

# JD EDWARDS ENTERPRISEONE DEMAND FORECASTING<sup>1</sup>



## KEY BENEFITS

- Plan effectively with collaborative, constraint-based forecasting
- Increase order fill rates through improved forecast accuracy
- Reduce excess inventory and capacity buffers
- Shared data models with inherent integration
- Statistical forecasting increases forecast accuracy by 5 to 10 percent
- Collaborative forecasting increase accuracy by 20 percent
- Improved forecasts ads to lower inventory levels, more predictable costs for production and distribution, and lower stock-outs
- Object-oriented database technology enables scalability, performance, and flexibility data hierarchy for changing business needs
- Flexible and graphical product lifecycle management

## DEMAND FORECASTING

- Statistically generate forecasts based on historical demand
- Generate scenarios and simulations
- Perform product lifecycle planning
- Statistically analyze safety stocks

## ADVANCED FORECAST MODELING

- Forecast demand based on external factors including casual and predictor analysis
- Plan promotions, events and interventions

*Effectively forecasts demand with statistical techniques, as well as enabling organizations to plan demand with safety stock management and new product introduction. An optional module adds casual-predictor analysis and forecast event planning (promotions).*

### The Issue: Complex, Effective Forecasting

Before you can plan a campaign, promise orders, plan production, and order your bill of materials, you must have a forecast. Accurate forecasting is the key driver of your supply chain. Definitive forecasts allow you to lower inventory, better plan production, improve fill rates, and capture demand opportunities.

Having a forecast is especially key today as supply chains grow more complex and customer behavior becomes increasingly demanding. So, how can you effectively develop a forecast that best reflects the true demand picture, taking into account all the influences on your demand?

### The Solution: Demand Forecasting

Oracle's JD Edwards EnterpriseOne Demand Forecasting enables you to efficiently develop a statistically based forecast to predict and plan your future demand. You can use your sales history or other types of time series data to generate statistical forecasts. Complex demand patterns, trends, seasonality, intermittent demand, and demand shifts are identified by using different statistical models, such as exponential smoothing, ARIMA, and Croston's intermittent. The unique, expert selection forecast engine analyzes and combines the various models to produce a forecast that best depicts your business. And a graphical user interface gives you the flexibility to visualize your information in various ways to better understand key issues.

### Flexible Modeling

With JD Edwards EnterpriseOne Demand Forecasting, you have the ability to easily analyze and model your enterprise on an ongoing basis. The hierarchical data structure lets you organize and secure your data to fit your business. For example, you define such key relationships as product hierarchies, geographical organizations, customer types, and sales channels.

As your business structure changes, you can adapt the model quickly and easily to add new products, change territories, restructure product groupings, and add or change channel partners. Product lifecycle planning lets you easily plan the demand for new products while other products are phased out. Robust calendaring lets you choose a wide range of forecasting "buckets" needed for your business: weekly, monthly, quarterly, for various fiscal quarters, and annually. And, to recommend optimum safety stock levels, the system uses the statistical variance in your demand in conjunction with lead-time and desired service level.

<sup>1</sup> This data sheet includes the companion add-on product JD Edwards EnterpriseOne Advanced Forecast Modeling

With scenario analysis, you can focus your time and attention on specific parts of your business, creating different forecasts to reflect different scenarios. If, for example, you've just entered a new market, you might want to create optimistic and pessimistic scenarios for comparative analysis before committing to a certain forecast.

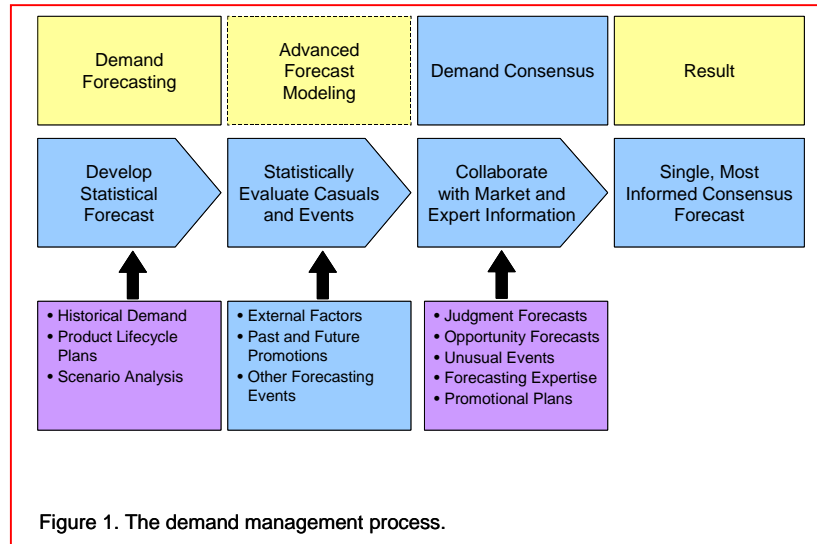


Figure 1. The demand management process.

### Demand Forecasting with Advanced Forecast Modeling

For complex, multifaceted forecasting, additional functionality is available through a supplementary product offering. With JD Edwards EnterpriseOne Advanced Forecast Modeling, past promotions and other forecasting events are statistically identified and analyzed to determine their impact on your demand. Additionally, multiple external factors, such as demographics and consumer price index, can be evaluated. Consequently, you can better understand the effectiveness of your promotions and campaigns to predict future demand more successfully.

### Higher Profitability with Improved Forecast Accuracy

JD Edwards EnterpriseOne Demand Forecasting helps you generate a more definitive forecast. With a more accurate forecast, you are better able to have the right product on hand. This capability means higher fill rates, which increase customer satisfaction.

In addition, you are better positioned to respond to unexpected demand. And you are able to increase responsiveness while decreasing costs. By improving forecast accuracy, you can optimize your production and distribution plans to reduce excess inventory and capacity buffers.

### Added Value Through Collaborative Forecasting

Demand Forecasting, Advanced Forecast Modeling, and Demand Consensus modules from JD Edwards EnterpriseOne enable collaborative, constraint-based forecasting. You are able to optimize your supply chain planning with JD Edwards EnterpriseOne Demand Forecasting and Advanced Forecast Modeling modules for statistical forecast generation and JD Edwards EnterpriseOne Demand Consensus for collaborative planning. The shared database and data model facilitates the complete forecasting process, from creating the initial forecast to gathering and reconciling demand information from your supply chain partners to produce a single forecast. JD Edwards EnterpriseOne Demand Forecasting and Demand Consensus modules help bring you closer to your customers' requirements, increasing visibility across your supply chain network.

**Feature/Function Highlights:  
JD Edwards EnterpriseOne Demand Forecasting**

- Multiple statistical models.
- Expert model selection.
- Product lifecycle demand planning.
- Graphical user interface.
- Statistically based safety stock.
- Hierarchical data structuring.
- Aggregation and dis-aggregation logic.
- Flexible data modeling.
- Object-oriented database.
- Simulations and scenarios.
- Constraint-based forecasting.
- Robust calendaring.
- Outlier identification.
- Shared data with Demand Consensus.

**Feature/Function Highlights:  
JD Edwards EnterpriseOne Advanced Forecast Modeling**

- Causal analysis of external factors.
- Promotions demand management.
- Forecasting events management.

**Solution Integration**

- JD Edwards EnterpriseOne Supply Chain Management:
  - Supply Chain Planning Suite
  - Customer Order Management Suite
  - Manufacturing Suite
  - Logistics Suite
- JD Edwards EnterpriseOne Customer Relationship Management
- JD Edwards EnterpriseOne Supply Chain Analytics
- Flexible integration to third-party solutions

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