Impact of Cultural Differences on CPFR Implementation

Susan A. Sherer  
*Lehigh University, sas6@lehigh.edu*

Rajiv Kohli  
*College of William and Mary, rajiv.kohli@mason.wm.edu*

Yuliang Yao  
*Lehigh University, yuy3@lehigh.edu*

Follow this and additional works at: [http://aisel.aisnet.org/amcis2009](http://aisel.aisnet.org/amcis2009)

**Recommended Citation**

Impact of Cultural Differences on CPFR Implementation

Susan A. Sherer  
Lehigh University  
sas6@lehigh.edu

Rajiv Kohli  
College of William and Mary  
rajiv.kohli@mason.wm.edu

Yuliang Yao  
Lehigh University  
yuy3@lehigh.edu

ABSTRACT
Hofstede’s framework for understanding national cultural differences is used to interpret differences when a large U.S. manufacturer implemented Collaborative Planning Forecasting and Replenishment processes and systems with retail partners in the U.S., Germany, China, and Poland. The research suggests that cultural differences impact the rollout life cycle. Our work suggests that (1) implementation strategies should match national culture, (2) implementation timing can be a function of national culture, and finally (3) customer readiness assessments for CPFR rollout should include an assessment of national cultural differences.

Keywords
Collaborative Planning, Forecasting, and Replenishment, national culture

INTRODUCTION
Businesses today are increasingly collaborating with global partners to source materials. They often turn to inter-organizational systems and processes such as Collaborative Planning Forecasting and Replenishment (CPFR) to support these efforts. Usage of these new systems requires both partners to learn new processes. Organizational learning can be influenced by cultural differences between the partners. Thus, we expect that national cultural differences can influence the implementation of these new inter-organizational processes and systems.

CPFR is a business practice that combines the intelligence of multiple trading participants in the planning and fulfillment of customer demand (VICS 2007b). Key to successful implementation of CPFR is forging alliances involving peer-to-peer relationships with common goals and measures rather than traditional sometimes adversarial supplier-customer relationships. Organizational roles must change so that partners become customer or supplier-focused rather than product focused (Cederlund et al. 2007).

CPFR systems support collaboration by providing a mechanism to alert partners of discrepancies and support the partners’ ability to collaborate on forecasts and replenish inventory in the channel using this collaborative input. CPFR are complex systems and their global implementations require significant investments. The role of complementary investments in successful IT implementation is widely accepted (Barua, Lee, Whinston 1996; Davern and Kauffman. 2000). Additionally, when multiple partners participate, concordance investments that involve mutual adjustment of inter-organizational processes and relationships are needed for sustained collaborative success (Kohli and Sherer. 2006; VICS 2007b). Partners must invest in organizational learning to adjust their processes to effectively use these systems.

A large body of literature has developed around the impact of cultural differences on learning, change management, conflict management and negotiation, and alliance formation and characteristics (see Hofstede 2001; Kirkman, Lowe, and Gibson 2006 for a review), as well as its impact on IS management (Ford, Connelly, and Meister. 2003; Kappos and Rivard 2008). Given the nature of the concordance investments required when implementing CPFR, it is expected that national cultural differences between partners may play an important role in the implementation of CPFR systems.

The objective of this research is to apply the Hofstede framework for understanding national culture to the implementation of a CPFR system with partners in different countries. Using Hofstede’s dimensions of national culture (Hofstede 1997; Hofstede 2001), we develop several propositions regarding the potential impact of national culture on CPFR implementation with partners in different countries. These dimensions have been applied to technology use in various cultures and are therefore an appropriate lens to understand how culture impacts CPFR implementation. We then use these propositions to...
interpret differences in one large U.S. based supplier’s efforts to implement CPFR with retail partners in U.S., Germany, China, and Poland. Understanding the role of national culture can help managers develop different strategies for implementing collaborative systems with partners in different parts of the world.

COLLABORATIVE PLANNING, FORECASTING, AND REPLENISHMENT

More than 300 companies have implemented the CPFR practices developed by the Voluntary Interindustry Commerce Solutions Association (VICS). The VICS model consists of nine key activities: Collaboration Agreement, Joint Business Plan, Sales Forecasting, Order Planning/Forecasting, Order Generation, Order Fulfillment, Exception Management, Performance Assessment. All of these activities require establishment of new processes for both partners. Partners need to agree to collaborate and develop a joint business plan. After pre-pilot discussions to develop specific processes for the relationship, they typically pilot the remaining activities until they are comfortable with the new processes and systems.

While users have reported benefits including in-stock improvements of 2-8% and inventory reductions of 10 to 40% across supply chains (VICS 2007b), some companies have found it difficult to adopt these practices with their partners due to difficulties with real time coordination of information exchange and the need to synchronize changes between participants (McCarthy and Golicic 2002). These difficulties may be exacerbated by cultural differences between partners.

Successful CPFR initiatives require a collaborative front end agreement with formalized processes and specific patterns of business interactions, technology, training, and metrics. Successful CPFR programs require cultural and organizational buy-in and the establishment of the appropriate level of inter-company trust (VICS 2007a). Partners must commit to collaboration. Key processes and often organizational structures must change. Formal communication, information sharing, and building relationships are critical (Cederlund, Kohli, Sherer, and Yao 2007).

NATIONAL CULTURE

Hofstede’s work has been regarded as the most extensive study of cross-national values in a managerial context (Nakata and Sivakumar, 1996) with more than 1800 citations through 1999 (Hofstede 2001). The key dimensions of national culture identified by Hofstede are shown in Table 1. While Hofstede’s work has been criticized for reducing culture to an overly simplistic set of dimensions, limiting the sample to a single multinational, failing to capture malleability of culture over time, and ignoring within country culture heterogeneity (Jacob 2005; Sivakumar and Nakata 2001), studies published since Hofstede’s original work, including McSweeney 2002; Schwartz 1994; Smith and Trompenaars 1996; Trompenaars 1993 have sustained his conclusions (Hofstede 2001 Kirkman, Lowe, & Gibson 2006; Smith and Bond 1999). And researchers have favored Hofstede because of its clarity, parsimony, and resonance with managers, concluding that the values and dimensions continue to be relevant (Kirkman et al. 2006).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance (PD)</td>
<td>Extent to which less powerful members within a country expect and accept that power is distributed unequally</td>
</tr>
<tr>
<td>Uncertainty Avoidance (UA)</td>
<td>Extent to which members feel threatened by uncertain or unknown situations</td>
</tr>
<tr>
<td>Individualism/Collectivism (IND)</td>
<td>Degree to which ties between individuals are loose rather than strong and cohesive</td>
</tr>
<tr>
<td>Masculinity/Femininity (MASC)</td>
<td>Degree of importance of masculine work goals such as earnings, advancement, compared to feminine social work goals such as relationships, cooperation, and atmosphere.</td>
</tr>
<tr>
<td>Long-term orientation (Confucian dynamism) (LTO)</td>
<td>Importance of persistence, ordering relationships, thrift, sense of shame.</td>
</tr>
</tbody>
</table>

Table 1. Hofstede Dimensions of Culture
APPLYING HOFSTEDER NATIONAL CULTURAL DIMENSIONS TO CPFR IMPLEMENTATION

High Power Distance societies have more centralized decision structures, higher concentration of authority, and reliance on formal rules (Hofstede 2001). CPFR requires information sharing with team members at different levels and empowering line employees such as replenishment analysts to make decisions. Deference of decision making to management works against the CPFR requirement for team based collaboration and empowerment of individual team members. Thus, we propose that cultures with high power distance require more time to learn to implement CPFR because top management must first come on board and then clearly transmit shared goals and information to team members at all levels. Time must be allotted to enable the top down communication that often takes place in high PD cultures.

In societies with low individualism/high collectivism, employees act in the interest of their in-group relationships. They are generally cooperative for in-group members, with decreased open dissension, but not as cooperative for out-group members. Organizational success is attributed to sharing information, openly committing, and political alliances. CPFR requires new team based relationships. In highly collective societies, extension of relationships to out-groups can take time. However, once the new relationships are formed, it is expected that collective societies may be more effective in collaboration since they have already learned to cooperate internally. Thus, we propose that in cultures with low individualism/high collectivism, there are strong shared goals and ties within an organization, making it initially more difficult to collaborate across organizations until they collectively agree to work together. Cross organizational relationships may be built more slowly. However, they will cooperate well once they collectively agree to collaborate. Building of new relationships must be stressed in these societies.

Adoption of CPFR requires significant business process change. Uncertainty decreases as benefits become evident over time. Thus, we propose that cultures with high uncertainty avoidance take longer to implement CPFR. Uncertainty can be reduced via development of new relationships and/or providing documentation of processes and benefits.

Characteristics of cultures with high long term orientation include: focus on future, persistence, adapting traditions, and building relationships. This suggests that high LTO cultures can be successful in the long term in their adoption of CPFR but they may take longer to adopt initially, persistently working on better ways to implement. We propose that cultures that have high LTO will take longer to implement a new process such as CPFR. High LTO (Confucian dynamic) could mask interactions, e.g. more polite interactions between partners may mask real differences.

Table 2 summarizes the potential impact of cultural differences on key success factors for CPFR implementation.

<table>
<thead>
<tr>
<th>Success factor for CPFR Implementation</th>
<th>Power Distance</th>
<th>Uncertainty Avoidance</th>
<th>Individualism Collectivism</th>
<th>Long-term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to collaboration and building relationships</td>
<td></td>
<td></td>
<td>In high collectivism cultures, it takes time to extend relationships to out-groups but cooperation advances once they commit.</td>
<td>High LTO cultures may build collaborative relationships slower but persist once senior management commits</td>
</tr>
<tr>
<td>Information sharing</td>
<td>Higher PD cultures can take longer to learn to share information and empower lower level employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willingness to change business processes and organizational structures</td>
<td></td>
<td>High uncertainty avoidance cultures can be slower to implement change</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Impact of Hofstede Factors on Success Factors in CPFR Implementation
CPFR INITIATIVES WITH GLOBAL PARTNERS IN A U.S. BASED COMMUNICATIONS COMPANY

In 2001, a US based Fortune 500 company in the global communications industry decided to implement CPFR in one of their divisions to improve sell through performance with its retail customers. They appointed a customer operations director in North America who had previous successful experience with CPFR in another line of business within that company. After demonstrating the potential of CPFR with a manual collaborative pilot with one of the division’s US retail customers, they launched a major CPFR program in mid 2002 focusing first on adding U.S. retail partners. This change was accompanied by an organization wide shift to customer focused operations teams with much process change. For a review of these changes, see (Cederlund et al. 2007). First full implementation with a U.S. retail partner was in February 2003.

The success of the company’s efforts in the U.S. led to their decision to roll out CPFR globally under the direction of the North American customer operations director. Discussions with German partners began in late 2003 with a pilot implementation following in late 2004. In China, discussions began in early 2005 with a pilot one year later. A pilot with a Polish partner is still in progress.

We had more than 35 extensive interviews between 2004 and 2008 with the customer operations director who managed each of these rollouts, first based in the U.S., but later relocated overseas. We analyzed all CPFR project documents produced by this supplier as well as data on their forecasts, their retail partner forecasts, shipments, and inventory levels over time.

Our analysis suggests that this company recognized the importance of customer readiness and learned that cultural differences can affect how the roll-out progresses. Differences in the length of the roll-out process are shown in Table 3. The pre-pilot stage covers discussion and negotiation between this company and its partner prior to the pilot. Implementation occurs after pilot completion. As we can see, the German and Chinese pre-pilot discussions took much longer than with the U.S. and Polish partners. Germany had the longest pre-pilot (12 months) but a quick pilot of 3 months. Poland had a quick pre-pilot discussion of 3 months, but is still not totally implemented. China’s nine month pre-implementation preceded their 6 month pilot.

<table>
<thead>
<tr>
<th>Nationality of Retail Partner</th>
<th>Pre-pilot discussions</th>
<th>Pilot</th>
<th>Total Implementation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>3</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Germany</td>
<td>12</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>China</td>
<td>9</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Poland</td>
<td>3</td>
<td>&gt;24, Still ongoing</td>
<td>&gt;27; Ongoing</td>
</tr>
</tbody>
</table>

Table 3. CPFR Implementation Time (months)

In the U.S. this first pilot implementation was slower than subsequent rollouts with other U.S. partners which as a result of organizational learning was reduced to 4-5 months total from initial presentation to implementation including the pilot. Additionally, this first implementation was slowed due to the need to concurrently implement the new information system. The same system was used in future implementations. The company learned from its initial implementations and was sharing the same information system with its new partners so one would expect that learning would shorten subsequent implementations. The supplier’s customer operations director was the only commonality in terms of personnel on all four teams, thus suggesting an equal amount of learning had to take place in all four cases, with the exception of the knowledge transfer for this manager. So why did implementations in the other countries take longer?

HOFSTADE INTERPRETATION OF OBSERVED DIFFERENCES

We suggest that national cultural differences influenced these patterns. Table 4 shows Hofstede rankings for these four countries. Power distance is much higher in China and Poland compared to U.S. and Germany. Uncertainty avoidance is much higher in Poland than all the other countries. While not as high as Poland, uncertainty avoidance is also greater in Germany compared to the U.S. Individualism is very high in the U.S. and very low in China. And long term orientation is very high in China compared to the other three countries.

We summarize the key differences that the company encountered in the four roll-outs, focusing on differences in the process. We then interpret these differences in light of the Hofstede factors. Table 5 shows the rank ordering of these four countries for each of these factors along with key process differences observed that reflect the Hofstede dimensions. While all cultures
measured the same key benefits of CPFR - improved in-stock performance, forecast accuracy, and reduced inventory - the company found that different cultures emphasized additional benefits.

<table>
<thead>
<tr>
<th>Cultural Dimension</th>
<th>U.S.</th>
<th>Germany</th>
<th>China</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance</td>
<td>40</td>
<td>35</td>
<td>80</td>
<td>68</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>46</td>
<td>65</td>
<td>30</td>
<td>93</td>
</tr>
<tr>
<td>Individualism</td>
<td>91</td>
<td>67</td>
<td>30</td>
<td>60</td>
</tr>
<tr>
<td>Masculinity</td>
<td>62</td>
<td>66</td>
<td>66</td>
<td>64</td>
</tr>
<tr>
<td>Long Term Orientation</td>
<td>29</td>
<td>31</td>
<td>118</td>
<td>32</td>
</tr>
</tbody>
</table>

*Higher numbers represent higher ranking on this factor.

Table 4. Hofstede Ranking (http://www.geert-hofstede.com/)

United States
The rollout of CPFR with a U.S. retail partner particularly reflected the high level of U.S. individualism. Project ownership was distributed, not centered on management, reflecting lower levels of power distance than some other cultures. The rollout was characterized by open discussions and high levels of open dissension on key issues. If the supplier could convince any one of seven people on the retailer’s team, they could get the process started with open discussions and debates to move the process along. This enabled them to quickly uncover and solve problems and focus on early wins and acceptances, also reflecting low ranking on long term orientation.

Germany
In Germany, much time was spent during the pre-pilot phase on the development of processes. The rollout was much more calculated and moved slower in the beginning compared to the U.S., but instead of a linear build up over time, the German implementation had an exponential increase after the slow start. While the Germans were sold on the idea early on, much time was spent between agreement and pilot to develop standard operating procedure documents. It was important to get the documents correct and include every contingency. A critical event was the completion of a very detailed project plan, about 300-400 lines. Rather than the U.S. approach of “learn by doing”, the Germans “learned by documenting everything”. Once this was completed, the pilot moved along much quicker.

These differences can be interpreted in terms of the higher uncertainty avoidance in Germany compared to the U.S., coupled with a more collective society. An important benefit for the German team was process efficiency and improvements which helped them conquer uncertainty. While not fearful of uncertainty, they were willing to engage to eliminate it by constantly questioning (“what would happen to inventory if...?”, “Is this worse or better than what we have been doing now?”) and documenting the process, developing strict rules around the process. The German retail team felt that the supplier company did not think enough about process. They continually asked, “how do we know that a process is working?” An important metric for the Germans was “process efficiency.” They could then be more accepting of uncertainty because they knew the process would work. Because the German team had great documentation, the pilot went very quickly.

Germany is a more collective society than the U.S. To gain agreement to move forward, they all focused together on what was being said and team members effectively persuaded each other to participate. A critical event would be engaging one person and bringing him around so that he would work to get others on board. They listened well to each other and the manager commented, “Once Stefan got it, he brought on Oliver, who got Matt on board.” One team member could persuade the others. Someone who understood the value of CPFR could challenge authority and would work hard to bring others on board. Lower power distance in Germany compared to cultures such as China and Poland is reflected in the challenges to authority that took place during the pilot.

China
China’s pre-pilot, while shorter than in Germany, took much longer than in the U.S. It took time to get initial approval of senior management. The supplier had to work up the chain of command of the retailer, beginning discussion with the buyers...
and logistics people. They had five meetings every two weeks before they got a “yes, go ahead, this sounds like a good thing” from senior procurement people. Senior management approval was a critical event because until the boss agreed, no one took any action, reflecting their high power distance. This was illustrated by the fact that as soon as the senior procurement manager understood what CPFR meant for him, the tone in the room changed: “They stopped chain smoking, took away all the ashtrays, brought in fruits, it was like “bells went off” when the senior manager understood what this meant. Everyone jumped on board.“ Once the boss took ownership, the team collectively followed with no need to delegate, also demonstrating the lower individualism of the Chinese.

<table>
<thead>
<tr>
<th>Hofstede Factor</th>
<th>U.S.</th>
<th>Germany</th>
<th>China</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rank Order</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Power Distance</strong></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Process Differences</td>
<td>Distribution of project ownership from the beginning.</td>
<td>Willingness of team members at all levels to discuss; top level managers listened to lower level employees.</td>
<td>Necessity to first gain senior management approval. Then team collectively accepted ownership without need to delegate. No open disagreement with management.</td>
<td>Once the boss was convinced of the value of CPFR, tasks were delegated.</td>
</tr>
<tr>
<td><strong>Uncertainty Avoidance</strong></td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Process Differences</td>
<td>Not fearful of uncertainty. Desired and worked towards win/win projects.</td>
<td>Focus on process to reduce uncertainty</td>
<td>Once management was bought in, everyone came on board, no matter what their concerns.</td>
<td>High management uncertainty about benefits and lack of trust</td>
</tr>
<tr>
<td><strong>Individualism</strong></td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Process Differences</td>
<td>Open discussion, debates, and dissension.</td>
<td>Dissension not as open as in US but much more than in China.</td>
<td>Always consensus among lower level employees. Collective acceptance of boss’ decisions.</td>
<td>Listened to each other’s opinions but were slowed down by lack of trust of the process and the participants.</td>
</tr>
<tr>
<td><strong>LTO</strong></td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Process Differences</td>
<td>Focus on early win and acceptances</td>
<td>Planning horizon about 1-2 years oriented around getting the process right.</td>
<td>Longest planning horizon</td>
<td>Planning horizon about 1-2 years</td>
</tr>
</tbody>
</table>

Table 5. Hofstede Interpretation of Process Differences among Cultures

The Chinese were very focused on getting relationships working for the long term, reflecting their high long term orientation. “They have their eye on the final goal; the stuff in the middle is noise. Whereas Americans wanted to see quick and early wins, the Chinese were comfortable waiting three months as long as something happens and it happens right.“ The project plan was shorter than in Germany, perhaps 120 lines. The implementation picked up once senior management got on board. Uncertainty avoidance was low once senior management approved.
There were more false starts in China than the other countries but once they moved forward, they used a “big bang approach”, jumping through hoops to implement. The Chinese pilot took longer than in Germany due to the need to continually work to gain approval of the right individuals, again reflecting the high power distance and low individualism in this culture compared to both the U.S. and Germany. When a change had commercial implications, the Chinese team held off, always checking with senior managers. An important metric for the Chinese was “harmony”, does everything work together? There was no open disagreement that might enable them to address issues quickly. Typically everyone nodded to show collective displays of agreement. Low individualism is reflected in the fact that they stuck together as a team without making any decisions until the manager stepped in. Once the boss got it, collectively everyone was excited and the entire team immediately accepted the project. Senior management at the Chinese retailer were reluctant to challenge top management at the supplier and would not debate them as a sign of respect. If they disagreed, to save face, they would send in an underling or different manager next time to say that there was a miscommunication. The Chinese retailers’ employees also did not challenge or bring any issues to a higher level even if they all agreed there was a problem; they waited for senior management to step up and recognize problems.

Poland

The pilot in Poland has not yet completed. The Polish team took a “laissez faire approach” to implementation and has suffered from lack of up front agreement. High uncertainty avoidance is reflected in this long roll-out. Management at the Polish retailer was unconvinced of the benefits and fearful of sharing data. It was difficult to get them to understand how CPFR would benefit them personally. Those who had to authorize its use were afraid that it might show that they were not doing a good job. They felt threatened by the unknown. Lack of trust plagued the acceptance of the CPFR processes. There was a tendency to not want to share data with the supplier’s sales team because they were concerned that it would be misused.

THE SUPPLIER'S SENIOR MANAGEMENT EVALUATION OF HOFSTEDE DIMENSIONS

The senior manager who participated in all four roll-outs of CPFR was asked to rank the four countries on the Hofstede factors in the absence of any pre-knowledge of them. His ranking was very similar to Hofstede with only one major exception: power distance in the U.S. vs. Germany. On power distance, he initially ranked the German team higher than the U.S. retailer. U.S. and Germany are close in rankings on power distance with Germany having lower power distance, according to Hofstede. The supplier’s manager found that in Germany, the participants were more inclined to check with their superiors compared to the U.S. In the U.S., the retailer would say, “We’ll get Dennis (boss) to sign off on that.” While they realized that Dennis had more power, they felt that they could speak on behalf of their more powerful team member. The Germans would say “I will have to check with my boss to get approval”. However, this could be a negotiation strategy rather than the result of power distance. By injecting an extra waiting period, they may have hoped to alter the negotiation. The supplier’s manager’s rankings of China and Poland on this dimension were similar to Hofstede. In China, the team would say “I cannot talk about that until I speak with my boss”, reflecting China’s high power distance.

EMERGENT LEARNING

1. Match implementation strategy to national culture.

The supplier learned that the strategy for implementing a collaborative information system should match the specific culture. It is important to balance the presentation of the benefits so that it matches the cultural expectations. They learned from the first team in each country what worked within that culture and future rollouts within that culture reflected what is most important to that culture. In cultures such as the U.S., the top dollar benefits are what is most important and should be presented first. In Germany where process efficiency was key, the qualitative benefits in process improvement should first be presented. In China, relationship benefits are key. In cultures such as Poland, the trust issue is critical so that the strategy should focus first on achieving trust. In future roll-outs, the supplier is considering national culture to predict the best roll out strategy. For example, in Brazil, they are focusing on building relationships. They will need to gain trust, given high uncertainty avoidance and power distance in Brazil, similar to Poland, but much higher collectivism. Additionally, the supplier is also considering its partners’ corporate culture. They found that culture is influenced by industry, for example, retailers and operators have different cultures.

2. Customer readiness assessment should incorporate cultural differences.

The supplier is revising its customer readiness assessment tools to incorporate the cultural differences that they found. These differences suggest that their customer readiness assessment incorporate a focus on process efficiency or relationship improvement, depending upon the culture, to help predict implementation success.
3. Expectations for timing of collaborative implementations are different.

The implementation timing depends upon the culture. In some cultures like Germany, project teams need to build more up front time from first presentation to pilot in order to document every process. In cultures that are not as focused on documentation up front, more time might be needed to move from pilot to implementation so more contingency must be built in.

All four of these cultures were tied to time. In other cultures, such as Latin America and Italy, time might not be so critical. This needs to be investigated by studying implementations in these other cultures.

CONCLUSIONS AND FUTURE RESEARCH

Our preliminary research suggested that culture does have an impact of the process of implementing cross cultural systems and processes shared by multiple organizations in a supply chain. Our work suggests that Hofstede is a good lens to understand and prepare for implementations. Moreover, our work suggests that change management initiatives must be customized based upon cultural norms. The resources for implementing the CPFR systems will vary. However, our work is limited by our subjective interpretation of a single case. It is possible that other factors such as managerial and marketing experience of the partners could have influenced their implementation patterns. The power of the retailer, for example, their relative market share as well as their dependence upon the supplier, may also have influenced outcomes. We need to control for these differences in future research.

We have begun with some assumptions about the impact of Hofstede cultural dimensions on the implementation process of collaborative processes involving partners from different cultures. The implementation of CPFR in several different cultures was interpreted based upon these cultural dimensions. Our next step is to gather specific data to support our propositions regarding the impact of these factors on the implementation of collaborative processes.

REFERENCES


