

Demand Planning and Forecasting

In today's volatile market environment, your ability to create accurate demand plans and forecast is critical to business success. ICON assists you to profitably manage your business by establishing a cohesive demand management process.

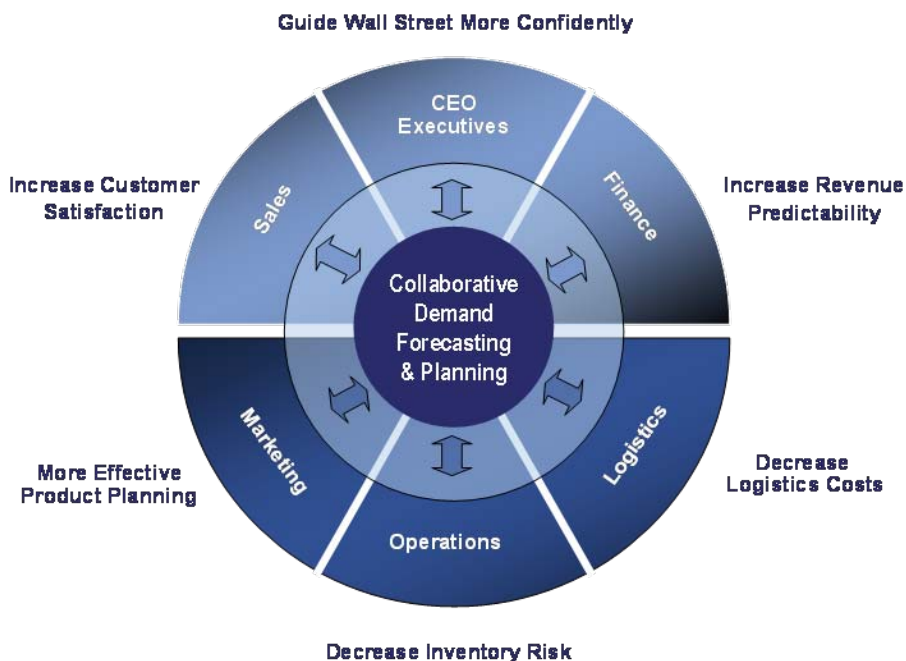
Adopting this approach, however, is easier said than done. Cumbersome manual processes and spreadsheets stitch together an array of inflexible, fragmented planning systems. Disparate systems with inconsistent data produce discrepancies that prohibit the creation of cohesive, unified plans.

The Challenge: Inaccurate Demand Forecast, Poor Business Performance

Variable product demand. Long lead times. Such market environments increase the importance of and reliance upon accurate product forecasts, as they have a significant impact on product availability, inventory costs, and company profitability. Researchers clearly demonstrate that to succeed, companies must extend operational views of historical statistics to cross-functional processes that incorporate forward-looking data from all participants throughout the enterprise, from sales and marketing to finance and operations.

The Solution: A Comprehensive Demand Planning Process

The ICON Demand Planning and Forecasting solution is designed to combine the best of statistical forecasting methodologies with both cross-functional and cross-enterprise judgment and market knowledge to develop a demand forecast. A company-specific forecast workflow is configured to appropriately include the right stakeholders in the forecast process. Each functional team can view the forecast from their desired view (sales team, product line and SKU) and make adjust-



ments to the system-generated statistical forecast. With audit tracking, role-based security, and override capabilities, it provides a secure planning platform. The solution includes performance management capabilities that track real-time execution against forecasts and provides alerts and exception management when pre-defined conditions occur. The system and the organization learn from current performance to improve future forecasts.

At the core of the solution's analytic capabilities is the Adaptive Analytic Engine, which is based upon research of Fortune 500 companies by Dr. J. Thomas Mentzer, the internationally recognized authority on demand forecasting and planning. The system automatically selects the best combination of forecasting algorithms and incorporates causal and qualitative information. It is designed to model complex manufacturing environments in which demand forecasting must address configured products, multi-tiered sales channels, outsourcing, and postponement planning.

The Demand Planning and Forecasting solution can be rapidly configured to reflect current business processes and changes to those processes. It can define and manage an unlimited number of complex product hierarchies and structures. Through the graphical user interface companies can model the planning process workflow, including tasks, exceptions, notifications, and approvals.

The Benefit: Accurate Forecast Plans

With the Demand Planning and Forecasting solution you eliminate the dependence on historical demand data, inefficient manual processes and subjective opinion by guiding participants through a comprehensive planning process that leverages all available data and enterprise-wide functions. The result is a highly accurate forecast that all functional stakeholders and partners can trust. for answers.

Your benefit:

- Improved forecast plan accuracy
- Increased collaboration among functional teams
- Increased order fill rates and on-time delivery
- Reduced inventory carrying costs and excess and obsolete inventory write-offs

Demand Planning at a glance:

- Automated complex cross-functional corporate forecasting and planning processes
- Internal and external collaboration with all functional stakeholders and trading partners
- Personalized Excel interface templates
- What-if simulation and scenario analysis
- Leading edge forecasting engine
- Automatic selection of optimum combination of quantitative forecasting techniques and regression variables
- Forecast and plan at any level of hierarchy
- Performance management and analysis
- Support for complex product environments
- Exception-based email alerts and exception reporting for performance results

Proven results:

- Reduce inventory through improved forecast accuracy and visibility
- Improve order fill rates and service level
- Improve margins

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