

# Exception Management In Demand Planning



## What's in it for You?

Design, Analysis and implementation of an exception management approach has helped our clients ...

- ☑ **streamline** the planning process,
- ☑ **significantly improve** forecast accuracy, and
- ☑ **bring focus** to the major supply chain drivers,  
... **improving the bottom line!**



80% of your supply chain errors derive from 20% of your products

Exception management leverages the 80/20 rule.

We evaluate the end-to-end supply chain to capture valuable information clusters that drive the underlying business process. Through our unique methodology and solution, we help clients institutionalize an exception management mentality to improve focus and create value through the planning process.

Through this exception management approach, we have achieved impressive results with major corporate supply chains

## Consulting Model and Capabilities

Our Consulting Model Employs the Six-Sigma Methodology of DMAIC:

- Define
- Measure
- Analyze
- Improve and Control

Because of the diverse experience of Demand Planning LLC consultants, we can design and deliver the processes and solutions competitively. We add value to your process design in two ways:

With our knowledge base of best practices and the benchmark industry process, we can analyze and recommend processes and benchmarks rather quickly.

Our central philosophy is exception management grounded in the Six-Sigma principles. This helps design a very effective process that is time-efficient as well.

## Past Client Implementations

### Over-the-counter Pharmaceutical Company

Designed and implemented a data mining and exception management process in demand planning for this pharmaceutical company that improved the quality and effectiveness of the entire supply chain process:

- This process helped the company achieve monthly revenue forecast accuracy within 2% and annual revenue estimate accuracy for the division within 5%.
- The division's item level absolute accuracy improved from 50% MAPE to 25% MAPE with in a year after going live.

### Major CPG Company

This company is a major manufacturer in the Health and Beauty Aids space. The exception management process helped them improve the demand planning process as well as improve the communication among the major S&OP participants. The exception management solution helped them:

- Improve customer service as measured by the first time fill rates by almost 10 points to the high 90s.
- Improve demand forecast error by almost 40% at the item warehouse level and achieve forecast accuracy within 35% MAPE.
- Institute a mid-month communication of customer demand signals to the Supply Planning group with the help of customer level drill-down reports
- Alert major demand shifts through daily flash reports and communication of exceptions.

This was a sophisticated implementation with a state-of-the-art solution helping them create daily alerts based on demand and supply signals. This process of daily monitoring and customer level exceptions brought more demand visibility to the supply chain.

# About us

## Mark Chockalingam Ph. D.

Dr. Mark Chockalingam is Managing Principal, Demand Planning, LLC.

Mark specializes in demand forecasting, Sales and Operations Planning, Customer Planning and supply chain strategy.

He has worked on high profile projects with companies such as Abbott, FMC, Proctor and Gamble, Au Bon Pain, Teva Pharmaceuticals, Miller SAB, and Wyeth, helping consulting clients in CPG, Pharmaceuticals, Chemicals and Retail implement best practices, sharpen complex supply chains and become more customer-focused.

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.

## Mark J. Lawless

Mark Lawless is a Principal Consultant with Demand Planning LLC.

Mark has consulted for numerous Fortune 1000 companies on issues of business planning, finance, and forecasting. These have included JB Restaurants Inc, the Massachusetts Restaurant Association, America Online (AOL), Bombardier, Wachovia Financial Services, Tyco Healthcare Products, Gap Inc., Gerber, S.C. Johnson, and Rolls-Royce.

His specialty consulting areas include Corporate Finance, Operations Forecasting & Planning, Strategic Forecasting, Financial Planning & Budgeting, and related quantitative and structural disciplines.

Mark holds an undergraduate degree in Economics, as well as graduate degrees in Economics, Finance, and Accounting. He is an alumnus of Southern Illinois University (Edwardsville), Boston College, Bentley College, and Washington University (St. Louis).



## Demand Planning, LLC

is a boutique consulting firm specializing in Business Process and Strategy consulting in the fields of Demand Forecasting and S&OP for medium-sized businesses.

We offer specialized consulting services in the following practice areas:

- Demand Forecasting and Management
- Sales and Operations Planning (S&OP)
- Supply Chain Analytics and Measurement
- Inventory and market share forecasting
- Account Based Forecasting and CPFR©

Our full menu of training programs, webinars and customized on-site workshops includes:

- Demand Planning and Supply Chain Forecasting
- Metrics Design and Value Chain Performance
- Inventory Optimization and Management
- Sales and Operations Planning (S&OP)
- Market (POS) and Industry forecasting
- Customer Planning and Supply Chain Collaboration
- Forecasting and Planning for the Retail Sector

We also provide on-demand e-learning courses through our knowledge portal [DemandPlanning.Net](http://DemandPlanning.Net).

Demand Planning LLC has worked with...



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### Our Workshop Clients include:

- Texas Instruments
- Hewlett Packard
- World Kitchen
- FMC Lithium
- McCain Foods
- Lnoppen, Shanghai
- Vistakon J&J, Malaysia
- Pacific Cycles
- Smead Manufacturing
- Lifetime Products
- F. Schumaker
- White wave foods
- Ross Products
- Fox entertainment
- Limited Brands
- Nomacorc

### Contact Us:

Demand Planning LLC  
10G Roessler Rd.  
Suite 508  
Woburn, MA 01801  
P (781) 995-0685  
F (651) 305-5163

Email: [info@demandplanning.net](mailto:info@demandplanning.net)

Web: <http://www.demandplanning.net>