

Presents

Demand Planning and S&OP: On-Site Workshop

Sharpen Your Supply Chain With Accurate Planning and Management!

Workshop Leader:
Mark Chockalingam, Ph.D.

We will show you how to...

- Set up a Demand Planning Process for your business.
- Leverage Collaboration (internal and external) to increase forecast Accuracy.
- Reconcile the top-down category forecast and the bottom-up SKU level Demand Plan.
- Track, measure and use Forecast Accuracy.
- Leverage an accurate Demand Plan in your S&OP Process.

Demand Planning On-Site Workshop

Agenda

Demand Planning is the science of accurately forecasting the demand for your supply chain.

In this workshop, you will learn how to develop a baseline statistical forecast and leverage a collaborative process to add customer intelligence. The result is a more accurate plan that may include promotional activity, customer intelligence, and display activity. An accurate demand plan helps you reduce inventory costs and increase customer service levels. When properly implemented and used in the Value Chain Process, the demand plan helps create a lean and customer centric supply chain.

The Sales and Operations Planning process evaluates the Sales Plan against operational capability to arrive at the consensus plan for the organization to execute. The end product of this process is an executable plan and various operational constraints that will be decision variables for senior management.

Many top Fortune 500 companies have some form of Sales and Operations Planning Process implemented in their supply chains. It is just now being adopted in small and medium tier companies.

This two-day intensive workshop will outline how to set up an effective demand planning process and how to leverage an accurate demand plan in the Sales and Operations Planning Process.

This Workshop Features insightful information on...

- ☑ Demand Planning Overview
- ☑ Mechanics of Forecast Modeling
- ☑ Forecast Performance Metrics
- ☑ Collaborative Demand Planning Measure and use forecast accuracy
- ☑ Promotional Planning Forecast and plan for new products
- ☑ Consensus Demand Plan
- ☑ Sales and Operations Planning Process

Who Should Attend?

1. Demand Planners
2. Forecast Analysts
3. Forecasting Managers
4. Director of Forecasting and Demand Planning
5. Director of Value Chain
6. Analysts in the Supply Chain
7. Inventory Planners
8. Operations Planners
9. Financial Analysts
10. Director of Logistics
11. Director of Customer Service

Demand Planning On-Site Workshop

Agenda

Day 1

09:00 - 11:00 **Demand Planning Overview**

- » Definition of Demand
- » Introduction to Demand Planning- What, Why and How?
- » The Service – Cost – Balance Model
- » What to forecast – shipments versus Customer orders
- » Key Terminology & Concepts – Forecast Horizon, Buckets and Periodicity
- » Distinction between Business Forecasting and Demand Planning
- » Relationship between Demand Planning and ERP processes
- » Organization Structure and Culture
- » Role of the Demand Forecaster
- » Consensus and communication
- » Customers of the forecast and their different needs
- » Unconstrained forecast principle
- » Elements of demand management

11:00- 12:30 **Data Analysis & Model Selection**

- » Data Analysis Requirements for Demand Planning
- » Graphical review of the Data
- » Central Tendency and measures of Dispersion
- » Outliers and Missing Data
- » Structural Changes and Data Shifts
- » Trend, Seasonality, Cyclicity
- » Relationship of Data Characteristics to Error
- » Model Assumptions About Data and Error
- » Ex Post Forecasting Methodology
- » Optimal Model Selection

12:30 – 13:30 **Lunch Break**

13:30– 14:30 **Modeling & Graphical Decomposition**

- » Decomposition of the Demand Profile
- » Understanding the components of demand
- » Predictable and unpredictable volatility
- » Stationarity and Stability
- » Modeling by Exception

14:30-15:00 **Coffee Break & Networking Exercise**

15:00-16:45 **Demand Forecasting Error Metrics**

- » Importance of measuring forecast error
- » Measurement Methodology
- » Mean Absolute Deviation (MAD)
- » Mean Percentage Error
- » Mean Absolute Percentage Error (MAPE or PMAD)
- » Weighted Mean Percentage Error (WMAPE)
- » Forecast Bias and Sku Mix Error (SME)
- » Evolution of Errors
- » Relationship between Bias and Error

Day 1 (*Continued*)

- » Measurement of Forecast Error over time
- » Root Mean Squared Error (MSE and RMSE)
- » Application of Error in inventory management strategies

16:45 **Assignment of a case example to participants**

Day 2

09:00- 12:00 **Modeling**

- » Principles of a Statistical Model
- » Forecast Modeling
- » Time Series Methodology
- » First Order Exponential Smoothing or Constant Models
- » Holt Models to accommodate Trend
- » Holt Winters Models
- » How to set up a simple forecast model in Excel
- » Exponential Trend and Dampening
- » Additive vs. Multiplicative Seasonality in Models
- » Baseline vs. event forecasting
- » Introduction to Box-Jenkins Models with ForecastPro
- » Multiple Linear Regression Models
- » Time and Seasonal Index in an Excel based model

12:00- 13:00 **Lunch Break**

13:00- 14:00 **Model Diagnostics & review**

- » Evaluating Model Performance
- » Calculation Methodology for Model Diagnostics
- » Implication for Model Review
- » Process to change Models and continuous monitoring
- » Exception Review using Error Ranking

14:00- 15:00 **Brief introduction to S&OP Process**

- » Challenges of a Fragmented Planning Process
- » Core components of S&OP
- » Demand and Supply balancing
- » Communication of constraints
- » Setting up the monthly calendar
- » Safety stock and inventory coverage
- » Demand Management -
How to highlight and manage constraints
- » Reverse value chain feedback process

15:15 **Case Study Deliberations**

16:00 **Case Study Presentations**

16:30 **Wrap-up**

Demand Planning, LLC.

Demand Planning, LLC. is a consulting boutique that specializes in Demand Forecasting, Sales and Operations Planning and Supply Chain Analytics. We offer customized in-house workshops as well as special topic forums in Demand Planning and Supply Chain. Based in Woburn, MA, we focus on demand forecasting and supply chain strategy issues of medium-sized companies in Consumer Products, Chemicals, High Technology and Pharmaceuticals.

Mark Chockalingam, PHD

Dr. Mark Chockalingam is the Managing Principal of Demand Planning LLC. His specialty consulting areas include Sales forecasting, Supply Chain Analytics, and Sales and Operations Planning. He has conducted numerous training and strategy facilitation workshops for a variety of clients in the US and abroad. Mark has worked with a variety of companies from the Fortune 500 such as Wyeth, Miller SAB, FMC, Colgate-Palmolive, Teva to the small and medium size companies such as Au Bon pain, Multy Industries, Ticona, a division of Celanese AG.

With significant expertise in business forecasting and modeling, he is a frequent speaker at major supply chain events on topics ranging from demand management to sales and operations planning.

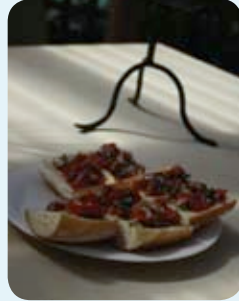
Prior to establishing his consulting practice, Mark has worked with manufacturing companies in important supply chain positions. Mark was Director of Market Analysis and Demand Planning for the Gillette Company, now part of Procter and Gamble. Before Gillette, Mark led the Suncare, Footcare and OTC forecasting processes for Schering-Plough Consumer HealthCare in Memphis.

Mark has a Ph. D. in Finance from Arizona State University, an MBA from the University of Toledo and is a member of the Institute of Chartered Accountants of India.

A Sample of Workshop Clients



SAB Miller
Texas Instruments
Hewlett Packard
Nomacor
FMC Lithium
Campbell Soup
McCain Foods
NSTAR Electric
Pacific Cycles
Smead
Lifetime Products
F. Schumaker
Wyeth
Skyworks Solutions



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