



**How to
Improve Visibility
into Customer
Demand**

Win in the flat world



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Frequently Asked Questions

How can you improve forecasting accuracy in existing demand planning systems?

Demand Planning Systems which offer statistical forecast as a capability, rely heavily on the knowledge of end users to fine tune the models. Although some Demand Planning Systems offer automated model selection capabilities, the forecasting accuracy achieved by such models leaves much room for improvement. Complex models used to generate forecasts are not easy to understand for business users, and hence, do not enjoy high level of trust and reliability, even though these models may perform optimally. At times, the forecasting function is run by planners centrally, who may not have a ground level understanding of the business environment, which impedes the optimal utilization of statistical capability and improvement in forecasting accuracy.

Intelligent Forecast (i-Fo) is a bolt-on solution which can be implemented on existing SAP or Oracle Demand Planning Systems. It brings in additional statistical models, a library of statistical tests and rigorous processes to model data in order to improve forecasting accuracy. The solution also does “hierarchical reconciliation” to produce forecast across multiple geographies and customers.

How can you enhance the interpretability of forecast in your existing Demand Planning System?

It is cumbersome to monitor forecasting accuracy in most enterprise systems. Users are not provided with dash-board capabilities to visually inspect the forecasting accuracy. Plethora of error measures with complex statistical definitions make it harder to be interpreted correctly. Enterprise Demand Planning Systems do not provide simulation tools which allow planners to understand the impact of various future events on the basis of the forecast.

i-FO provides interactive dash-boards, loosely coupled user defined groups to see forecasting accuracy using various error measures across any geography-product-customer-time combination. The solution is equipped with simulation capabilities to measure the impact of future events on base-line forecast allowing users to make

an informed modification to the forecast. It also provides proactive tools which identify and classify planning elements with the highest forecasting error based on potential cost implications. This helps in channelizing planning efforts to realize maximum effectiveness in the demand planning process. A combination of such decision support tools will deeply engage business users in dealing with the forecasting process and assure consistent decision making.

Are you seeing end-to-end visibility of your supply chain?

Forecast-To-Plan Solution (F2P) answers this question with a Global Supply Demand Report. The Supply Demand Report has the following salient features:

- Helps you visualize the supply-demand picture at the highest level of aggregation so that the entire supply chain can be visualized in a single snapshot
- A consolidated view that helps decision making at the highest level
- Identify areas which need immediate attention and then drill down to lower levels to identify the root cause of the problem and address the same
- This report was part of the overall solution for 2 major clients:
 1. Large Semiconductor Major in Japan
 2. Energy and Utilities Major in Europe

This solution helped the client in getting end-to-end visibility of their supply chain, by drilling down to any level to identify the problems in a plan and accordingly take corrective action.

Is your planning system able to prioritize demands?

F2P Solution addresses this need with a robust demand prioritization feature. F2P achieves this using the following:

- a. Enhanced Parameters
- b. Pre-defined Priority rules
- c. Configurable Criteria

Demand Prioritization is very important when there are supply constraints such as those typically noticed in hi-tech industries. Our F2P solution has been a part of the overall solution which is being used by the client - a large Semiconductor Major in Japan - for the past few years. The solution helped the client experience better demand management and improved adherence.

Are you able to give the same priority to your customer forecasts and sales orders while planning and promising?

Forecast is given low priority as compared to sales orders when pegging supplies to demands by ASCP. Also, the supplies pegged to forecast are available for promising sales orders from any customer in Oracle Global Order Promising. This is an issue if your customer forecast is as important as sales orders. Customer Specific Inventory Management (CSIM) solution from Infosys resolves this problem by protecting supplies procured against a forecast for that particular customer. This is done by scheduling the forecast as sales orders on receipt and then treating the scheduled shipping date as the priority. Also the custom hook in Oracle GOP is used to switch the supplies from forecast to sales order from the same customer.

Are you able to maintain dedicated safety stock for your customers?

Safety stock is maintained at an Inventory Organization level and is used to satisfy demand from any customer in Oracle ASCP. We cannot maintain safety stock at the customer level. The CSIM solution from Infosys resolves this problem by creating special types of sales orders called "buffer". These sales orders are scheduled like normal orders and protect the customer specific safety stock. Also the custom hook in Oracle GOP is used to release such supplies to sales orders from the same customer.



About Infosys

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT-enabled business solutions that help Global 2000 companies win in a flat world. These solutions focus on providing strategic differentiation and operational superiority to clients. Infosys creates these solutions for its clients by leveraging its domain and business expertise along with a complete range of services.

With Infosys, clients are assured of a transparent business partner, world-class processes, speed of execution and the power to stretch their IT budget by leveraging the Global Delivery Model that Infosys pioneered.

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