

Best in Class Consulting
Demand Management and S&OP
Hands-on Training and Executive Coaching
**DemandPlanning.Net
Consulting includes**
Demand Diagnostics
Demand Modeling
Metrics Design
**Supply Chain Process
Development**
**Forecasting Systems
implementation**
Demand Forecasting Web Workshop: Holistic Demand Planning - Modeling and Diagnostics

This workshop will explain the methodology and process behind accurate demand forecasts and how to effectively use sales and marketing intelligence to arrive at a consensus plan. The focus will be on demand modeling using popular statistical models, the methodology to perform model diagnostics, forecast accuracy measurement and the process to incorporate market intelligence.

- Customized In House Training - [Contact us!](#)
- Limited to ten participants
- Includes complete course materials and case studies

What does SOX have to do with demand planning and forecasting?

Remember Lucent..... They had over-forecasted their volumes and earnings per share. Management made their revenue forecasts and EPS estimates to Wall Street based on a lofty demand forecast. What happened? In reality, the actual demand did not meet the forecast and the turn of the century telecom squeeze hit them even harder.

Nevertheless, they started stuffing the channel to meet those lofty projections. The channel pipeline was so bloated with inventory, it severely affected future sales and revenues. Wall Street Journal first coined the term "stuffing the channel" in its article in February 2001. SEC started a probe of Lucent for accounting and revenue reporting irregularities.

All of this started with a biased demand forecast, a severely upward bias in the forecast and the failure to recognize the down-ward trend in their customer business. Although we don't know for certain, one can suspect Lucent perhaps did not have good customer collaboration processes or they failed to use the information from such processes in the management reporting or the financial forecasting process. [more.....](#)

If we divide by Actuals, and when actuals are zero, MAPE is undefined (excel gives #DIV/zero error). What to do?

When actual demand is zero, MAPE is infinite. By definition, forecast error can be greater than 100%. However, accuracy cannot be below

zero.

Forecast Accuracy = max (1 - forecast error, 0)

If Actual demand is 25 and forecast is 100, then error is 75 implying a 300% error. But accuracy is always zero for cases where error is higher than 100%. You can use the ISERROR function in excel to overcome the DivisionByZero error. Although this is an excel workaround, this actually preserves the impact of the actual being zero in calculating the total forecast error. See the excel accuracy template available at [DemandPlanning.Net Downloads](#).

Supply Chain Events



[IBF Boston Tutorial August 23-24](#)

[North East Supply Chain Summit - Sep30 - Oct 2](#)

Demand Planning.Net has launched a new discussion forum!

The [Discussion Forum](#) is a resource for sharing ideas and questions in Demand Planning, Forecast Metrics, Sales and Operations Planning, Supply Chain Score-carding, CPFR, Account Based Forecasting and inventory optimization topics. This board is moderated and questions answered by experts in the area, including Senior consultants at Demand Planning LLC. Please visit the forum and post your questions and thoughts and share your real-world experiences.

Is there a credible comparison study of SAP APO vs. specialized tools for Demand Planning and Inventory Management (JustEnough, SmartForecast, ForecastPRO, Demand Solutions etc.). Or does anybody here have some experience with APO and another tool an is able to compare it?

The tools SmartForecast and ForecastPro are small foot print tools and typically run on a PC. I don't know about JustEnough.

SmartForecast and ForecastPro are more focused on statistical forecasting to derive a good modeled forecast. ForecastPro has excellent engine on Exponential Smoothing and ARIMA and perhaps very easy to use. SmartForecast does similar statistical models but their claim is that they are very effective in modeling intermittent demand situations. See the URL at the end of the post.

Both these tools are relatively inexpensive and easy to install as they are just plug and play windows versions. However the catch is these are not enterprise-wide forecast management tools. Forecast management is the process to get, clean, prepare data for forecasting, managing the versioning of forecasts, and the ability to compare the forecasts » [More...](#)

The Future of Pharma: Forecast your path of excellence!

The Pharma Forecasting Conference addresses the issues and complexities of pharmaceutical industry Forecasting head-on, and delivers a variety of best practices solutions.

The [Eyeforpharma Forecasting Summit](#) to be held at the Back Bay Hilton on October 25-26, 2007 brings together a carefully selected group of pharma specialists and other experienced professionals, eager to share their knowledge, spell out their differing views and tell you what they know about forecasting's hottest topics.

The Summit will sharpen your competitive edge and refocus your energy on the issues that matter most to you:

- Discover how to improve your profit margins quickly and effectively – despite increasingly restrictive market conditions
- Leave with a comprehensive Action Plan that is designed to harness and utilize the full potential of your business
- Network with 700 top industry professionals

www.eyeforpharma.com/forecastingusa07

Know the popular acronyms in demand planning and supply chain management.

Here is a [list](#) of key acronyms and abbreviations used very commonly by supply chain professionals. Some are more specific to forecasting, nevertheless this should be a useful reference.



Demand Planning LLC - Niche Consultancy that specializes in Demand Management and S&OP!

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