

The could be said in  
a way

Business, Industries



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

This hyperresponsiveness to demand optimizes truckloads, delivery routes, and full pallet rates. The CPFR, medium-long term tool, cannot bring it. "The GPA has reduced logistics costs and inventories for distributors (more than 50% on average) and has also brought visibility to warehouse outlets, which the sales force could not appreciate", adds Thierry Jouenne. "It is a very sophisticated execution tool, a reactive process totally dedicated to orders, which does well what it has to do, but does not offer sufficient visibility to the supplier who drives the supplies of its customers" "In other words, do not ask the GPA to do something they cannot do - medium-term and long-term." The GPA does not plan, it runs and manages," adds Christophe Bertin, Senior Consultant at Logility. "Businesses need to anticipate long-term market needs and rectify in the medium term, so that the majority of short-term issues go away." The CPFR allows replenishment plans to be planned in a shared way. The GPA to manage these plans - it could be said in a way that the CPFR is PPP, shared procurement planning.

"The reactive capabilities of the GPA in the short term will thus serve the CPFR by allowing the update of the forecasts made in the medium term, as the setting of a promotion or a new product for the deployment of stocks. In return, the CPFR should make the GPA also more effective and efficient because it is simpler. "Unlike the CPFR, the GPA requires administrative support of a physical flow," says Christophe Bertin. "We need delivery notes,

bar codes, reception documents ... But the pace of the GPA is slowed by the exceptions, that is to say all that is done and increases the information to deal with: the unexpected parcel, the defective parcel, etc. A small part of these exceptions is inevitable, but the majority comes from a bad anticipation because it is synonymous with shared planning, the CPFR will make it possible to limit these anomalies.

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

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

“ A point of view shared by Christophe Bertin who also defends a possible gradual implementation of the process. “ Before comparing two forecasts and accepting the idea,” he suggests, “ it’s better to proceed in stages by sharing a single forecast, for example, a retailer can provide a supplier with its 12-month forecast for it to learn how to work with external data and to have a corrective attitude. After the confidence established, the common work habits

taken and the exceptions identified, we can very easily go to the next step: the comparison of the respective forecasts to develop a single, shared forecast ". This is, in a way, the scenario of the first CPFR pilot tested in Europe, Except that here, Suppliers have provided their own forecasts, at the level of the warehouse but just for a small sample of products, while the retailer does not have the tools and skills to make his own.

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