

Trading Partner Communities of Practice (CoP) offer collaborative best practices, new strategies, thought leadership, and networking opportunities for professionals in the areas of consumer goods manufacturing and retail. Each community focuses on an area along the sales-to-cash continuum, from point of sale promotion to collaborative best practices for importing goods. Each community strategizes and designs compelling research, gathers new ideas and develops innovative new strategies. Trading Partner Communities of Practice foster knowledge and understanding to drive costs out of the supply chain, speed goods to market and increase sales.

Community members interact through the TPNexus™ Online Peer Network—a secure, private social network open only to TPMA and VCF members. Each Community of Practice has its own Peer Network, where members can share ideas, information, and learn more about each other and the Community focus.

Communities of Practice will include topics such as Import Best Practices, Collaborative Planning and Forecasting, Deduction Policy, Channel Management, Scorecards & Metrics, Financial Supply Chain, as well as groups focused on a single industry, such as Foodservice. VCF and TPMA are currently gathering input from members and supporters about communities they would like to see launched.

Community Structure

Each Community of Practice includes a Thought Leadership Panel populated by 10 to 12 members from Retail, Manufacturing, Service Providers and industry experts. Panel members help to set direction for issues to be explored within the topic area of the Community each year, and participate in various activities of the Community, such as webinars, conference calls, online networks, blogs, and seminars.

Membership in the CoP is free for TPMA and VCF members and is opt-in. Members may join at their own discretion and leave at any time. Members may and will be encouraged to join multiple CoPs.

Why Join a community?

The benefits of joining a Trading Partner Community of Practice are great: Forging deeper relationships with both peers and customers/suppliers; influence in guiding industry growth; learning opportunities to bring actionable change and new strategies to your organization; sharing

best practices for increased productivity, reduced costs and increased sales; participating with service providers to create new products and/or enhance current offerings.

Trading Partner Communities of Practice

Following are examples of Trading Partner Communities of Practice which VCF and TPMA plan to launch in 2009, including four which currently exist.

B2B Technology Channels Community of Practice*

As the case has been in retail, the High-Tech Emerging Channels environment has trade spend costs (partner programs and promotions, rewards, merchandising, and incentives) escalating dramatically. While the emerging high tech channels show significant revenue growth it is difficult to measure ROI on channel spend and individual program and promotional investments.

This Community will develop strategies and best practices for trade promotion in the High-Tech (Emerging Channels) industry, help the industry to understand the challenges of channel programs and channel spend and the how to improve on administrative burdens, from consistent planning and solid execution to measurements and KPIs to ensure partner program effectiveness.

Collaborative New Product Development Community of Practice

The genesis of this community of practice is the need to work with retailers, manufacturers, and consumers to design products that meet a specific market “want” at a price the market will bear. This community will look towards framing a series of best practices for coordinating a collaborative product development effort.

This community will focus on:

- Framing a series of qualitative and quantitative questions to help members decide how best to approach a collaborative product development engagement.
- Defining the business analysis model for collaborative new product design. For instance, how will product develop monies be allocated? What method will be used to determine how loss or profit is allocated among partners who collaborative together. (Consider the model used by MIT, Gillette, Coke, Wal-Mart and Target to create the AutoID Center)

Collaborative Planning and Forecasting Community of Practice

The term Collaborative Planning and Forecasting has been part of the supply chain lexicon for more than 10 years. While numerous books and tools exist to help professionals excel in this discipline, making it work has all but become an elusive target.

This Community of Practice will focus on defining the intra-company business processes necessary to enable an intense data sharing relationship between buyer and seller. The community will work towards:

- A formal business case that can be used to prove the case that collaborative planning and forecasting can have on the positive bottom line effect.
- Identify the intra-company data pools necessary to support a planning and forecasting effort. Develop a means to pre-qualify trading partners as a means of limiting the exposure to potential risk and failure.
- Create a series of Key Performance Indicators (KPIs) to evaluate how well a planning and forecasting effort are progressing.

Customer Centricity Community of Practice

Retail-supplier collaboration is the key to true customer centricity, and yet it can be the most difficult hurdle to overcome. This joint Community of Practice between VCF and TPMA will explore the current state of customer centric strategies and determine how collaboration throughout all stages can help to drive increased business for both parties. This community will take a case study based approach to identify the return on investment of sharing data and creating collaborative processes.

Community participants will learn:

- What types of collaboration lead to the greatest return, where an organization should begin.
- The types of technologies available to support collaborative processes.
- How retailers and manufacturers have worked together to change business processes in order to generate greater return.
- Steps in the business process which are most important to achieving results, and where collaboration impacts specific jobs.
- How collaboration can place the customer at the center of two businesses for the benefit of all parties.

Data Accuracy Community of Practice

The three primary dimensions of order fulfillment are represented by the flow of goods, information and money. This VCF community is focused exclusively on the

information flow, how data is used to create the many documents central to the order fulfillment process and the cost of not striving for perfect document accuracy.

The Data Accuracy Community of Practice will develop and define guidelines and best practices for trading partners to share and benefit from accurate data, as well as help to educate community members and the industry at large about ways in which to manage the complexity of data accuracy to achieve breakthrough results that will improve the bottom line. Key milestones include:

- Identifying the data flow for mission critical business information that must remain in sync between retailer and supplier.
- Guidelines on how best to keep an item (whether product or contact) and all of its attributes in sync.

Deduction Policy MGT / Compliance Protocol Community of Practice

This community of practice is uniquely fitted for VCF. This body of peers and trading partners will work towards realizing how best to encourage supplier behavior to meet specific supply chain goals and simultaneously ease the burden of vendors from having to interpret multiple compliance manuals. Work in this area has already begun but more is needed. The community will work towards:

- Encourage wide-spread adoption the VCF Global Compliance Protocol.
- Develop an appropriate benchmark of measures and metrics to evaluate retailers' compliance policies among retailer peers.
- Define the framework for a software / web platform that allows for the management, control and digitalization of compliance guides across the retail industry.

Direct to Consumer Community of Practice

Multi-channel marketing can trace its roots to the first retail catalogs, introduced in the 19th Century, as a way of providing store bought goods to consumers who lived well beyond the store front. Direct to Consumer and selling over the internet is another extension of this time tested retail channel. While the technology has changed, the fundamentals are still the same - ensuring a precise consumer experience as defined by the brand owner or retail owner.

Amazon.com and Zappos.com are just two examples of how technology has enabled these retailers to achieve "perfect" internet only sales. Retailers such as JCPenney and Sears have also credibly integrated store front retail, catalog, and Internet. The Direct to Consumer Community of Practice brings together practitioners to outline what makes

for a best-in-class multi-channel retailer. The Community will drive towards:

- Developing the metrics and KPIs unique to the multi-channel retailer that retailers and vendors can use to drive their respective businesses.
- Defining optimal business process flow using the most appropriate EDI transaction sets to optimize order flow.
- Defining the business process improvements imperative to vendors who serve a multi-channel retailer to drive towards exceptional profit.
- Benchmarking studies.

Foodservice Trade Promotion Community of Practice*

The Foodservice Community of Practice will identify and develop best practices for the efficacy and efficiency of trade promotion in the food-service industry, and provide education for the Community at large and the industry to understand the particular complexities associated with trade spend programs within the Foodservice industry, including how to reduce related administrative burdens and associated challenges including:

- Improving the consistency of contract planning, creation and tracking.
- Streamlining the processing of claims/deductions.
- Settlement timing.
- Measurements and KPIs to support trade program effectiveness.

Front-end Forecasting Accuracy Community of Practice*

This community will focus on forecasting from both the sales and supply chain perspectives, and develop best practices and strategies to provide the most robust analysis of the entire supply chain. We will define and share best practices for the measurement of forecast error or accuracy, including which methods should be utilized at what point. The Community of Practice will focus on:

- Taking variability out of the supply chain by increasing forecast accuracy.
- Shifting from reacting to trading partner supply chain strategy, to influencing it.
- Improving Scorecard performance with key customers.
- Developing measurements and KPIs to support forecasting accuracy.
- Understanding of how to monetize related process excellence.

Import Guidelines Community of Practice*

This community of practice provides a foundation to bring together business operations for establishing industry compliance guidelines to improve the import of goods sourced throughout the global supply chain. The

community will work towards establishing a framework consisting of people, processes and technologies to streamline how both retailers and vendors import in order to assure regulatory compliance, avoid risk, reduce waste and improve profitability. Founding members: JCPenney, Burlington Coat Factory.

This CoP is focused on developing guidelines and best practices for design and import processes within and between organizations. The community will drive towards:

- Identifying the people skill sets that are necessary and required to maintain an effective import program.
- Establish expectations for each business process necessary to implement an import program that includes strategic sourcing, supplier management, and benchmarking.
- Develop a quantitative model or scoring system to evaluate best-in-class technology solutions that support the import process.
- Develop comprehensive guidelines for compliance for international dealings.

Logistics and Distribution Community of Practice

This community represents the most visible aspect of the supply chain, the physical movement of goods between buyer and seller. This community will bring together shippers and carriers motivated to push an agenda that will:

- Identify root causes for disconnects associated with Shipper Load and Count (SLC).
- Theft and shrinkage are two very common complaints in the retail supply chain. Determining the bottom line impact can be a daunting task. This group will put forth a framework to unravel and quantify this issue.
- Being an approved X-Dock or CrossDock supplier has its privileges for vendors who sell into retail. Establish a series of best practices and guidelines to enable more vendors to be CrossDock compliant to their retail customers

The Perfect Order Community of Practice

Does The Perfect Order exist? Yes, it does. However, what's missing is the business processes and the willingness to deliver a Perfect Order, shipment after shipment. This Community of Practice will explore the industry's current state in its ability to ship on-time, complete, damage free, all with proper documentation. Members of VCF and TPMA will work towards discovering the root causes and identify disconnects that hinder a supplier's ability to execute a Perfect Order for their retail customers. Finally, The Perfect Order Community of Practice will attempt to establish an industry-accepted model for including

the Perfect Order Index as a measurement component in retailer scorecards.

This community will also take a case-study based approach to identify the return on investment getting close, if not perfect to the Perfect Order. This community will drive towards:

- How retailers and manufacturers can work collaboratively to define the elements of The Perfect Order and acceptable levels within the measurement.
- How Perfect Order performance can ensure margin health for both retailers and suppliers.
- How on-time delivery, complete orders, damage free shipments and accurate documentation add up to The Perfect Order.

RFID Community of Practice

Radio Frequency Identification (RFID) and its proponents are making headway about how this important technology will impact the way companies around the world do business. Yet, this technology has still not lived up to its promise of universal application.

This community of practice is devoted to staying current with the progress of the technology; the costs associated with readers, tags and middleware; and understanding how RFID can help companies improve supply chain efficiencies, reduce inventories, limit shrinkage, improve product availability, and add convenience for consumers. The community will work towards:

- A financial model to help VCF members evaluate the benefits of an RFID application by industry group, and what costs are associated with its implementation.
- Understanding how RFID data can be used and harvested from the massive terabytes of data that will ultimately be collected and need to be analyzed.

Scorecards & Metrics Community of Practice

The trading partner relationship is poised for a shift in the way retailers manage and scorecard their suppliers, and how suppliers work with and rate their retailers. This new dimension in retailer supplier management is a departure from reactive vendor and customer relations to proactive design, development and use of scorecards and metrics.

This Community of Practice will focus on how organizations can work together to build complementary metrics, each supporting their unique strategies and goals, as well as identifying the critical data pools that hold the inputs necessary to design the metrics. This Community

of Practice is not focused on driving standard metrics but rather on guidelines for using metrics that matter to your business and the best practices for designing metrics to support corporate goals. This community will drive towards:

- Identifying the data pools available and the best practices for extracting this data for building high quality metrics.
- Defining a base set of common metrics – augmenting the metrics already defined as the “Perfect Order” – which all trading partners can use as part of a toolkit of performance measures.
- A document on the best practices for implementing scorecards and metrics to improve trading partner performance.

Supply Chain Visibility Community of Practice

The complexities of global supply chain networks have necessitated a greater need for true visibility not only across networks, but rather between and among networks. The chain metaphor has become quite limiting as partners around the globe participate in all aspects of supplying goods among nations. A more accurate analogy is a spider’s web.

The web allows trading partners to enter at different points of the product life cycle and add specific value, collaborate, hand-off or retreat, all occurring as the web is feeding critical information to each trading partner on status, accomplishments or disruptions. The Supply Chain Visibility Community of Practice will drive towards:

- Common elements of status that are defined so that all parties will understand where a product is along the supply web.
- Process maps of how to coordinate global efforts so that redundant steps are eliminated saving both time and money.
- Best practices for reducing the risk of supply chain disruptions.

Additional Communities of Practice

More Trade Promotion-focused communities may include the following:

- Scorecards & Metrics
- In-store Execution/POS data
- Technologies for Fast Moving CPG
- Collaborative New Product Development

**Indicates currently operating communities*

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