

SAP Solution Brief

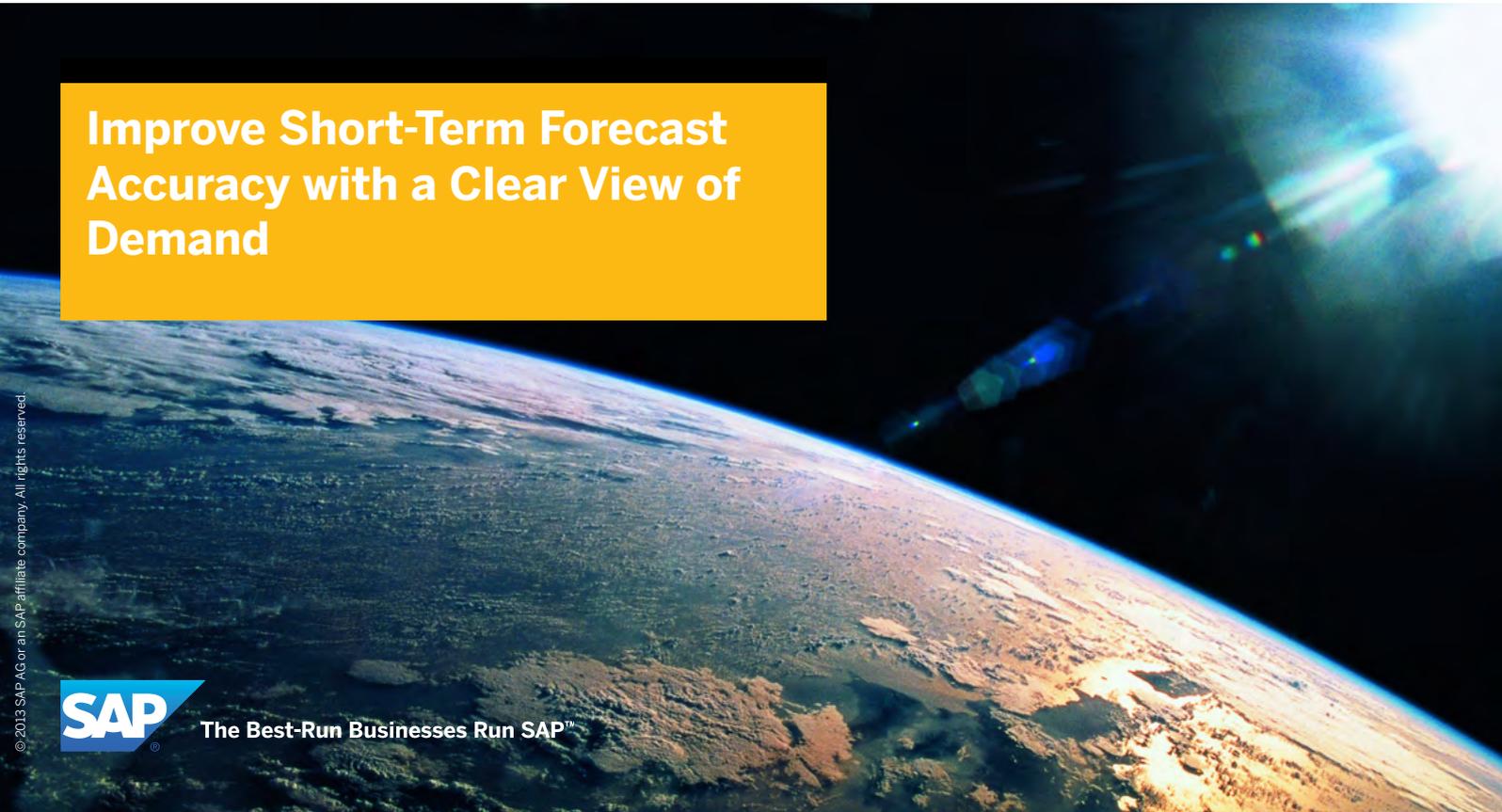
SAP Supply Chain Management
SAP Enterprise Demand Sensing

Objectives

Solution

Benefits

Quick Facts



**Improve Short-Term Forecast
Accuracy with a Clear View of
Demand**



The Best-Run Businesses Run SAP™

Enhance enterprise agility using demand-sensing software

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To bridge the gap between long-term supply chain planning and order fulfillment, most companies override their deployment plans and manually align them with actual ordering patterns. Managing so many items and locations this way is ineffective. To improve near-term forecasting and create a [demand-driven supply chain](#), companies are deploying enterprise demand-sensing software.

Being able to accurately sense and respond to customer demand is the most effective way to sell goods, satisfy customers, and increase profitability. The SAP® Enterprise Demand Sensing application gives you the tools you need to better understand your demand patterns. The software also employs sophisticated algorithms to help you improve forecast accuracy and deliver in-demand products.

The software captures buying patterns and other daily demand information from multiple sources. It breaks down the data using

pattern-based disaggregation, so you can review granular forecasts by item, location, and customer segment. Powerful demand analytics help you assess the correctness of forecasts and create more effective demand-response strategies.

By contributing to a consistent, controlled demand-sensing process, the application helps you boost sales, minimize expediting, enhance productivity, reduce inventory, and increase enterprise agility.



Recognize demand trends and opportunities sooner

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Create effective demand-response strategies

Capture historical forecast trends

SAP Enterprise Demand Sensing helps you improve short-term forecast accuracy by recognizing patterns in shipments and orders. Instead of just using historical trends to predict weekly or monthly sales, the application uses multiple demand signals and order patterns to anticipate daily sales.

Self-tuning algorithms determine the optimal weighting of these inputs, using pattern-recognition technologies to determine sensed demand. As output, the software produces daily outputs for execution systems, aggregated weekly or monthly values for planning

and reporting, and data for improved supply chain planning.

The software quickly creates highly detailed information, which helps you anticipate demand trends and opportunities sooner and more accurately. Enterprise-scale predictive mathematics features help free planners from granular microforecasting activities. Instead, planners can sense demand changes that require action in your supply or production activities. With the insight available through this application, you can replan more frequently with reduced latency.



The past is not always the prologue. Set your course with demand-sensing software from SAP.



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Capture historical forecast trends

Using recent data that may not have been available during the long-term forecasting process, SAP Enterprise Demand Sensing gives you the information needed to predict and reduce stock-outs. You can order additional supplies so your products are available for sale when customers want them, helping to boost sales.

Demand analytics provide decision makers with clear information that helps them intuitively understand demand sensing. What's more, you can use data from enterprise demand systems and downstream demand signal repositories to further refine demand predictions.



Get the message loud and clear. Demand-sensing software from SAP helps you understand signals from across your supply chain.



Create effective demand-response strategies

Recognize demand trends and opportunities sooner

Create effective demand-response strategies

Capture historical forecast trends

By translating demand signals to short-term supply requirements, SAP Enterprise Demand Sensing helps you improve production and deployment agility. These features help you create improved short-term forecasts that can reduce the cost of expediting and repositioning products. You can use the insight to get ahead of stock-outs, which enables you to meet service commitments without driving up costs.

Using embedded analytics, scenario analysis, and collaboration tools, you can improve collaboration with downstream partners and diagnose the underlying drivers of forecast variability. An intuitive user interface helps corporate and remote users access the data.

Close the loop between demand and response. SAP Enterprise Demand Sensing can show you how.



Capture historical forecast trends

Recognize demand trends and opportunities sooner

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Capture historical forecast trends

SAP Enterprise Demand Sensing delivers the insight that helps you take effective action. You can compare and mathematically blend different forecast sources with demand analytics. The software also offers the tools needed to characterize demand by analyzing historical forecast accuracy, bias, and intermittency trends.

Bridge the gap. SAP software can help you become a demand-driven supply chain.



Balance service with inventory levels and costs

Balance service with inventory levels and costs

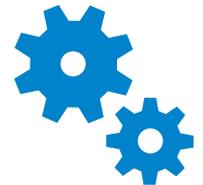
SAP Enterprise Demand Sensing helps enterprises more effectively sense and respond to customer demand. The software integrates with your existing enterprise resource planning, supply chain, and demand planning software and processes.

You can use the application to enhance processes such as deployment planning, inventory optimization, and transportation planning. Key business benefits include:

- **Higher customer service levels** – by having products available in stock as customers need them
- **Increased sales** – using demand patterns and trends recognition to predict and reduce stock-outs

- **Lower expediting costs and effort** – by reducing repositioning and expediting through improved short-term forecasts
- **Reduced inventory levels** – thanks to more accurate short-term forecasts that decrease the need for safety stock
- **Improved collaboration with demand-planning stakeholders** – through embedded analytics, scenario analysis, and collaboration tools
- **Enhanced production agility** – by translating demand signals to short-term supply requirements

Eliminate out-of-date forecasts. SAP software helps ensure you are ready for tomorrow's customer demand.





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Summary

To meet customer service-level commitments, you need to be able to accurately sense and respond to short-term demand. The SAP® Enterprise Demand Sensing application offers the tools you need to improve forecast accuracy, predict out-of-stock situations, and deliver in-demand products. The software uses data capture, pattern-based disaggregation, and analytics features to help you predict stock-outs while reducing costs and increasing enterprise agility.

Objectives

- Bridge the gap between long-term supply chain planning and current customer demand
- Improve near-term forecasting accuracy
- Create a demand-driven supply chain

Solution

- Pattern recognition features to identify demand signals and order patterns
- Self-tuning algorithms to weight demand inputs
- Powerful demand analytics that provide clear decision-support information
- Collaboration tools that help you work with downstream partners

Benefits

- Increased sales and higher service levels through reduced stock-outs
- Reduced expediting costs through improved short-term forecasts
- Decreased inventory levels through a reduced need for safety stock
- Greater production agility with an increased understanding of demand signals

Learn more

To find out more, call your SAP representative today or visit us at

www.sap.com/enterprise-demand-sensing.



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