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Best Practices in Demand Planning and Sales Forecasting NJ 1-Day Workshop photos

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- Forecasting Systems Implementation

Forecast Bias over Tracking Signal

By Mark Chockalingam

Tracking Signal is used to measure forecasting bias over time for the same SKU/Product especially when bias approaches extreme proportions and crosses a threshold. This comes from the Quality Control literature that uses control limits to valuate if a process is in control. I agree bias may be easier to understand but bias has been measured differently by different Gurus!

Again people confuse cross-sectional and calendar bias -

1. Sales people often induce cross-sectional bias.
2. Calendar Bias is forecast bias on one SKU across many periods over time

Other than clarity issues, at times the bias measure also suffers from a lack of testing for Statistical significance.

Read more at www.forecastingblog.com

Demand Planning and Forecasting Workshop

May 25-26 | Four Points by Sheraton Boston

In this specialized two-day course, we will explain the modeling methodology and process behind accurate demand forecasts and how to effectively use promotional information to arrive at a consensus forecast. The focus will be on demand modeling using statistical techniques, the methodology to perform model diagnostics, forecast accuracy measurement and the process to incorporate market intelligence.

If you are a new demand planner looking to enhance your knowledge of business forecasting, you cannot afford to miss this opportunity!

- Get skills you can use at work
- Learn from industry experts
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Our early-bird price of $895 expires March 31, 2011
Click Here for more information

If customer is king, why not use customer information in demand Planning?

What is involved in creating an Account Based Forecasting Process?

Account Based Forecasting or ABF is a key building block in establishing a collaborative demand planning process with your key customers. Variously called as Customer Specific forecasting or just Account and National Forecasting, the essence of the process is to break down the demand streams into key customer demand and an all other Demand Group that lumps a number of smaller customers into

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one statistical series.

The idea behind this methodology is the fact that focused selling and promotions are designed around the major customers. As the popular cliché on forecasting goes, such selling activity aggravates the demand volatility. Once these major customers and their volatility-enhancing events are identified and isolated, the remaining All Other Demand stream should be fairly predictable, with simple statistical forecasting models. Learn more...

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What are the service level constants to calculate Safety Stock?

We are often asked this question. The Standard safety stock formula just uses the forecast error metric, Lead time and a constant to represent the customer service levels. This constant can be obtained from the standard normal tables. Here is a list of constants for different service levels.