



Forecasting

Targeted and Effective

Targeted Forecasting

Sales reps are required to forecast high value items

Sales reps must provide a forecast when requesting a new item be brought into stock

ERP system generates a basic forecast based on the last 12 weeks sales average

Buyers review sales history and solicit a forecast if sales trends are unusual. Buyers simply call customer service or sales to inquire about upcoming requirements.

All forecast information is document in a simple text memo

Formal forecasting tools not utilized

ERP does not allow users to input a forecast

ERP does not have various forecasting models that can be applied to items

Sales reps are not required to provide formal forecasts on most items

We do not employ Inventory Planners (dedicated personnel to input demand forecasts)

We do not have a S&OP planning process

Effective | Measures of Success

Material Availability Fill Rates - A - 99.6%
B - 98.2%

Inventory Turns - 7.9 (goal 7.7 - stretch 8)

Aged Inventory - \$7.5 Million or 8.2% (goal 9% - stretch goal 8%)

GMROI - 165% (goal 161%)

Total Inventory: \$91 Million | ROA: 21% | Active SKU count: 45,466

Here's how we make it work

We have excellent sales history tools. This is the buyers first data point. They can drill down quickly to evaluate specific customer trends.

After this, our process is dependent on collaboration. Buyers, customer service and sales are expected to talk (or email) a lot.

We focus on soft skills. Buyers attend Stellar Service training, we coach on written and verbal communication techniques. As a company we prioritize Respect, Teamwork and Communication.

We budget for travel. Buyers travel to multiple warehouses per year with a focus on team building.

Individual Results. A buyer dashboard allows buyers to understand their contribution towards key metrics