

Collaboration and Supply Chain Planning

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Abstract

Organisations increasingly face the challenges of managing supply chain in their operations. Stock write-offs due to lack of proper planning as well as dysfunctional relationships within trading partners have become common in the beverage industry. In an attempt to deal with the issue, huge capital investments are made to improve manufacturing equipment and IT systems. However, this does not prove to be the solution to the underlying problem.

The aim of this report is to establish whether implementing collaborative planning, forecasting and replenishment (CPFR) can ensure a fair allocation of stock write-offs between Coca-Cola South Africa and its bottling partners. It first looks at the potential causes of write-offs within Coca-Cola; secondly, it discusses the most crucial parts of the CPFR process required for the system; and lastly explores whether the benefits of implementing CPFR outweigh the risk of maintaining the status quo.

The study makes use of semi-structured interviews with relevant senior managers, analysed using themes to explore underlying issues as well as approaches to meeting this challenge. Based on the research outcome, it was concluded that implementing CPFR will provide a solution for the entire system because it can improve relationships within the supply chain. CPFR is far more than a technical problem as it requires a bold strategic move that will result in a cultural change within the organisation.