



INTEGRATED GENERAL SYSTEMS ANALYSIS
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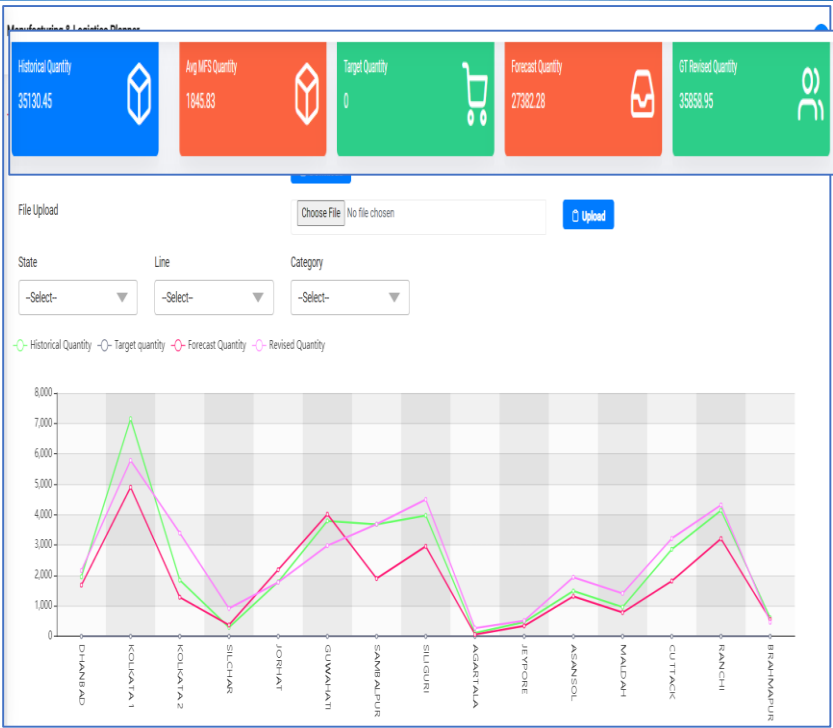
Integrated Demand-Supply Planning & execution (IDSPe) Platform

Demand Planning Case Study

Maximize Contribution / Minimize Total Cost to Serve with IGSA Optimization Platform



Case study : Improve Forecast, Service Levels and Inventory Turnover with Forecasting & Optimal Inventory Replenishment and Order Generation



Challenge

A large FMCG company, selling multiple categories of products through various channels, frequently runs sales promotional activities, and its demand drivers are also seasonal in nature. The challenge was to forecast the next month's sales for every SKU and depot and use a collaborative process to finalize the demand for monthly S&OP planning and inventory replenishment.

Solution

IGSA configured the IDSPE Demand Planning module with sales hierarchy and product hierarchy combinations to identify the best-fit forecasting model. Using the Demand Forecast Unit (DFU) as a regional sales area and SKU has resulted in reliable monthly forecasts. The IGSA team also automated data processing and parameter selection for identifying the best-fit forecasting model.

The generated forecast was sent to the sales team to capture bottom channel demand, which is based on market sentiment, competitor pricing, sales promotional schemes, etc. The demand captured from the bottom-up channel and the forecasted demand will then be sent to the National Sales Head for final approval. The National Sales Head can refer to business targets and may suggest modifications to the forecast. The modified forecast will be considered final and will be sent to S&OP planning.

Historical Sales Qty	MFS Avg Sales Qty	Target Quantity	Forecasted Quantity	MFS Modified Qty	GT Modified Qty	Sales Bucket% (1-10)	Sales Bucket% (11-20)	Sales Bucket% (21-30)	Direct Percentage
Historica	MFS Avg	Target Qt	Forecast	MFS Moc	GT Modif	Sales Bur	Sales Bur	Sales Bur	Direct Pe
3.76	0.61	0	4.88	0.61	0	33	33	34	0
49.44	22.93	0	68.38	16.75	35.49	33	33	34	10.07
4.08	0.26	0	3.45	0.26	4.206	33	33	34	0

Result

The digitalization of demand planning eliminated Excel-based demand planning and improved collaboration. Dashboards are updated daily with actual sales data, allowing stakeholders to track forecasted versus actual sales values.

