COMMON PAINS OF OUTDATED FORECASTING AND INVENTORY PLANNING

See how many of these symptoms apply to you—and the remedy for a healthier planning strategy.

1

Stock in slow-moving inventory is disproportionate to sales revenue

Many systems consider very intermittent demand unforecastable. They fail to consider all the details of the demand for each item, resulting in poor stocking levels.

Your remedy: Reliably and effortlessly manage intermittent demand with probability forecasting. This method allows you to consistently place better inventory bets than your competitors for harder-to-forecast items.

2

Product obsolescence and inventory "aging out"

In process manufacturing and food and beverage, you may see high inventory write-offs as lots age out. In discrete industries it's heavy discounting to liquidate stock of the original components when new models launch.

Your remedy: Next-gen inventory optimization defines an inventory mix that takes into account shelf life to maximize freshness and minimize risk of obsolescence.

3

Manually intensive end-to-end forecasting and planning process

After a week of number crunching and tweaking, your forecast is still wrong. And then you need weeks to evaluate the forecast and capacity and place production orders.

Your remedy: An automated system, augmented by machine learning, frees your planners to drive business performance rather than manipulating forecasts. Monitor your forecast, inventory and orders in a continuous feedback loop.

4

Sky-high expediting costs

When planners are unable to reliably forecast an increasing number of SKU combinations, they load up on inventory to accommodate long-tail, erratic demand. That leads to extra freight costs and excess and obsolete inventory.

Your remedy: Probability forecasting gives you a clearer view of demand variability so you can more accurately predict demand. Get a detailed breakdown of inventory targets, safety stock and recommended service levels.

5

Residual promotion inventory

When you can't accurately predict promotion performance you risk stocking out early or over-buying/over-making, forcing you to discount or carry excess inventory.

Your remedy: Promotion planning capabilities that combine powerful probability forecasting methods with machine learning. Apply to existing historical data to recognize shared promotional event characteristics and identify their impact on sales.

+ Time for a healthy supply chain planning strategy

Modern demand forecasting and inventory planning technology enables a healthy planning process—one that delivers continuous cost savings, better stocking decisions and delighted customers.

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Download brief: Five Symptoms of Outdated Forecasting and Inventory Planning Software