

JDA Demand



Challenge: Creating an Accurate Forecast

As the number of consumer products has proliferated in retail stores, so too has the difficulty in predicting which products consumers will buy. Poor forecasts lead to too much inventory in stores and distribution centers, tying up unnecessary capital. Too little inventory at the store leads to stockouts and unhappy customers. For better control over their merchandising and supply chain operations, retailers and wholesaler-distributors need a solution that provides a synchronized view of demand across their organizations.

With the ability to more accurately predict and shape consumer demand, you'll stay on top of consumers' evolving requirements and hot trends. You can then leverage those market signals to synchronize demand with your sources of supply, driving smarter business decisions to maximize sales and marketing effectiveness.

The first step to achieving a synchronized view of demand is an accurate statistical forecast that incorporates human and event intelligence. By facilitating and incorporating this consolidated view into your supply chain, you will satisfy your consumers at a higher level with lower total supply chain costs. These benefits can extend to your most important suppliers when you align processes and plans with an automated, consistent method for collaboration and communication. By sharing key data streams such as consumer demand signals on a regular basis, you'll achieve the first step in driving true supply chain synchronization.

Solution: JDA Demand

JDA® Demand, powered by Manugistics® can help your company create forecasts that accurately predict and shape consumer demand. Working in conjunction with JDA's promotions optimization and management solutions, JDA Demand provides a complete demand intelligence platform that can predict and shape item-level demand – across a product's lifecycle.

JDA Demand provides advanced demand segmentation capabilities that analyze your product's selling behavior to identify its individual demand pattern (i.e., slow moving, seasonal, lumpy, etc.). The solution then applies the appropriate forecast algorithm and automatically optimizes the parameter settings based on the product's unique characteristics.

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., store, DC, 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 the base forecast and promotional adjustments
- Graphical exception management
- Consensus forecast creation
- Inherent integration into JDA's replenishment and planning solutions through JDA® Enterprise Architecture

This step helps to create the automated baseline forecast that is an important starting point for creating your consensus demand plan. In addition to statistical modeling to create the baseline forecast, JDA Demand provides you with the tools to easily account for promotional affinities or cannibalizations that affect your forecast on top of your baseline sell-through.

Gain a More Complete Picture of Future Consumer Demand

Incorporating the impact of promotions and the merchandise plan into the baseline forecast is a best practice that creates a more accurate intermediate forecast. With JDA Demand you'll gain a more complete picture of future consumer demand.

Leveraging our Web-native solution, you can gain additional insight into the future demand picture. By collaborating with key trading partners as well as internal stakeholders such as category managers, you can incorporate your intermediate forecast into a consensus demand plan.

With myriad new product introductions and constantly changing assortments, it is imperative to have a solution that can dynamically adapt to change and adjust plans as the demand picture changes. JDA Demand supports this process by providing intelligent lifecycle modeling capabilities that will improve your forecast accuracy for products that have no sales history. Given the continual product proliferation and the need to forecast at the store level, JDA Demand is uniquely positioned to handle and process massive volumes of forecasting units to give you the best possible view of consumer demand at each individual store.

Realize Real Benefits with JDA Demand

JDA Demand, in conjunction with JDA's promotions optimization and management solutions, can help you to predict and shape consumer response to achieve these benefits:

- **Improve forecast accuracy up to 20-25 percent within your organization.** Leverage advanced statistical analysis capabilities, demand stream segmentation and forecasting at multiple hierarchical levels to drive forecast accuracy improvements.
- **Reduce inventory throughout your network.** Increase forecast accuracy to help optimize your inventory levels.
- **Increase demand visibility across your entire trading network.** Improve the efficiency and performance of your trading network by sharing your forecasts with your vendors.

- **Increase inventory turns by 5-8 percent.** Smooth demand variation across your trading network to increase supply chain synchronization and 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) is the enduring demand and supply chain partner to the world's leading retailers, manufacturers and suppliers, helping 5,500 customers in more than 60 countries realize real demand chain results.

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