strategy to achieve successful inventory management and improving overall financial performance. "I visualize three important changes for our operations with regard to large accounts," says Alex Coldfield, Westminster Vice-President of SCM:

> First, traditional inventory replenishment procedures must be replaced by POS driven information systems. Customers have the ability to transmit daily or biweekly actual product sales at the SKU level in order to ensure timely inventory replenishment and allow production to be scheduled according to response based sales information rather than forecasts. We will also establish and utilize customer support "work-teams" that operate on-site with key customer accounts to better manage ordering and distribution.
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> Second, order cycle times can be reduced from current levels. Large accounts will increasingly demand three rather than one delivery per week. In addition, many large accounts want to simplify their procurement practices and are questioning why we cannot provide integrated deliveries of merchandise from our three consumer product companies when cost reductions are achievable. The demand for direct store delivery (DSD) may also significantly increase. A long term goal is to arrange a mix of products from all Westminster companies delivered on a single trailer to key customers, perhaps direct to retail. The long term has become now.
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> Third, products will increasingly have to meet specific customer requirements, such as assembly of individual store customized pallets, and customer specific inner packs and display units. Bar codes will have to utilize industry standards such as UCC 128 and there will be increased demand for RFID capability on unit loads and master cartons. Invoicing and payment, particularly with regard to promotional allowances and discounts, must increasingly move toward paperless transactions. Our pricing will evolve to reflect value added services as provided, rather than purely traditional logistical order fulfillment, transportation and handling.

For the balance of Westminster's customers, the smaller retailers, service will be provided much as it is today. Although other customers may not be willing or able to initiate close working relationships, they are entitled to a high standard of basic service that provides timely and consistent performance. For these accounts, purchase price will remain the priority, although there will be some increased pressure for improved order fill rates and decreased cycle times. Traditional purchase order invoicing and payment will also remain the rule.

In response to the issues raised by company research, CEO Wilson McKee directed the company's executive management committee to organize a supply chain taskforce. The taskforce, to include top-level managers from each company, has been directed to identify changes necessary within the three domestic sales' supply chain practices and operational network that will achieve improved distribution performance and responsiveness.

As a framework to guide the integrative redesign McKee decided to seek recommendations around the eight key processes that link a firm into a supply chain structure with customers and suppliers. McKee remembered a framework he was introduced to at a leadership seminar he attended the previous year. A speaker on supply chain strategy highlighted a set of "Eight Supply Chain Processes" (see Table 1) as a requisite for supply chain excellence. McKee then thought about the performance gaps that existed between present-day and the idealized processes, as well as the measures he proposed to achieve operational integration.

Clearly McKee's initiatives, if implemented correctly, would enhance demand planning and strengthen relationships with customers and channel partners. Moreover, the initiatives also would improve the timeliness and attentiveness of how Westminster fills and delivers its orders. However, implementing the new processes would be no mean feat, and would represent a paradigm shift from an anticipatory mode, based on forecasts to a more customer-responsive based operation.