NETSUITE

NetSuite Demand Planning

Make Inventory Forecasting and Management More Flexible and Precise

Key Benefits

- 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.

NetSuite Demand Planning enables 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.

Solution Highlights

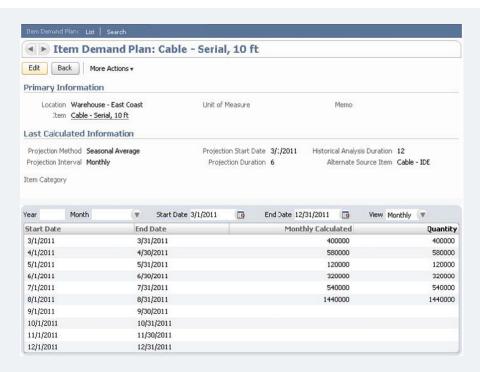### Demand Plan: Flexibility in Forecasting

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 Demand Planning 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.
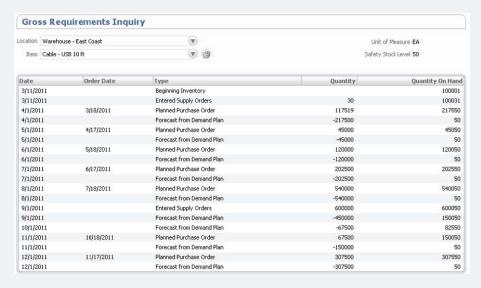
Supply Plan: Streamlined Replenishment

In calculating your supply plan, NetSuite Demand Planning 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.

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

NetSuite Demand Planning also features 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.

Gross Requirements Inquiry

Location: Warehouse - East Coast   Unit of Measure EA
Item: Cable - USB 10 ft   Safety Stock Level 50

Date	Order Date	Type	Quantity	Quantity On Hand
3/11/2011		Beginning Inventory		100001
3/11/2011		Entered Supply Orders	30	100031
4/1/2011	3/18/2011	Planned Purchase Order	117519	217550
4/1/2011		Forecast from Demand Plan	-217500	50
5/1/2011	4/17/2011	Planned Purchase Order	45000	45050
5/1/2011		Forecast from Demand Plan	-45000	50
6/1/2011	5/18/2011	Planned Purchase Order	120000	120050
6/1/2011		Forecast from Demand Plan	-120000	50
7/1/2011	6/17/2011	Planned Purchase Order	202500	202550
7/1/2011		Forecast from Demand Plan	-202500	50
8/1/2011	7/18/2011	Planned Purchase Order	540000	540050
8/1/2011		Forecast from Demand Plan	-540000	50
9/1/2011		Entered Supply Orders	600000	600050
9/1/2011		Forecast from Demand Plan	-450000	150050
10/1/2011		Forecast from Demand Plan	-67500	82550
11/1/2011	10/18/2011	Planned Purchase Order	67500	150050
11/1/2011		Forecast from Demand Plan	-150000	50
12/1/2011	11/17/2011	Planned Purchase Order	307500	307550
12/1/2011		Forecast from Demand Plan	-307500	50

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.