

# Customer Collaborative Supply Chain Models

1. CRP

2. CPFR



CRP

The diagram illustrates the concept of CRP through two levels of definition. At the top, a blue rounded rectangle labeled 'CRP' has a horizontal blue arrow pointing to the text 'CRP stands for Continuous Replenishment Planning.' Below this, another blue rounded rectangle labeled 'CRP Definition' has two arrows: a diagonal one pointing to 'CRP is the process where the supplier became the responsible for replenish products.' and a horizontal one pointing to a more detailed definition of CRP as a practice of partnering between distribution channel members.

CRP stands for Continuous Replenishment Planning.

CRP  
Definition

CRP is the process where the supplier became the responsible for replenish products.

Is the practice of partnering between distribution channel members that changes the traditional replenishment process from distributor-generated purchase orders, based on economic order quantities, to the replenishment of products based on actual and forecasted product demand.

## PROCESS DESIGN

Customer Warehouse



1 – Inventory report



2 – Order



CRP TOOL



2 – Order



ERP



4 – Final Order



3 – Availability

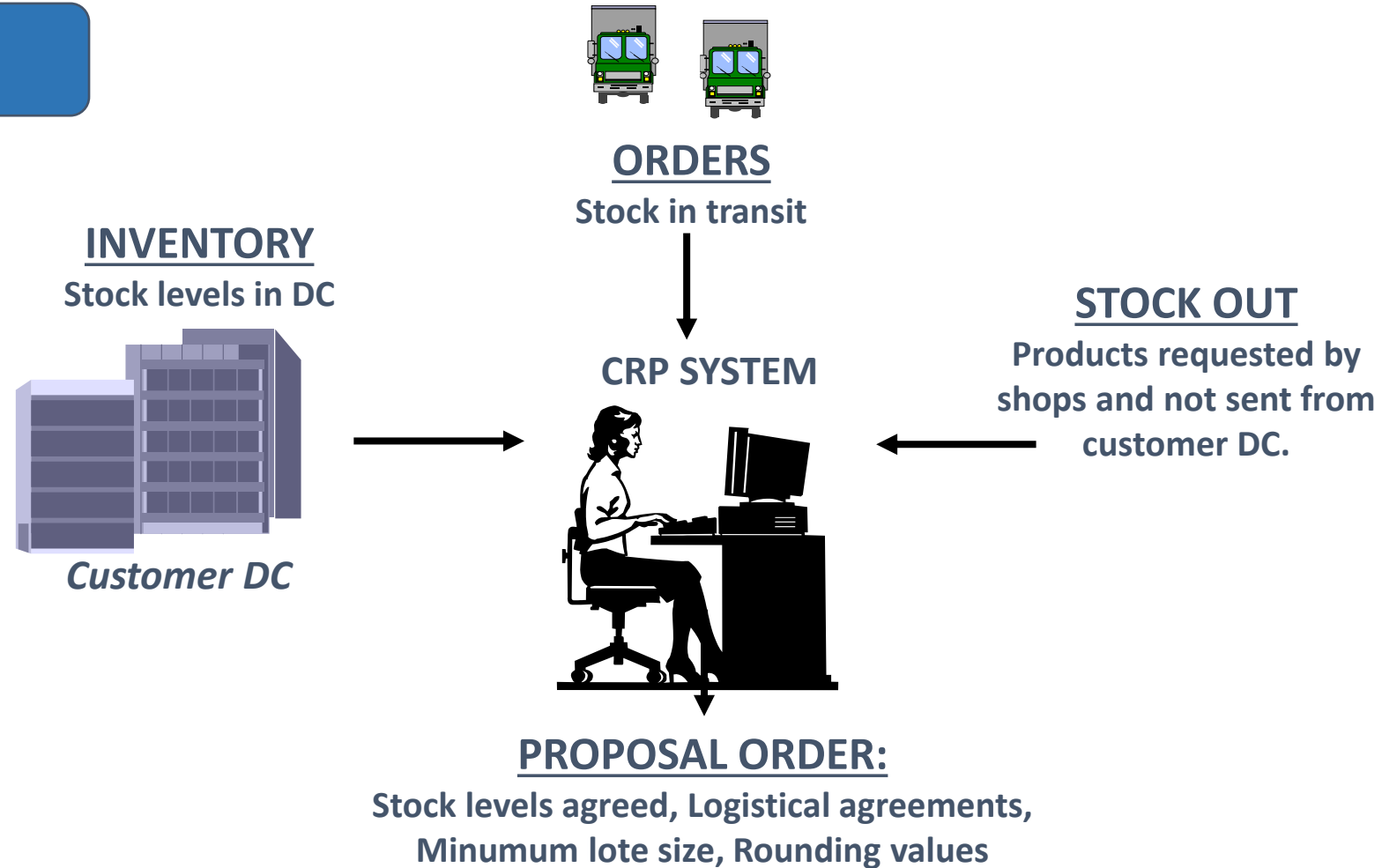


5 – Loading  
Confirmation



Supplier Plant

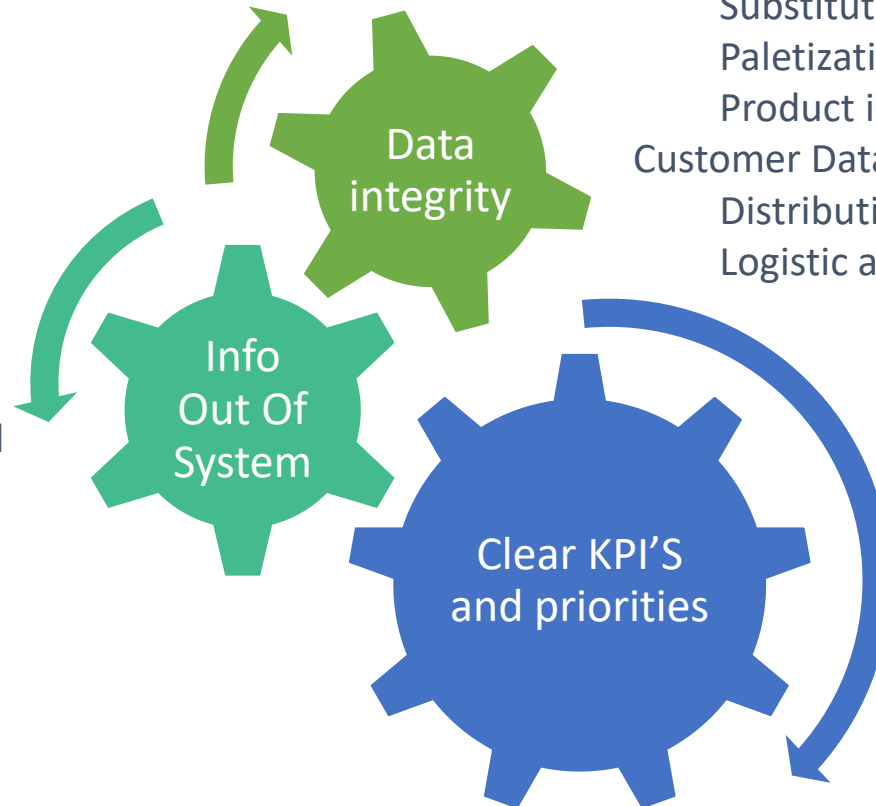
## INPUTS



## KEY ELEMENTS

Fluent communication:

1. Future Promotions
2. Over shipments not informed



Supplier Data Base:

New products  
Product discontinued  
Substitution  
Paletization  
Product info: cx/layer; layers/palet;

Customer Data Base:


Distribution Center, Data Exchange  
Logistic agreement


Clear KPI'S and priorities:

1. Define KPI's (stock coverage, case fill rate,...)
2. Priorization in case of conflict.
3. Analysis of deviations & Action Plan

## PROS &amp; CONS

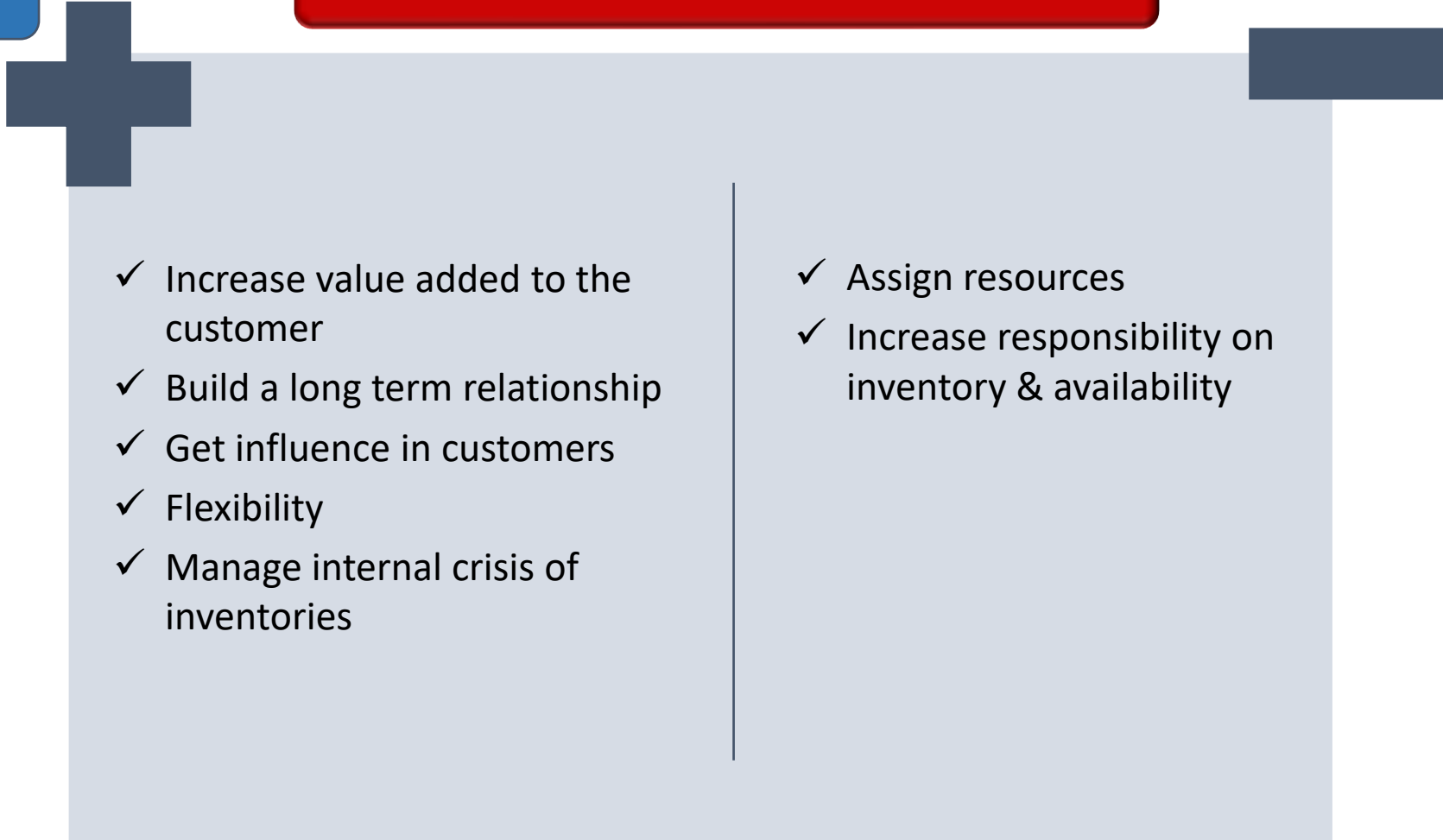
## CUSTOMER

- 
- ✓ Define parameters and KPI's
  - ✓ Inventory reduction in warehouse
  - ✓ Increase availability (reduce stock out)
  - ✓ Decrease of urgencies
  - ✓ Reduce transport costs
  - ✓ Build a long term relationship
  - ✓ Resources reduction

- 
- ✓ Is mandatory to share information of sales
  - ✓ Loose certain control of inventories

## PROS &amp; CONS

## SUPPLIER

- 
- ✓ Increase value added to the customer
  - ✓ Build a long term relationship
  - ✓ Get influence in customers
  - ✓ Flexibility
  - ✓ Manage internal crisis of inventories

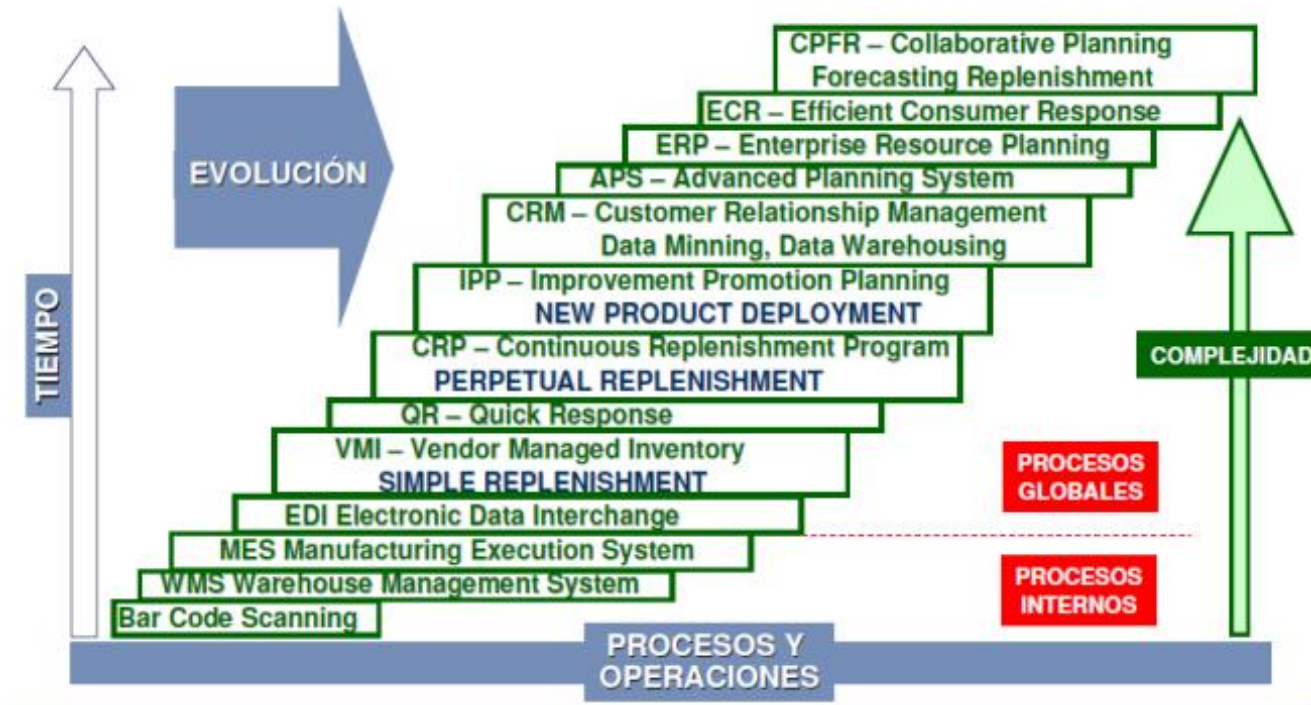
- ✓ Assign resources
- ✓ Increase responsibility on inventory & availability



CPFR



CRP stands for Collaborative Planning Forecasting and Replenishment



IMPROVE the information flux between suppliers, manufacturers & clients.

1. Maximize Customer Satisfaction
2. Increase SC efficiency
3. Jointly forecasting
4. Joint supply plans
5. Increase demand visibility



## BENEFITS:

1. Improved Forecast Accuracy
2. Cost Reduction
3. Enhanced Customer Satisfaction
4. Optimized Inventory Levels
5. Better Coordination Between Partners
6. Increased Flexibility and Responsiveness
7. Enhanced Sustainability

