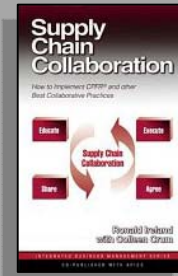


Supply Chain Collaboration. How to Implement CPFR and Other Best Collaborative Practices

Book Review by Helle Skøtt



"Clearly the most concrete literature published in the field to date. I give it 5 out of 6 stars."

-Helle Skøtt,
Senior SCM Consultant

My expectations were high as I began reading Ronald K. Ireland's book "Supply Chain Collaboration – How to Implement CPFR and Other Best Collaborative Processes". Finally I would gain clear insight into this rather theoretical idea of CPFR (Collaborative Planning, Forecasting and Replenishment) and learn how it is actually used in practice.

I am happy to report that my expectations were largely met. Because the author is clearly colored by his many years of experience at Wal-Mart the book deals almost exclusively with the grocery industry. The cases and examples used in the book come from the same. But since the CPFR concept actually originated from collaboration between Wal-Mart and one of their suppliers, and the fact that CPFR is not widespread in other industries, this perspective is unavoidable. The grocery industry has been, and continues to be, the frontrunner within Supply Chain Collaboration. The winners within Supply Chain Management are those companies that take best practice

principles from success stories such as the grocery industry and apply them to their own industry, thereby setting new standards for supply chain collaboration.

The book's strength is its very practical approach to implementation of Supply Chain Collaboration, including CPFR. A range of tools are presented in a clear and understandable way and the alert reader can relate them to their own business. It's a relief to read this practical information after so many years of reading SCM material (especially American) that was either long and theoretical or written in a personified form that mainly resembled role playing. Both of these approaches were frustrating for those of us working with SCM on a daily basis.

The author uses the first chapters to clarify why Supply Chain Collaboration is a must for a successful business, along with the potential benefits that can be found through the close collaboration between businesses in the supply chain. These chapters leave no doubt whatsoever about the urgency of examining this area more closely.

Following this are two cases that describe a Supply Chain Collaboration industry standard for CPFR collaboration. It is this chapter that I think puts things in perspective especially

well and gives an overview of CPFR and the collaboration form that supports it.

The following chapters list a range of pitfalls (for example the classic situation of lack of focus from top leadership), an implementation strategy, and examples of technology that support Supply Chain Collaboration. For those of us that have worked with Supply Chain Management products through the years there is nothing revolutionary here. The author uses this to emphasize the absolute importance of cooperation between people, processes and technology. He drives the point home by saying that 80% of the focus in a Supply Chain Collaboration project should be on education, people and process change and the remaining 20% on technology.

The author suggests that a business get internal processes in order before implementing a collaboration solution in the supply chain. He stresses, however, the error of waiting for a perfect world and thereby missing many potential benefits. In order to decide if the timing is right the author has created a checklist to help decide if the business is ready to implement a collaboration strategy. This is the only section of the book

where I think the author's structured method becomes domineering. Use the list instead as a starting point for discussion and internal consideration. Avoid spending time attempting to give points to these very intangible concepts.

In general, this book is a great introduction to Supply Chain Collaboration with an excellent balance between the use of theoretic models seasoned with practical cases and examples. It is done without one part taking over or dominating the presentation.

I recommend that everyone working with supply chain collaboration or considering a project in the area read Ronald K. Ireland's book. It is clearly the most concrete literature published in the field to date. I give it 5 out of 6 stars.

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