

Fundamentals of Demand Forecasting

14 - 15 March 2012

Southern Sun O.R. Tambo, Johannesburg

The increasing volatility of sales in today's highly competitive marketplace lends itself to less reliable sales forecasts and the consequent necessity of higher inventory levels to maintain reasonable customer service levels. Accurate demand forecasts are a necessity in order to maintain service levels and optimize inventory levels in a lean operating supply chain.

Vicenda has brought together experienced practitioners who will share their knowledge, insight and experience in this workshop. The content is practical and delegates will leave with proven methodologies that can immediately be implemented in their supply chain.

Attendees will be encouraged to participate, debate, and discuss the topics that are presented. Speakers will also address the fundamental issues challenging modern organisations and will offer strategic and practical approaches for consideration to consistently improve forecast accuracy in your organisation.



Who Should Attend?

A Fundamental understanding of the forecasting process and requirements for an accurate forecast are a necessity for any executive involved in the demand forecasting process.

This workshop will benefit executives in operating in the manufacturing, retail, distribution and services industries, specifically with the following job functions:

- Demand Planning / Management
- Inventory Management
- Supply Chain Management
- Logistics & Operations
- Sales and Marketing
- Supply Planning / Management
- Manufacturing
- Scheduling and Planning

Last year's Delegates

"What a fantastic workshop - excellent speakers"

- Sandra Giliomee, Demand Planner, McCain Foods SA

"Excellent workshop with great ideas & easy to understand"

- Jill Roestorf, Inventory Planning Analyst, Afrox

"Overall a very good workshop with lots of good information which I'll be using going forward"

- Donavin Hawker, Customer Service & Supply Specialist, Novozymes SA

"Good value - Different opinions and speakers understand frustrations in different enterprises"

- Des Kroese, Planning Manager, PFG Building Glass

Supply Chain is a complex and dynamic environment that is constantly evolving. It is imperative for executives operating in this environment to keep in touch with industry trends, best practices and technological advancements in order to maintain an optimal and competitive supply chain.

Vicenda is an innovative services company offering business information services to the logistics and supply chain industry. Our focus is to provide executives with tailored business platforms that allow them to keep informed and up-to-date with the latest industry trends.

Our Workshops and conferences bring together experienced industry experts in interactive learning environments so that supply chain practitioners can share their knowledge, experience and insight with our delegates. Although content is always based on sound academic principles, we have a strong focus on sharing practical solutions to the business challenges that supply chain executives encounter daily.

Supply Chain Update is an industry newsletter first published by Vicenda in March 2009. Now in its third year, this weekly distributed e-zine is received by more than 14 000 readers in South Africa. Supply Chain Update strives to promote the sharing of and understanding of supply chain management best practices.

For more information on other courses available, please visit:

www.vicenda.co.za

Workshop Content: Day 1

08h00 **Registration and Coffee**

08h30 **The Role of Forecasting in Managing the Supply Chain**

In a modern, lean supply chain, accurate forecasts are critical to achieving supply chain success. Accurate forecasts result in lower inventories with improved customer service that in turn result in higher revenues and increased profits. Relying on inaccurate forecasts can cripple a company's profit-making ability. The speaker will discuss:

- Overview of the supply chain
- Understanding the role of forecasting in your supply chain and its' effect on supply chain performance
- The flow of information
- The goal of forecasting
- Operational and financial implications of poor forecasting

10h00 **Coffee**

10h15 **Theory of Statistical Forecasting**

You don't have to be a mathematician to prepare accurate demand forecasts but an understanding of the various statistical models and techniques is essential for any demand planner.

The speaker will discuss:

- Demand Planning in context of the end to end Planning Process
- Demand Planning process – History, Conditioning, Supersessions, Events and Causal Factors, Algorithms, Forecast Levels, Collaboration

- Forecasting Methods – Multiple Linear Regression, Time Series, Mean Time Between Failure
- Time Series basics – Trend and Seasonality
- Forecast Algorithms – Families, Parameters, Best Fit
- Forecast Statistics

12h00 **Lunch**

13h00 **Putting Statistical Forecasting into Practice**

- Forecast Parameters – Bucket sizes, Seasonal Cycles, Forecast Horizon, etc.
- Conditioning – Finding outliers
- Events
- Algorithms
- Rounding
- Forecast Level – Forecast Hierarchy
- Supersessions
- Overrides
- Forecast Accuracy

14h30 **Coffee**

14h45 **Developing and Managing the Forecasting Process**

- Data Cleansing – sorting the history
- A typical demand planning process
- Organisation and structure considerations
- Management support and collaboration
- Key process considerations – the good and the bad
- Improving the quality of your forecast

16h15 **Workshop Close - Day 1**

Workshop Content: Day 2

08h00 **Registration and Coffee**

08h30 **Fine-tuning your forecast for better accuracy**

Developing a sustainable forecast is not just about creating the best statistical model or the use of demand planner's experience. It is a combination of both. Traditionally, statistical forecasts are the domain of qualified professionals, with demand planners left to apply "pick best" models to hope for a better forecast.

However, by understanding simple tools and techniques to manage and fine-tune your forecast, you will be able to produce more accurate and reliable demand plans. This session uses real case studies and aims to provide you with an understanding of the methods that can be applied by the supply chain team to improve forecast accuracy.

10h00 **Coffee**

10h15 **Forecasting through a Product's Lifecycle**

- How to develop new product forecasts
- How to identify demand trends on new products
- Techniques for forecasting a product through each of the pre-launch, launch, growth and maturity phases
- How to convert brand forecasts to SKU level forecasts
- How to measure the impact of promotional programs
- Case studies will be used as examples

12h00 **Lunch**

13h00 **Calculating Safety Stock Levels**

As forecast accuracy improves, the necessity for high inventory levels to maintain satisfactory customer service levels decreases. However, if anything is certain in forecasting

no matter how close a forecast comes to the "one number" it is inevitable that the forecast will be incorrect. Therefore a balance of safety stock must be maintained to protect against fluctuations in demand and supply. The speaker will discuss how to calculate safety stock based on:

- The stock-out probability
- The desired level of customer service to satisfy product demand

13h45 **Measuring and Reporting Forecast Performance**

The only sure thing about a forecast is that it will be wrong. Being able to measure and report on how wrong is the best way to gain control of your forecasting process. The speaker will discuss the different ways of measuring forecast accuracy.

- How to measure Forecast accuracy
- Which measures are best
- How to report and aggregate forecast measures.

14h30 **Coffee**

14h45 **Interactive Session** – Delegates will be split into groups and facilitators will lead them in informal discussion by posing preset questions to each group, providing delegates with the opportunity to ask questions, share ideas, express an opinion and learn from the experiences of fellow delegates.

15h45 **Interactive Session 2** – In this final session, delegates will have the opportunity to field questions to speakers regarding their own supply chains and experiences.

16h15 **Workshop ends**

Workshop Presenters



Lead Presenter: Henry Vargas

Henry specialises in SAP Advanced Planning and Scheduling (APS) solutions and is responsible for spearheading the Britehouse Supply Chain Management Practice. He has had extensive experience in implementing ERP and APS solutions internationally and in South Africa.

Henry's focus is on supply chain process solution design, with a view to enabling technologies.

Henry has chaired Vicenda's Annual Best Practices for Demand Forecasting and Inventory Optimisation Conference for the past four years. He has an excellent understanding of the demand forecasting and inventory optimisation processes as well as application of key enabling technologies.



Co-presenter: Leon Beetge

Leon Beetge is the founder and Managing Director of Optimatix. He graduated as an Industrial Engineer from the University of Pretoria and started working at Iscor where his experience included Business Process re-engineering and Continuous Improvement.

He later joined the Strategy team, and developed mathematical models to optimise the supply chain, resulting in optimised 20 year strategic plans that were created in minutes. After working for a South African ERP solution provider where he developed production scheduling software, he then founded Optimatix In 2001 where he developed Advanced Planning and Scheduling solutions.

Leon specialises in the mathematics that defines the supply chain and develops models to mimic and predict future supply chain behaviour.



Co-presenter: Umesh Sita

Umesh holds a Bachelor of Commerce (Wits) and a Project Management Professional certification (PMI). He is the Business Intelligence Manager at Britehouse, specializing in Advanced Planning and Information management and how they can be utilized within business to ensure improved decision making at all levels.

He has had extensive experience in implementing SAP ERP and APS solutions in SA and is jointly responsible for developing the Pebbletree Consulting & Britehouse SAP Supply Chain Practice and Business Intelligence offering. Umesh's focus is on supply chain process solution design, with a view to enabling technologies. He has an excellent understanding of the application of key enabling technologies including logistics execution and supply chain planning. Umesh has consulted with clients in many industries to design and implement solutions to integrate supply chain processes, with the emphasis on improving supply chain efficiencies and effectiveness in the arena of Demand Planning and its support processes and improvement strategies


Workshop Cost

The cost per delegate to attend the workshop is **R4 890 + vat**. This includes all meals and beverages as well as programme materials. It does not include accommodation or travel expenses.

Bookings of three delegates or more (from one company) will receive a reduction of 10% on the total registration fee.

In order to maintain the interactive nature of this workshop, attendance is limited. Please reserve your seat early to avoid disappointment.

If you wish to reserve a seat at the workshop, please fax through the registration form on the final page, or alternatively contact Karl Murray:

 011 021 5411

 karl@vicenda.co.za

The Venue

The Southern Sun OR Tambo International Airport Hotel is a premier four star hotel, conveniently situated just 500 metres from Johannesburg International Airport. A free shuttle runs every 15 minutes between the airport and the hotel, making it convenient to simply fly in and out for any event without the necessity of car-hire.

As Vicenda's preferred venue for our Johannesburg events, the hotel has generously extended an excellent bed & breakfast rate of **R800 per night per delegate**. The Hotel's guest rooms are spacious and offer every modern comfort

The hotel's lunch venue, Bernoullis Restaurant, offers an extensive selection of international dishes from their remarkable buffet and can arrange prepared plated dishes for any specific dietary requirements.

The Southern Sun OR Tambo International Airport Hotel has an energetic, international ambience. The hotel provides its guests with a warm welcome, high speed internet access, local culinary delights and all in all an excellent hotel for the travelling executive.



Past Comments:

"Information was very practical and appropriate. Great venue and good content – thanks" Jan Tukker, Supply Chain Director, Foschini Group

"An extremely worthwhile two days. The papers and site visits couldn't have dovetailed better into my current challenges" John Bexley, Industrial Engineering Manager, Consol Glass

"Conference well presented & informative. Presenters all professional & experts in their fields. Real life case scenarios" Rashid Allie, Parts Manager, Lead Laundry & Catering

"Great conference! Topics were on the money and presenters were professional, knowledgeable and very practical. Something for everyone from beginners to the more experienced with some great ideas that we will implement immediately" Andy Thorvaldsen, Supply Chain Manager, Mr Price

"Very informative & applicable. Very well put together & run" Nadia Claassen, SC Consultant, Barloworld Logistics

"The whole event has been an eye-opener for us." Evarist Mwenge, Tanzania Cigarette Company

"High quality conference – delegates can take something away to apply, evaluate, investigate & implement" Tjaart Lotter, Project Manager, Pep Stores

*Comments are taken from Vicenda's past supply chain workshops and conferences

Company Details

Company Name: _____

Postal Address: _____

Postal Code: _____

Tel No: _____

VAT No: _____

Delegate Details

1. Full Name: _____

Designation _____

E-mail: _____

2. Full Name: _____

Designation _____

E-mail: _____

3. Full Name: _____

Designation _____

E-mail: _____

Terms and Conditions

1. The package includes programme materials, meals and beverages. The package does not include accommodation or travel.
2. Payment must be made in South African Rands.
3. Cancellations must be received in writing no later than two (2) weeks prior to the event. A full credit will be given that may be utilized for any future Vicenda event. A 50% cancellation fee will be charged for cancellations received within two (2) weeks of the event. Non-payment or non-attendance does not constitute cancellation.
4. Should Vicenda cancel the event or this contract for any reasons, Vicenda shall refund the delegate all monies paid in terms of this contract.
5. In the unlikely event that the date or location of the event changes to a date or location that would be more advantageous to the success of the event, delegates may not hold Vicenda liable for any costs incurred by such changes.
6. All intellectual property rights in all materials produced and distributed to delegates by Vicenda in connection with this event is expressly reserved. Any unauthorized distribution, duplication, or publication is strictly prohibited without the express permission of the Event Director.

Conference Cost

The cost per delegate to attend the workshop is **R4 890 + vat**. This includes all meals and beverages as well as programme materials. It does not include accommodation or travel expenses.

Bookings of three delegates or more (from one company) will receive a reduction of 10% on the total registration fee.

Authorised Signature: _____

Full Name: _____

Date: _____

E-mail Address (if not a delegate): _____