

The role of cpfr



Write a 300 to 500 word paper on the eight different tasks associated with the CPFR model. Be sure to identify at least 3 different web sources that contain data that is useful for conducting demand forecasting and to discuss why sharing data is important, and what the benefits are in CPFR implementation.

The customer is in the center of CPFR model collaboration. At this point now eight collaboration task is available:

1- Collaborative Arrangement is to set the business goals and define the scope needed for the relationship. The participating companies need to designate the roles, responsibilities, checkpoints and escalation procedures. The need to identify the executive sponsors who agree to dispute resolution processes confidentially.

It causes them to distinguish the role of each partner and how their performance will be measured. It formalizes each partner's commitment and willingness to exchange knowledge and share the risk that partner may face. It also defines the process of practical terms and readiness of each partner to maximize the benefits of their relationship.

2- Joint Business Plan is to develop trading partner for exchanging information on corporate strategies. It helps them to identify important issues that may affect supply and demand such as promotions, changing inventory policy, opening or closing store, and introductions. They will help have a joint calendar for the promotion, changing policy, changing each product category, etc.

3- Sales Forecasting is to use consumption data which are Retailer point of sale data, withdrawals of the distribution center, and manufacturer consumption data to project demand at the point of their sales.

4- Order Planning/Forecasting is determining future product order, and delivery requirements based upon the sales prediction. It takes into account the position of the inventory, shipment quantities, leading time in transit, and other factors.

5- Order Generation uses the results data (point of sale, shipments, on-hand inventory) to share, and then identify and resolve forecasting accuracy problems, overstock/under stock conditions, and execution issues.

6- Order Fulfillment is the process of placing an order, arranging the shipment and delivering the products, receiving and stocking the products, recording the sale transaction and making the payment by the buyer.

7- Exception Management is for trading partners identify forecast accuracy problems, overstock/out of stock conditions, identifying execution issues and resolve them promptly.

8- Performance Assessment is to evaluate achievement of business goals, uncover trends or develop alternative strategies, adjust plans for their continuous improvement. Partners generate and make an agreement with a list of exception items for their CPFR initiative, and to resolve the sales forecast exceptions they develop a process for it.

CPFR improves profitability, customer service and provides more effective inventory management. The reduction in inventory levels, reduce the

warehouse cost, eliminating out of stock situations, increase the sale, are the benefits of CPFR which cause supply chain more driven to the customer than before.

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