

# **NetSuite Demand Planning**

Flexibility and Precision in Inventory Forecasting and Management

#### **BENEFITS**

- Increased top-line revenue
- · Optimized inventory levels
- Cost reductions and avoidance
- Productivity improvements.

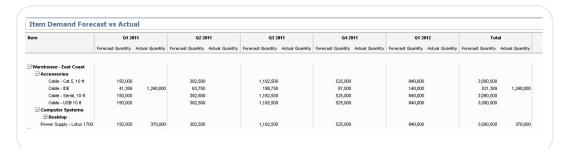
### **KEY CAPABILITIES**

- Calculate demand plans leveraging historical data or sales forecasts
- · Calculate supply plans and automatically generate purchase or work orders
- Model how expected sales and purchase orders affect future inventory levels.

For businesses to achieve best-in-class inventory management, they must maintain the right amount of inventory to effectively meet anticipated demand. Companies unable to maintain this delicate balance end up carrying too much inventory and spending precious dollars on expedited or emergency shipments and unplanned replenishment. Because of these consequences, companies are constantly trying to improve inventory management through demand planning models that try to predict the "right" balance of inventory.

Unfortunately for most organizations, this process relies on spreadsheets and manual inputs from sales teams. The manual nature of this process results in not only inaccurate forecasts, but forecasts that aren't timely. The process itself can be costly, consuming both time and resources that could be better spent understanding how to leverage the results.

NetSuite's new Demand Planning module helps solve these challenges by enabling purchasing and inventory managers to determine the demand projection of items in the coming months based on historical data and trends or sales forecast information. It delivers the insights that managers need to plan inventory accordingly, and create purchase and work orders to meet anticipated demand.



Reports allow you to easily compare forecast demand to actual

# **Demand Plan: Flexibility in Forecasting**

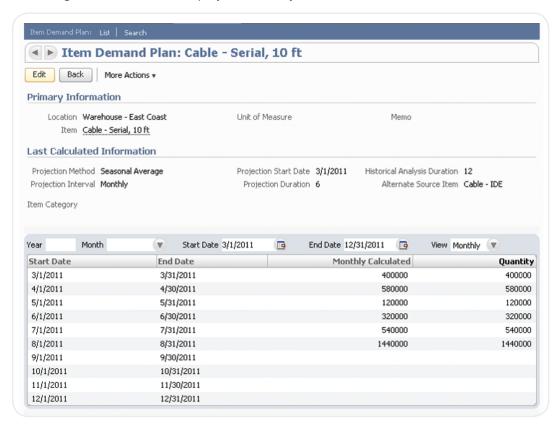
When using NetSuite to calculate your demand plan, you can select the timeframe of historical data or future forecast data to be used in determining seasonal fluctuations in inventory. In addition, you can incorporate preferred stock levels set on a company or per-item basis when generating the demand plan. Projections are calculated on a per-location basis, giving you the flexibility to accurately project demand in a given area.

Once your demand plan is generated, you can review and edit the individual inventory needs for a particular time period of the plan. For instance, you may want to increase the inventory level for July if you plan to run a promotional campaign that month.



NetSuite's Demand Planning module allows you to analyze your stock demand needs based on a variety of packaged projection methods such as:

- Linear Regression: Uses previous demand to project future inventory needs based on steady linear growth
- Moving Average: Uses previous demand to calculate the overall average stock level needed, then projects future stock levels using that overall average
- Seasonal Average: Uses previous demand to examine the seasonal trend of inventory flow, then projects a similar seasonal trend for future stock levels
- Sales Forecast: If you are using NetSuite for your sales operations, this option uses forward-looking sales forecast data to project inventory demand.



Get visibility into the demand for a given item by time period

## **Supply Plan: Streamlined Replenishment**

In calculating your supply plan, the NetSuite Demand Planning module provides you with a list of recommended purchase orders or work orders based on parameters set on the item record, such as re-order point and lead time. If purchase orders are generated, the preferred vendor from the item record is used on the purchase order. When assembly items are involved, the supply plan factors in all levels of a multi-part assembly and plans the work orders for all sub-components of the build, as well as purchasing of required raw materials, giving you the flexibility needed for even the most complex of demand planning environments.

**★ To find out more, contact NetSuite Inc. at 1-877 NETSUITE or visit www.netsuite.com.**

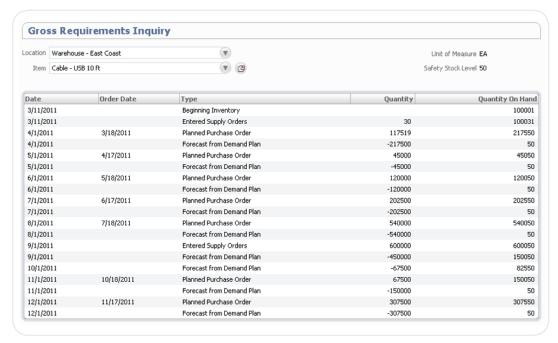


Additionally the supply plan enables you to select which items to automatically calculate ordering requirements, providing flexibility when different methods might be required. During this process, the system automatically considers outstanding quantities in non-posting transactions (purchase orders, transfer orders, work orders) and quantities in posting transactions (item receipt, item fulfillment, cash sale, invoices), ensuring that the supply plan accurately reflects existing inventories and orders.

## **Gross Requirement Inquiry: Modeling Inventory Levels**

Gross Requirement Inquiry: Modeling Inventory Levels

Another key feature of the NetSuite Demand Planning module is gross requirement inquiry, which allows you to model how expected sales and purchase orders will affect future inventory levels. This feature is critical to ensuring that you can model different aspects of your business and understand the impacts.



Easily review how quantity changes based on forecasted demand

Leveraging NetSuite Demand Planning, your company can achieve best-in-class inventory management, maintain the right amount of inventory to effectively meet anticipated demand and achieve that delicate balance of the "right" inventory. By doing so, you can avoid tying up too much capital in excess inventory or carrying too little inventory, and minimize the risk of missed sales or customer dissatisfaction because of stock-outs.