



## Efficient Forecasting of Customer Demands with SAP F&R

**Facts instead of estimations and experience: With SAP F&R precise forecasts provide information about customer demands. It is possible to flexibly coordinate supply and demand.**

Predicting customer demand is one of the greatest challenges in the retail industry and at the same time in several respects essential for the success of a company. To provide the right amount of the right products is a measurable competitive advantage. Conversely, out-of-shelf situations lead to sales losses and irritated customers. High inventory levels result in expensive and unnecessary capital lockup. In an already intense competitive environment, incorrect order quantities have negative consequences for the company in the long term.

The solution: SAP Forecasting & Replenishment (SAP F&R) is a solution for forecast-based automated replenishment. The forecast algorithm uses adjusted historical sales data to automatically calculate future requirements for each combination of product and location. Demand influencing factors such as campaigns, weather, calendar effects, seasonal trends, etc. are also considered in the calculation.

### Precise forecasts for optimal replenishment

Optimum replenishment means sufficient product availability in the stores as well as reduction of overstock situations in the distribution centers. Out-of-stock situations and a high capital lockup can equally be avoided.

SAP F&R analyses data from different sources and predicts precise forecasts of product demand per store and distribution center on this basis. Automatic replenishment planning optimises the order quantities. Safety stocks are considered in the same way as changing demand due to campaigns or other demand influencing factors. In addition, logistic quantity units or supplier restrictions are considered in the automatically generated order proposals.

The result: Exact forecasts optimise order quantities and directly avoid overstocks. Reliable product availability in the stores promote customer loyalty while the write-offs are substantially reduced at the same time. Automated processes simplify collaboration with suppliers and reduce the manual workload.

### Consequences of out-of-stock-situations:

- » **1 billion** Euros sales losses through out-of-shelf situations.
- » **40 %** of consumers leave the store if the desired product cannot be found.
- » **14 %** of the customers do not purchase at all in an out-of-shelf situation, 11% buy somewhere else.

Source: GS1 - Optimum Shelf Availability: Die lückenlose Erfüllung der Verbraucherwünsche



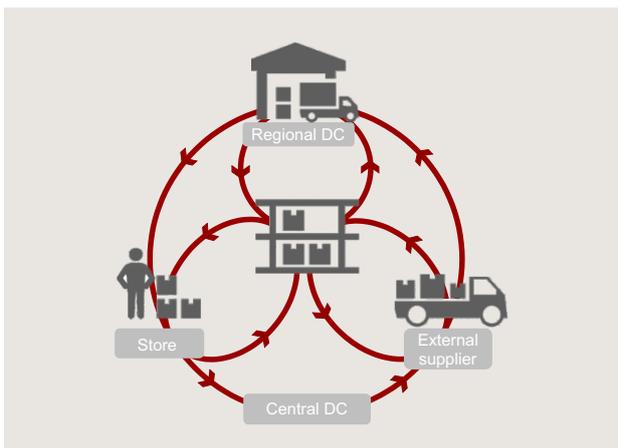
## Product details

SAP F&R is a solution specifically developed to optimise the forecast and replenishment processes in stores and distribution centers. The aim is to sustainably improve stock and product availability in the stores and increase work efficiency by reducing manual operations.

SAP F&R creates sales forecasts for individual combinations of product and location based on historical sales data while continuously integrating current data as well as individual demand influencing factors. Automatic replenishment planning generates order proposals while considering quantitative restrictions.

Additional add-ons for forecasting fresh items and including up-to-date weather data complement the standard software allowing it to include this retailer-specific information in the forecast.

Furthermore, retail solutions offer a tool for the individual visualisation of the decision-relevant information with an interactive management cockpit. More transparency for effective and fact-based decisions.



## About retail solutions

retail solutions is one of the leading SAP Retail consulting companies in Europe. From our locations in Switzerland, Germany, Austria and the United Kingdom, we support customers throughout Europe.

More than 200 employees support our customers in the implementation of SAP projects. Our portfolio includes solutions along the entire value chain. We attach great importance to sustainable and future-proof IT solutions. By constantly investing in innovative topics, technologies and the know-how of our employees, we consistently tailor our work towards the future.

## Do you have any questions?

Further information and contact details of our offices in Switzerland, Germany and UK available at:  
[www.retailsolutions.ch](http://www.retailsolutions.ch).

## SOLUTION AT A GLANCE

### FORECAST

- » Enhanced forecast quality by selecting methods according to movement classes
- » Forecast with sales performances (selling prices / campaigns, etc.)
- » Individual forecast for each article of every store

### AUTOMATIC REPLENISHMENT

- » Optimised order quantity
- » Dynamic calculation of safety stocks (service level)
- » Anticipation of higher future demands

### QUANTITY OPTIMISATION

- » Rounding to logistic units of measure
- » Balancing order quantities
- » Complying with supplier restrictions

### MANAGING ORDER PROPOSALS

- » Exception-based work
- » Automated order proposals
- » Transparency through disposition and exception workbench