

# [The could be said in a way](https://assignbuster.com/the-could-be-said-in-a-way/)

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The benefits derived from the useof GPA is the exchange of information that the CPFR intends to expand andamplify thanks to the new information and communication technologies. As well asthe daily calculation of forecasts based on data collected each day.

This hyperresponsiveness to demand optimizes truckloads, delivery routes, and full palletrates. The CPFR, medium-long term tool, cannot bring it. “ The GPA has reducedlogistics costs and inventories for distributors (more than 50% on average) andhas also brought visibility to warehouse outlets, which the sales force couldnot appreciate”, adds Thierry Jouenne. “ It is a very sophisticatedexecution tool, a reactive process totally dedicated to orders, which does wellwhat it has to do, but does not offer sufficient visibility to the supplier whodrives the supplies of its customers “ In other words, do not ask the GPAto do something they cannot do – medium-term and long-term.” The GPA does not plan, itruns and manages,” adds Christophe Bertin, Senior Consultant at Logility.” Businesses need to anticipate long-term market needs and rectify in themedium term, so that the majority of short-term issues go away.” The CPFRallows replenishment plans to be planned in a shared way. The GPA to managethese plans – it could be said in a way that the CPFR is PPP, shared procurementplanning.

“ The reactive capabilities of theGPA in the short term will thus serve the CPFR by allowing the update of theforecasts made in the medium term, as the setting of a promotion or a newproduct for the deployment of stocks. In return, the CPFR should make the GPA alsomore effective and efficient because it is simpler. “ Unlike the CPFR, theGPA requires administrative support of a physical flow,” says ChristopheBertin. “ We need delivery notes, bar codes, reception documents … Butthe pace of the GPA is slowed by the exceptions, that is to say all that isdone and increases the information to deal with: the unexpected parcel, thedefective parcel, etc. A small part of these exceptions is inevitable, but themajority comes from a bad anticipation because it is synonymous with sharedplanning, the CPFR will make it possible to limit these anomalies.

“ The CPFR is also likely to upsetthe relationship between suppliers and retailers, because it requires, in orderto work, to abandon a certain conception of collaboration. Today, majormanufacturers are joining forces to weigh more heavily against large-scaleretailers. Clusters seem inevitable, and some distributors will eventually haveto rid themselves of certain autocratic habits. “ The CPFR is timely andwill not become an imposed figure,” says Christophe Bertin. From now on, the ability to clearly anticipate market needs will become a decisive factor incompetition.

Do the CPFR, not war. “ And if we started to speak, toexchange, to collaborate, that’s the idea of ?? the CPFR”, summarizes MaëlBarraud. “ But if it’s all about sending out sales or purchasing forecasts, it’s not collaboration.

” A point of view shared by Christophe Bertin whoalso defends a possible gradual implementation of the process. “ Beforecomparing two forecasts and accepting the idea,” he suggests, “ it’sbetter to proceed in stages by sharing a single forecast, for example, a retailercan provide a supplier with its 12-month forecast for it to learn how to workwith external data and to have a corrective attitude. After the confidenceestablished, the common work habits taken and the exceptions identified, we canvery easily go to the next step: the comparison of the respective forecasts todevelop a single, shared forecast “. This is, in a way, the scenario ofthe first CPFR pilot tested in Europe, Except that here, Suppliers haveprovided their own forecasts, at the level of the warehouse but just for asmall sample of products, while the retailer does not have the tools and skillsto make his own.

The industry is also concernedthat some companies may fear losing their competitive advantage. As there willalways be a certain number of companies or individuals who think they areunbeatable; they will not adopt business practices that would give them theimpression of losing their competitive advantage. This is a phenomenon that canbe found in any industry. Many people in the old school are not very excitedabout sharing information. For this reason, this part of the process must be astrategic agreement, in which trading partners define the conditions under whichthe information will be used, on both sides.