

JDA Demand

Challenge: Creating Accurate Demand Plans

With consumers having more brand choices than ever, keeping brand loyalty high has become significantly more difficult to do. Adding to this challenge are costly mismatches of demand and supply with large amounts of the wrong inventory being sent to the wrong place. Countless problems, from increased out-of-stocks and excessive expediting costs to lost market share, can all affect top- and bottom-line performance.

To address these issues, industry leaders are embracing the reality that demand drives the Consumer-Driven Supply Chain. Companies are increasingly striving to align their operations around the belief that end-consumer demand signals should be the primary driver of manufacturing, deployment and logistics. Sales and operations planning (S&OP) initiatives – beyond simple supply and demand balancing – have led organizations to move from demand forecasting to demand management in order to drive a synchronized view of demand for their company.

Moving to a Synchronized View of Demand

While traditional planning approaches have limited operational areas of the business consuming the forecast, such as replenishment, production, warehousing, deployment and raw materials procurement, demand-driven organizations are leveraging a synchronized view of demand beyond these traditional areas. Innovative companies now inherently integrate a consolidated forecast into transportation plans, rough-cut financial plans, network design planning, shelf space plans, network safety stock plans, trade fund and promotion plans, and customer assortment plans.

Moving to this integrated planning framework requires a robust solution that can accurately deliver a consolidated forecast with the highest accuracy. With a synchronized view of demand you'll maximize sales and marketing effectiveness by accurately predicting future customer demand to drive your business decisions. By better understanding consumers' evolving requirements and hot trends, you can forecast and leverage the demand signal to synchronize demand with your sources of supply.

Key Demand Capabilities:

- Rich graphical workbench that integrates exceptions, graphs and grids in a single view
- Advanced statistical modeling leveraging multiple algorithms
- Demand classification and segmentation
- Statistical forecasting on any level of the hierarchy (i.e., DC, key account, item, channel, geography)
- Aggregate forecasting across hierarchies and automatic reconciliation from top down or bottom up
- New product forecasting and lifecycle management
- Promotional and event data management
- Flexible graphical forecast accuracy measurement of base forecast and promotional adjustments
- Graphical exception management
- Consensus forecast creation
- Inherent integration into JDA's replenishment and planning solutions through JDA® Enterprise Architecture

Solution: JDA Demand

JDA® Demand helps you to better prepare for future customer demand. Leveraging advanced statistical analysis techniques, JDA Demand offers demand segmentation capabilities that analyze your product's selling behavior to identify its individual demand pattern (i.e., slow moving, seasonal, lumpy, etc.). The corresponding classification is then used to apply the appropriate forecast algorithm and automatically assign the parameter settings based on the product's demand behavior, helping to create the automated baseline forecast.

In addition to statistical modeling to create the baseline forecast, JDA Demand provides your users with the tools to easily account for the impact of promotional or external events that affect your forecast on top of your regular turn business. Incorporating these promotions and events into the final forecast is a best practice that creates a clear picture of future customer demand.

Make Better Business Decisions with a Consensus Demand Plan

Leveraging our Web-native solution, your users can gain additional insight on the future demand picture through collaboration with internal stakeholders and external trading partners. This collaborative process then builds the consensus demand plan.

JDA Demand offers robust demand classification functionality that can determine the appropriate forecasting methodologies to be used for your products in all phases of their lifecycles. If your company regularly introduces new products, you'll appreciate that JDA Demand also provides intelligent new product introduction modeling capabilities to provide improved forecasts for products with little or no history.

Realize Real Benefits with JDA Demand

JDA Demand, in conjunction with JDA's promotions optimization and management solutions, can help you to achieve the benefits of a synchronized view of demand:

- **Improve forecast accuracy up to 20-25 percent within your organization.** Leverage advanced statistical analysis capabilities, combined with the ability to segment demand streams and forecast at multiple hierarchical levels, to drive forecast accuracy improvements.
- **Reduce inventory throughout your network.** Improve forecast accuracy and reduce your company's inventory levels.
- **Increase demand visibility across your entire trading network.** Improve the efficiency and performance of your trading network by sharing forecasts with your trading partners. You'll develop a true, consensus demand plan that aligns all trading partners to the same forecast.
- **Increase inventory turns by 5-8 percent.** Smooth demand variation across your trading network to increase synchronization throughout your extended supply chain. Staying one step ahead of demand improves inventory availability for improved turns.
- **Improve your pricing and promotions strategies.** Solve the problem of determining when and how to price and promote products – throughout a product's lifecycle – to achieve your revenue and profit objectives.

About JDA Software Group, Inc.

JDA® Software Group, Inc. (NASDAQ: JDAS), The Supply Chain Company®, is the leading provider of innovative supply chain management, merchandising and pricing excellence solutions worldwide. JDA empowers more than 6,000 companies of all sizes to make optimal decisions that improve profitability and achieve real results in the discrete and process manufacturing, wholesale distribution, transportation, retail and services industries. With an integrated solutions offering that spans the entire supply chain from materials to the consumer, JDA leverages the powerful heritage and knowledge capital of acquired market leaders including i2 Technologies®, Manugistics®, E3®, Intactix® and Arthur®. JDA's multiple service options provide customers with flexible configurations, rapid time-to-value, lower total cost of ownership and 24/7 functional and technical support and expertise.

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