



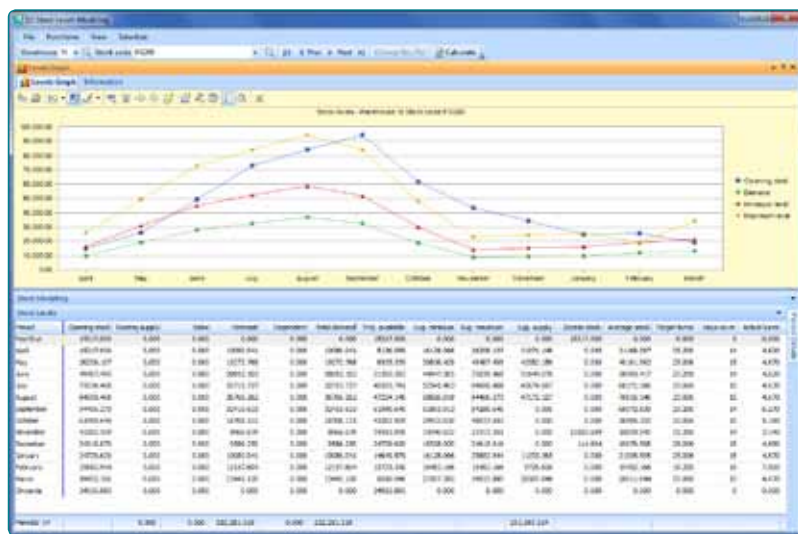
Inventory Forecasting

Fact Sheet

SYSPRO Inventory Forecasting enables you to produce automatic or manual forecasts based on sales history as well as provide the tools to measure the quality of your forecasts. It uses a set of mathematical algorithms to predict future sales based on historic demand and enables you to easily identify those products that contribute the most to your business in terms of sales value, gross profit, cost of sales, quantity sold or hits.

The Inventory Forecasting system assists the enterprise in the following important areas:

- It looks at past sales and matches the algorithm which would have had the best chance of success in estimating previous sales. That algorithm is then used to predict future sales.
- The forecast can be manually edited, where required, taking cognizance of market intelligence and thereby improving accuracy and accommodating unusual demand. Thus organizations are able, through exception processes, to identify items by location which require manual correction.
- It records Forecast errors to enable management to monitor and continually minimize those errors to acceptable corporate policy settings.
- It is tightly integrated into the SYSPRO transaction based system. Therefore once the forecast has been approved, it becomes a current forecast.
- The system automatically recognizes seasonal variations and accommodates those variations.
- Large spikes in demand caused by unusual events such as export orders or stock outs can be automatically corrected by the Forecasting engine, through the use of standard statistic methods.
- It allows for market intelligence input to better forecast future sales.
- Since the system is better able to predict demand it will facilitate factory scheduling and so that manufactures are better able to optimize their factory throughput while meeting the dynamics of the marketplace.
- In addition, Forecasting can be performed at a level above the SKU, through the use of Families and Groupings, which allows for the logical grouping of items. Items can belong either to a hierarchical family structure or to a grouping across families or both.
- Finally, the forecast engine produces a set of both tabular and graphical reports to assist in managing the forecast process. The most important of which is the ABC or Pareto analysis. This report combined with the Forecast Error report focuses management attention on the most important items in the organization and assists in addressing shortfalls in the procurement process.





The Facts

Fact Sheet

The Benefits of Inventory Forecasting

- Set default algorithms at company, group of SKU-Locs or individual SKU-Loc levels
- Ability to handle seasonality
- Manually or automatically remove outliers and anomalies
- Facility to edit history
- Utilize monthly or weekly time buckets
- Define multiple calendars
- Set forecast horizon up to 24 months
- Improve visibility with configurable graphical output
- Edit draft forecast to reflect market intelligence
- Easy identification of the items that contribute most to the business through Pareto Analysis
- Store three or more years of history and purge unwanted history
- Use of proxy to forecast items with no history
- Review forecast accuracy to measure and improve the quality of forecast

Inventory Forecasting Features

- Forecast generated at item/warehouse level
- Variety of forecast algorithms including a competition method
- Batch updating of forecast parameters
- Analysis of product performance at stock code, warehouse, product class, supplier, planner or buyer levels
- Analysis of sales value, gross profit, cost of sales, quantity sold or hits (invoice line occurrences) with Pareto
- Automatic updating of forecast history from sales in real time
- Enhanced data selection sets that carry through the entire process into Inventory Optimization
- Powerful Pareto (ABC) Analysis

- Forecasts in batch or manually with system suggestions - manual forecast items typically need market intelligence, or are of critical importance to the business
- Compares the manual forecast with computer recommended forecast
- Controls and validates the forecast before it becomes active
- Converts approved forecast to current forecast within Requirements Planning
- Edit history to exclude specific invoices, outliers or make manual adjustments
- Identification of difficult to forecast items with a powerful review of achieved forecast accuracy

Integration with SYSPRO

- Inventory
- Sales Orders
- Requirements Planning
- Families and Groupings
- Inventory Optimization

Audit trails and reporting

- Complete audit trail of forecasts (create, change and update audit)
- Simple workflow for forecast authorization
- Reports/query screens for comparing forecasts
- Pareto Analysis by cost, selling value, profit or unit measure

