

Newsletter Feb 2007

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Demand Management and S&OP

Hands-on Training and Executive Coaching

Upcoming DPLN Events:

[Holistic Demand Planning Web Workshop Feb 21](#)

[Supply Chain Metrics Web Workshop Feb 23](#)

[Forecasting Summit, Orlando, FL Feb 13-14](#)

[Supply Chain Forecasting Conference Feb 26-27](#)

[S&OP - Awakening the Dragon April 9-11, Lnoppen, Shanghai](#)

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.

- Wednesday February 21, 2007 9AM EST - **[Register now!](#)**
- Duration 3 hours
- Price \$299 per registration
- Limited to ten participants

Registered Participants for the Web Workshop will also receive:

1. A copy of the workshop material in Adobe PDF format
2. A demo version of ValueMetrics Excel version that computes a variety of Demand Metrics

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.

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](#).

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.

How do you go about mapping and re-defining the Metrics for your supply Chain? What is the key driver of the supply Chain?

Supply chain metrics include customer service metrics (fill rates), inventory metrics (inventory turns, dead and near-dead inventory, inventory coverage), manufacturing planning (production volatility, manufacturing schedule adherence), and demand metrics (forecast accuracy and forecast bias. Once defined, the question is who will own these measures. All the measures are inter-related. By observing the metrics, we can understand the effect of organizational bias. » [More](#).



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

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