Ensuring demand planning stability in response to COVID-19



Adjust demand forecasts for scalability and rapid, detailed forecasting



demand-driven forecasts



The Issue

The coronavirus pandemic has created unprecedented challenges. As they work to meet basic human needs, retailers, suppliers and manufacturers are facing increasing demand and rapidly evolving market conditions. Because of widespread product shortages, organizations need to make proactive substitution suggestions while maintaining consistency in service. Stabilizing the demand plan is a critical part of a strong recovery and future success.

Without demand forecasting strategies, businesses risk making poor decisions about their products and target segments. Poor decisions can have far-reaching negative effects on inventory holding costs, customer satisfaction, supply chain management and profitability. Poor demand planning during this crisis will affect long-term business operations, potentially delaying or hindering recovery efforts. Organizations need the ability to predict and to better understand their supply chains and customer demand to ensure a full recovery.

Challenges



Managing extreme marketplace conditions. With increasing demand volatility and rapidly evolving market conditions, planners are struggling to stabilize their demand forecasts. Using SAS, companies can better plan for widespread outages and make appropriate planning decisions.



Reacting to regional and channel differences. Companies with widespread, sophisticated supply chains struggle to conduct timely analysis at the required level of detail. SAS can help you respond faster down to regional differences or rapidly shifting channel preferences.



Preparing for recovery. Without reliable demand forecasts in place that adjust to changing conditions, retailers and their suppliers are not well prepared for the eventual transition to recovery. Strong forecasting helps you make better informed decisions that can have far-reaching and positive impacts on inventory holding costs, customer satisfaction and supply chain management.

Our Approach

Our deep industry expertise can help respond to this unprecedented time in critical areas such as short-term demand forecasting, inventory optimization and location, and social media sentiment analysis. SAS analytics, including machine learning and other Al techniques, turns data into insight to help you weather this challenging business environment. We can help you:

- Stabilize and improve demand forecasts. Become more agile in an unstable marketplace by more accurately predicting short-term shifts in demand patterns, quickly reforecasting the mix within the average marketbasket.
- Optimize inventory allocation with intelligent product substitution. Be able to support demand with different substitute products to avoid out-of-stocks through detailed analysis of shipment and consumer demand patterns at the lowest level of detail.
- Model the return to recovery. Plan for the new normal, incorporating sentiment and economic indicators and other external variables to cleanse those abnormal demand patterns out of the demand history to reflect normal demand patterns.

SAS continues to focus on finding insights that enable better decisions to serve customers during this time of crisis and disruption. Together, we can detect abnormalities faster, identify immediate shifts in demand patterns, and make decisions in real time.

The SAS[®] Difference

For our retail, CPG and manufacturing customers, demand forecasting is one of our core solutions that delivers the industryleading ability to capture demand and determine where, how and when customers want to procure materials and shop for finished goods. By providing prescriptive insights into how companies can more effectively sense and shape demand across all channels, SAS helps improve service levels, inventory productivity, customer satisfaction and profitability. We enable you to:

- Perform what-if simulations to predict and shape future demand under different situations, such as different market conditions.
- Simulate the effect of changes on key variables that can be controlled, such as price, advertising and sales promotions.
- Develop short- and long-term forecasts of predicted demand and recommend the sales and marketing strategies to meet customer needs.

The end goal is to be proactive instead of reactive through strong horizontal alignment processes, stronger collaboration with key accounts and customers with predictive analytics supported by scalable technologies.

Planning During Times of Uncertainty



Learn more at the SAS COVID-19 Resource Hub