

MORE

PRACTICAL



TIPS

TO IMPROVE

**DEMAND
PLANNING**



LOGILITY

8

TIPS TO INCREASE YOUR DEMAND PLANNER'S EFFICIENCY

Art and science come together when determining how many Stock Keeping Units (SKUs) a demand planner should be able to manage. Improving a planner's efficiency depends on a number of industry and company variables, including:

Nature of Your Business and Products



TIP 1 Planning for mature products with constant demand is fairly straightforward compared to planning for new products, products with short life cycles and products with seasonal or intermittent demand.

Cost of Forecast Error




TIP 2 If the cost of obsolescence or lost sales is very high, the cost of adding additional planners to minimize obsolescence and lost sales can be justified.

Data Used to Create Forecast




TIP 3 Many companies use shipment or order history to create a statistical forecast. It takes additional time for a planner to review and act on forward-looking collaborative information.


Data Completeness and Accuracy

 **TIP 4** If the data used to create forecasts is complete and accurate, then less time is spent manipulating and preparing the data for forecasting and fixing problems discovered after the forecast creation.


Skill Level of Demand Planners

 **TIP 5** The more knowledgeable planners are on their specific responsibilities and the more experience they have in their industry and company, the more effective and efficient they will be.


Product Segmentation

 **TIP 6** It makes good business sense to ensure you have the highest forecast accuracy for “A” items. If planners spend less time on “B” and especially “C” items, they can handle more “A” items.

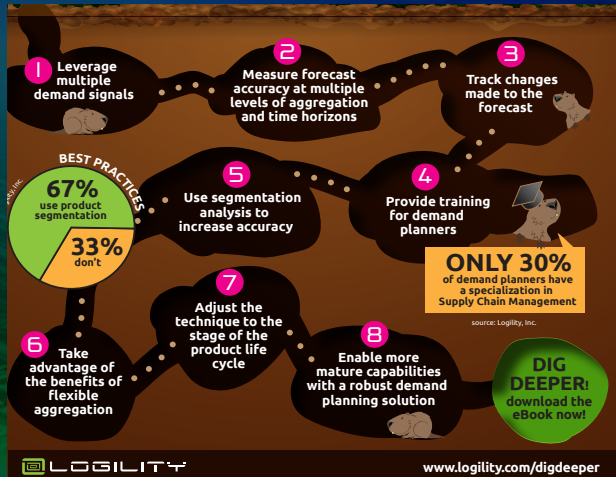
Level of Forecast Aggregation

 **TIP 7** Most companies create forecasts at the SKU level or SKU Location level. Forecasting at a product category level and using a system to “fair share” these aggregated forecasts down to lower levels of aggregation can drastically reduce demand planner workload.

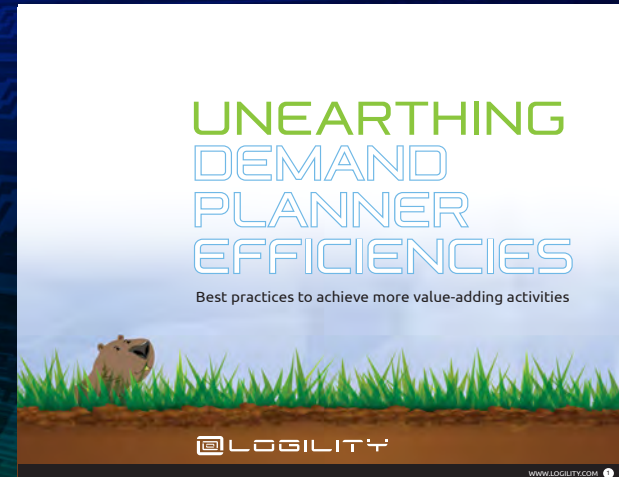
Technology Used for Planning

 **TIP 8** Surveys show that the number one issue holding companies back from improving planning capabilities is the lack of deployed supporting technology. Automating data collection, filtering, manipulation and analysis gives planners more time for value-added activities.

ADDITIONAL RESOURCES



How Many SKUs Could a Planner Plan if a Planner Could Plan SKUs? Blog Post



Unearthing Demand Planning Efficiencies Infographic

ABOUT LOGILITY

With more than 1,300 customers worldwide, Logility is a leading provider of collaborative supply chain optimization and advanced retail planning solutions that help small, medium, large, and Fortune 500 companies realize substantial bottom-line results in record time.

Logility Voyager Solutions is a complete supply chain management and retail optimization solution that features an advanced analytics architecture and provides supply chain visibility; demand, inventory and replenishment planning; sales and operations planning (S&OP); integrated business planning (IBP); supply and inventory optimization; manufacturing planning and scheduling; retail merchandise planning, assortment and allocation; and transportation planning and management.

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