

Inventory Forecasting

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In forecasting, spreadsheets can meet many basic needs, but if your company is ready to move to the next level, you need a forecasting solution that can provide strategic value, increase your visibility into the supply chain management process, and drive your growth. Don't take the 80/20 principle for granted in your sales forecasting and inventory planning. SYSPRO's Forecasting Suite offers ABC Analysis that can rank any element of your business — such as items, customers, or product families — to help you identify profitable opportunities and weed out under producers.

SYSPRO Inventory Forecasting enables you to produce forecasts based on sales history, and provides 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 and hits.

The SYSPRO solution gives your team the capability to create accurate and credible forecasts, along with the tools for efficiently managing, monitoring and improving your forecast process.

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 manufacturers 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.

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The Benefits of Inventory Forecasting

- Variety of forecast algorithms, including a competition method which automatically selects the best algorithm for the collection
- Analysis of product performance at stock code, warehouse, product class, supplier, planner or buyer level
- Enhanced data selection sets which carry through the entire process into Inventory Optimization
- Application of seasonality factors
- Powerful Pareto analysis

- Forecast generated at stock-keeping unit (SKU) level
- Batch updating of forecast parameters
- Automatic updating of forecast history from sales in real time
- Identification of unpredictable items with a powerful review of forecast accuracy achieved
- Use of proxies to forecast items with no history
- Create forecasts for SKUs either manually or in a batch mode



Inventory Forecasting Features

- Define multiple calendars
- Set forecast horizon up to 24 months
- Utilize monthly or weekly time buckets
- Identify the items that contribute most to the business through Pareto analysis
- Set default algorithms at company, SKU group or individual SKU level
- Remove outliers and anomalies either manually or automatically
- Manually forecast items which typically require market intelligence, or are of critical importance to the business
- Edit history to exclude specific invoices and outliers or make manual adjustments
- Edit draft forecast to reflect market intelligence

- Store three or more years of history and purge unwanted history
- Compare manual forecast with computer-recommended forecast
- Control and validate the forecast before making it active
- Convert approved forecast to current forecast in requirements planning
- Review forecast accuracy to measure and improve the quality of forecast
- Improve visibility with configurable graphical output
- Edit and optionally freeze draft forecast to reflect market intelligence



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