



Demand Planning

The Kinaxis® RapidResponse® Demand Planning application helps demand planners create an unconstrained consensus demand forecast that combines the statistical forecast with multiple functional forecast perspectives and events.

Inputs are weighted and adjusted as part of a highly collaborative process, and all orchestrated with a single planning system. RapidResponse's concurrent planning capabilities provide the ability to combine demand planning with strategic capacity and supply management to continuously monitor and adjust the portions of the demand plan that present variance or risk.

Business outcomes

- ▶ Improved forecast accuracy and reduced demand planning process cycle time
- ▶ Seamless collaboration across functions (sales, marketing, finance, demand planning)
- ▶ Ability to integrate demand functions with other supply chain functions, including product lifecycle management
- ▶ Better coordination to maximize revenue opportunities and proactively resolve demand and supply risks to minimize costs
- ▶ Improved visibility, communication and execution of events planned by sales, marketing or finance

“ With RapidResponse, our forecast response to the customer has improved by at least 50%. It has also enabled customer planning collaboration, thus improved forecast planning.

IT Manager

Large Enterprise Electronics Company

Application process components

The out-of-the box Demand Planning application supports these process steps:

1 Condition sales data

Prior to the collection of demand inputs, sales actual data should be conditioned to:

- Account for demand error and causals in historical demand actuals (e.g. promotions)
- Review remaining data outliers and adjust as required

2 Collect demand inputs

Across finance, sales and marketing:

- Review current performance against company metrics
- Review forecast accuracy and value add measurements
- Review open assumptions and update forecast (units, \$, and events)
- Share forecast and assumptions

3 Generate statistical forecast *

- Review historical statistical forecast accuracy and data errors
- Define and configure new forecast items
- Override default disaggregation rates
- Generate the statistical forecast
- Publish statistical forecast

4 Define NPI / EOL*

- Manage NPI Parts which don't exist in ERP master data feed
- Manage linkages between NPI/EOL parts and customers, sources and constraints
- Manage NPI/EOL profiles

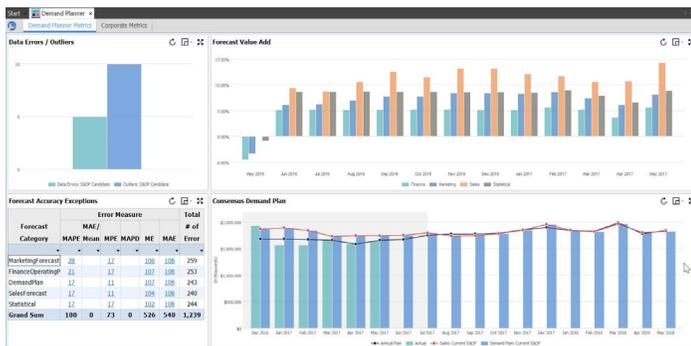
5 Create consensus demand plan

Across finance, sales, marketing and statistical forecasting:

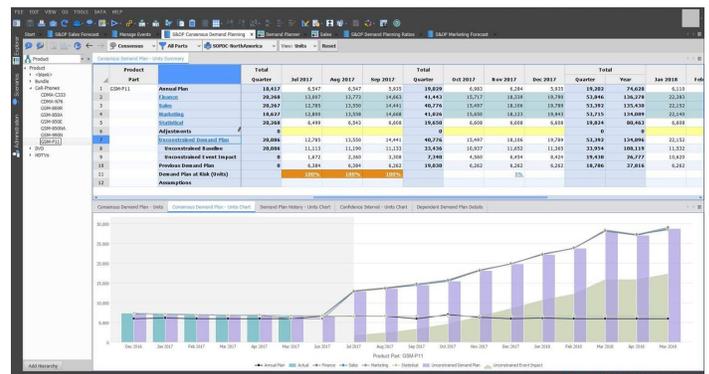
- Review the various demand inputs, including events
- Adjust consensus demand weights and/or time-phased demand planning ratios as applicable
- Adjust calculated demand plan at aggregate or disaggregate level as applicable
- Document assumptions

6 Approve consensus demand plan

*Optional RapidResponse application or recommended data input.



Demand plan dashboard



Consensus demand plan

Managing performance

Standard measures include revenue, margin, inventory value, on-time delivery and constraint utilization as well as metrics associated specifically with demand planning. This allows for focused analysis of the performance measures most applicable to the function at hand. Measures presented in the Demand Planning dashboard include:

- ▶ **Consensus Demand Plan:** A comparison of each forecast stream in value (\$) against the demand plan and annual plan.
- ▶ **Forecast Accuracy Exceptions:** Summary of the number of forecast items where the measure is above the critical limit for the selected category of forecast.
- ▶ **Data Errors/Outliers:** Summary of the number of data errors or data outliers within the historical actuals that need to be cleansed through the sales data conditioning process.
- ▶ **Forecast Value Add:** An indication if each forecast stream is more or less accurate than the naïve forecast (the historical actuals of the previous period).
- ▶ **Forecast Accuracy:** Measure the accuracy of forecasts with any number of available methods (Volume Error, MAE/Mean, Bias (MPE), etc.).

Cross-functional collaboration

In the Demand Planning application, collaboration occurs across these functional roles:



Kinaxis RapidResponse allows companies to concurrently plan, monitor and respond on one platform, across business functions.

With a single data model and analytics engine, RapidResponse offers an array of supply chain applications all easily accessible through a common user interface. Using our single product, instead of individual disparate software solutions, our customers gain end-to-end supply visibility and the agility to respond quickly to changing conditions. The result is significant operating and cost efficiencies.

Deploy RapidResponse applications individually or together. Designed to be highly configurable, you can easily adapt our applications to meet your company's unique business needs without the heavy burden of ongoing custom coding.

What's next on your supply chain journey?

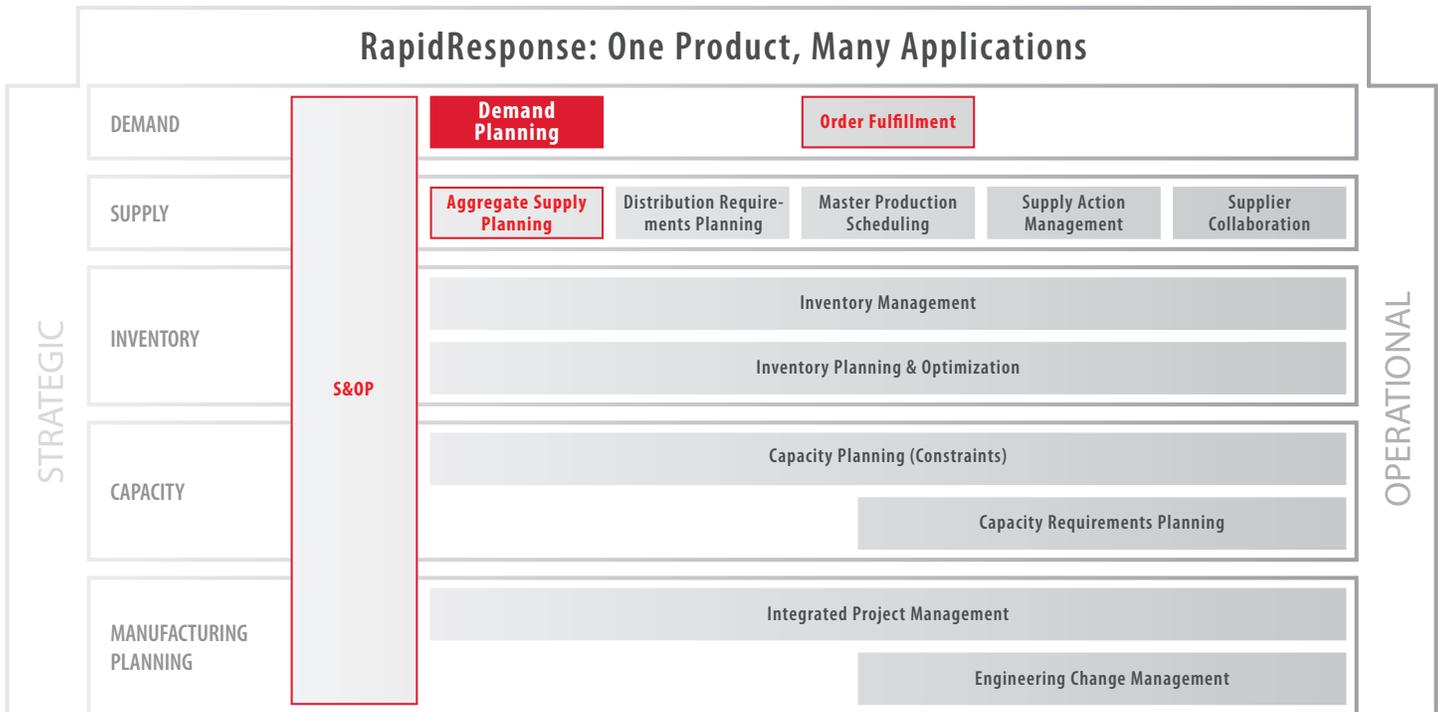
Choose the path that's right for your organization. With all our applications running on the single RapidResponse platform, you have the flexibility to deploy at your own pace. We'll help you mature your planning processes, wherever you happen to be in your supply chain journey. Achieve added benefits by using the Demand Planning application alongside one or more related applications to ensure synchronization across interrelated planning processes.

Organizations that use the Demand Planning application will have also subscribed to the S&OP application, and can achieve even more value by using it with the Aggregate Supply Planning or Order Fulfillment applications.

“ **RapidResponse Demand Planning displaced SAP APO. It improved forecast accuracy and reduced planning cycle times.** ”

Operations Manager

Fortune 500 Telecommunications Equipment Company



Revolutionize your planning with Kinaxis RapidResponse

Offering the industry's only concurrent planning solution, Kinaxis is helping organizations around the world revolutionize their supply chain planning. Kinaxis RapidResponse, our cloud-based supply chain management software, connects your data, processes and people into a single harmonious environment. With a consolidated view of the entire supply chain, you can plan expected performance, monitor progress and respond to disconnects when reality hits. RapidResponse lets you know sooner and act faster, leading to reduced decision latency, and improved operational and financial performance. We can prove it. From implementation to expansion, we're here to help our customers with every step of their supply chain journey.



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