- Each company provides extracts of product and location data to be used in the project. These products and locations remain fixed through the project life cycle to simplify master data maintenance and integration interfaces.
- IT personnel (or business partners) load the product and location data into the collaboration software.
- Each company provides a format for forecast data to be loaded. IT, consulting, or software vendor personnel develop scripts to load and update this data.

To complete Step 3, team members should meet to review their readiness for online collaboration. By the meeting date, the team should have agreed upon an initial forecast for the collaboration period, and the collaboration software should be up and running with the required products, locations, and initial forecast values entered.

#### 1.3.1.6 Template: Pre-Launch Meeting

All project team members, including sponsors, participate in a pre-launch meeting.

Agenda:

1. Review initial sales forecasts, including planned promotions.
2. Review initial order forecasts.
3. Discuss logistics issues (such as carrier arrangements) that could affect the plans.
4. Review the status of collaboration technology; demonstrate technology with project products and locations configured.

#### 1.3.2 Step 3: Closure Checklist

Before beginning Step 4, the team captain verifies the status and reports it to the project sponsors:

- All team members have been trained.
- Initial sales and order forecasts for all product/location combinations have been agreed upon.

Collaboration technology is ready to begin.

### 1.4 Step 4: Execute - Performing the Collaboration

In Step 4, the sales and replenishment collaboration teams begin to exchange forecasts with each other, modifying them to respond to changing conditions. The collaboration technology team gains experience managing the environment, and prepares for rollout to a large number of locations and projects.

#### 1.4.1 The Collaboration Process

Sales and order forecast collaboration follow specific ground rules to secure benefits.

##### 1.4.1.1 Template: Forecast Collaboration

- Determine the rules for changing forecasts.
- The partners exchange new or revised forecasts at least weekly. The retailer enters the latest sales results for each product weekly.

- A partner who disagrees with a proposed forecasted value counter-proposes a change, along with comments. Counter-proposals are made within five business days. If a partner does not receive a counter-proposal within that time, the proposal is accepted. The order forecast owner is the final arbiter of forecast values. After rounds of three changes, only the order forecast owner can change a forecast.

#### **1.4.2 Technology Rollout Planning**

Consideration of technology rollout begins now, although details of the rollout steps themselves are part of Step 5.

The collaboration technology team uses this experience to understand the information technology (IT) requirements for a larger-scale rollout of forecast collaboration practices, including electronic commerce, security, and application integration issues, as well as staffing, training, backup/recovery, and support procedures. A clear technology rollout plan produced during this phase of the project can greatly accelerate future results.

##### **1.4.2.1 Template: Collaboration Technology Rollout Planning**

Each organization develops its own plans for technology rollout.

- Assess prospective trading partners' electronic commerce capabilities. How many will use Electronic Data Interchange (EDI)? How many will have their own Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) server? How many will be client users only?
- Determine which other application data feeds will be required to maintain up-to-date product, location, and partner master data. Evaluate the level of effort required to integrate these sources with the collaboration software.
- Determine which applications require or provide forecast information for the range of products and locations to be covered in a general rollout. Evaluate the level of effort required to integrate these sources to the collaboration software for import/export.
- Configure the corporate firewall and Web servers to allow secure access by CPFR trading partners.
- Identify the number of core users (planners), occasional users (management, warehouse personnel, sales people), support personnel, and administrators.
- Estimate training requirements for the proposed user base.
- Develop a technology rollout timeline, including procurement, installation, integration, training, and mobilization of support resources.

#### **1.4.3 Collaboration Review**

After about four weeks of collaboration, the project team meets to discuss progress, problems, and changes. The team then takes an additional two weeks of collaboration to determine whether adjustments have an impact.

##### **1.4.3.1 Template: Collaboration Review Meeting**

All project team members, including sponsors, participate in the collaboration review.

Agenda:

1. Discuss major exceptions encountered in the first four weeks of collaboration.
2. Evaluate the effectiveness of response to changes.
3. Propose process enhancements.
4. Adjust objectives and collaboration ground rules.

#### **1.4.4 Step 4: Closure Checklist**

- The project team has participated in at least six weeks of online sales and order forecast collaboration.

- The initial results and participant comments have been summarized and reviewed by both trading partners.
- The project team has identified future technology and software modifications that will enhance the process.
- The project team has held a collaboration review meeting, applying ideas from the first four weeks to improving the process in the final two weeks.
- Results have been reviewed with the project sponsor.

### **1.5 Step 5: Assess Performance and Identify Next Steps**

In Step 5, the team and its management review the team's progress, report results to its respective organizations, and make preparations for broader Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) rollout.

#### **1.5.1 Partnership Review**

Every 6 to 12 weeks of collaboration, the business team reviews actual results against the target metrics. The team also considers the business process impact of the partnership.

##### **1.5.1.1 Template: Collaboration Scorecard**

Evaluate the actual results against metrics that were agreed upon in the joint planning meeting and against data available from previous periods.

- Compare weekly Stock Keeping Unite (SKU)/store level sales forecast accuracy with the year-ago period, and note changes.
- Compare weekly SKU/distribution center (DC)-level order forecast accuracy with results for the year-ago period, and note changes.
- Compare total in-stock inventory at DCs and stores per product with that for the year-ago period. Adjust for changes in the number of products and stores, and note whether the balance of inventory has shifted up or down the supply chain.
- Compare the number of store-level out-of-stock events with those for the year-ago period. Calculate relative to the in-stock percentage per SKU.
- Identify the number of exceptions and their root cause.
- Add any other measures that seem significant after the collaboration period. Has there been significant sales growth in the category? Were there special external conditions (e.g., weather, new competitors, product changeovers, promotional merchandise, store openings/closings, staff changes) that affected results? How can these factors be accounted for in the future?

##### **1.5.1.2 Template: Business Process Review**

- Review cases in which a business process or forecast changed dramatically. What caused the change? Did the Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) process reduce problems associated with the change? Were there specific benefits over past ways of doing business?
- Based upon the pattern of changes that occurred, what future opportunities are revealed?
- Can purchase orders be eliminated and collaborative forecasts be used to trigger replenishment (actual orders) instead?
- Were any organizational problems identified?

##### **1.5.1.3 Template: Collaboration Technology Review**

- Assess the contribution of Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) technology to achieving project objectives.
- Highlight new opportunities the technology has uncovered as well as any issues or concerns.
- Present the collaboration technology rollout plan to other team members. Incorporate their feedback.

### 1.5.2 Determining Next Steps

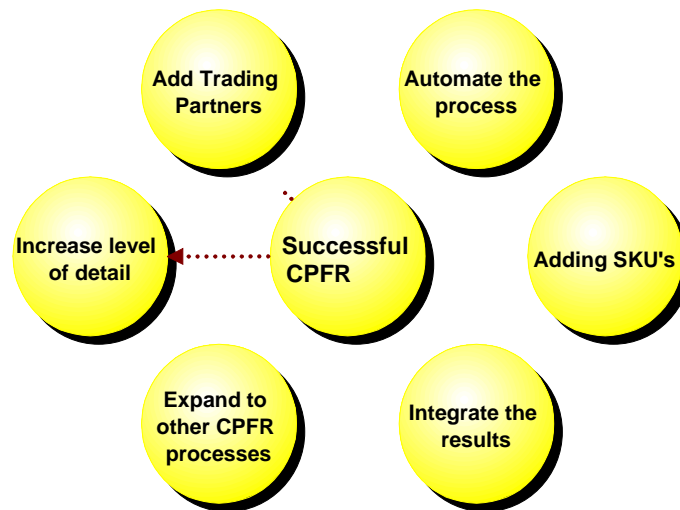
Before making a final report, team sponsors discuss what next steps they will recommend to their respective organizations about continued collaboration. Future initiatives between the implementation partners are determined jointly.

Team members from each organization also consider the next steps to take relative to their own trading partner networks after the initial phase reviews are completed. What additional partners should be included? Which product lines should be added? Training requirements, organizational changes, project costs, and rollout time frames should all be estimated.

After a successful launch, there are a number of ways to expand Collaborative Planning, Forecasting, and Replenishment (CPFR®), and numerous areas companies may want to test and explore.

Figure 1.5.2 – 1

## Expanding CPFR



- **Expand to other CPFR processes**  
If the CPFR implementation focused on joint business planning and sales forecasting, expand to order forecasting collaboration.
- **Add SKUs**  
If the CPFR implementations initially focused on a limited set of items, increase the gains by expanding to other product categories.
- **Increase the level of detail**  
If the implementation focused on warehouse-level information, better results can be achieved by moving to store-level information.
- **Automate the process**  
Although few of the companies that have initiated CPFR have had to add human resources to complete their implementation, automating the collaboration process will produce increased gains. The vision of CPFR is one of managing forecasts by exception, which can best be achieved through an automated process -- especially when the number of products and trading partners increases.
- **Add trading partners**

The benefits gained from collaborating with one or a small number of trading partners can be extended to more trading partners, depending on the relationship with, culture, and capabilities of each partner. Even before a “critical mass” is achieved, there are benefits to each relationship.

- Integrate the results  
The benefits of CPFR are fully realized only when the outputs of the collaborative processes are integrated with the internal processes at both companies. For a seller or supplier, this means using the collaborative forecast in the production planning, capacity planning, and materials requirements planning processes, as well as financial planning processes. For the buyer or retailer, this means integrating the collaborative forecast into buying, merchandising, replenishment, and financial planning processes.

### **1.5.3 Reporting Results**

The project team should publish a joint project report that allows others in each partner organization to understand the impact of and potential for collaboration. The initial Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) experience greatly contributes to a successful general rollout.

#### **1.5.3.1 Template: Project Report**

A project report has six major sections:

1. Executive Summary
2. Project Scope, Objectives, and Resources
3. Business Process Results
4. Collaboration Technology Results
5. Next Steps
6. Organization-Specific Plans

- Executive Summary provides a high-level overview of the project.
- Project Scope, Objectives, and Resources discusses the original conditions and changes that were made as a result of the initial Collaborative Planning, Forecasting, and Replenishment (CPFR<sup>®</sup>) experience.
- Business Process Results reports results against key metrics.
- Collaboration Technology Results describes how information technology supported the project's objectives.
- Next Steps suggests future collaborations between the partners, including the business and technology rollout plans.
- Organization-Specific Plans are private to each organization's version of the report. They can include proposals to expand collaboration to other trading partners, projected costs, organizational impact, and preliminary project plans.

The team captain creates a summary presentation to supplement the project report.

### **1.5.4 Project Completion Checklist**

- The project team held a collaboration review meeting.
- The project sponsors agreed upon next steps and developed organization-specific deployment plans for additional collaboration initiatives.
- The project report for the current review was written and distributed to others within the organization.
- Senior management has been informed of the results and has contributed to the recommendations for expansion.