QAD Demand Management

QAD Demand Management – with its Demand Management Engine, Collaborative Portal, Inventory Optimization, and Rough Cut Capacity Planning components – enables virtually all aspects of demand management, including forecasting, error tracking, inventory optimization, supply chain collaboration and flexible reporting.

Collaboration is allowed with all demand sources, leveraging sophisticated forecasting methods, and detecting fluctuations in forecasts and demand as soon as they happen. Exceptions can be communicated instantly, enabling the optimization of production and fulfillment.

The Collaborative Portal provides a platform for Collaborative Planning Forecasting and Replenishment (CPFR), which is commonly required in consumer products supply chains.

The Value of QAD Demand Management

- Optimizes supplier efficiencies by providing more accurate predictions of customer demand
- Automatically calculates economic order quantities, lead times and inventory levels using the intelligent planning advisor and user-defined business rules for inventory optimization
- Optimizes safety stocks, service levels, reorder points, periods of coverage and lead times to ensure peak inventory management performance
- Supports CPFR as required by major retailers
- Allows seasonal trends and external data such as scan data to be input as causal factors to build forecast by territory, brand, product SKU, etc.
- Allows analysis of load and capacity for both planned and actual workloads at an aggregate, constraint focused level.

Use historical analogies or create profiles for new product introductions
Key Features of the QAD Demand Management Solution

- Works with all versions of QAD Enterprise Applications
- Easy to implement, learn and use
- Strong demand management planning core with expanded capabilities
- Sales/Marketing/Finance/Operations all contribute to a single baseline forecast
- Better demand visibility and inventory management
- Synchronized inventory replenishment
- Real-time access via the QAD Collaborative Portal
- Robust reporting via back-end data mart
- Simpler planning for product introductions and retirements
- On-line and off-line forecast updates
- High-level capacity planning for key resources such as: manpower, machinery, capital and vendor capabilities
- Rough Cut load and capacity analysis, for both planned and actual work loads
- Balance medium to long term demand and supply requirements.

QAD Demand Management is comprised of five key components: Demand Management Engine, Collaborative Portal, Inventory Optimization, Rough Cut Planning, and Sales & Operations Planning (Basic). Features of each are explained below.

Demand Management Engine

- Manage different data streams, such as EDI and point-of-sale data
- Manage plans from customers, suppliers and internal departments
- View and adjust synchronized forecasts in daily, weekly, monthly, quarterly and annual time buckets, seamlessly switching from one forecast to another
- Allocate changes using top-down, bottom-up, and middle-out methodologies
- Filters and exceptions allow all relevant data, plan adjustments and feedback to be reconciled quickly
- Improves sales forecasting and planning with an intuitive, easy-to-use GUI that captures events and promotions and customer’s intent
- Powerful reporting with visibility into any layer of the business
**Collaborative Portal**

- Facilitates information sharing with external participants, such as sales representatives, customers and suppliers
- Automatic notification of exceptions to key supply chain members to ensure that potential issues are addressed quickly
- Enables users to record promotions, manage by exception, do ad-hoc reporting and view data in user-defined levels of detail

**Inventory Optimization**

- Automatically calculates inventory replenishment and manufacturing orders based on lead time, customer service level and inventory optimization parameters
Provides automatic or user-approved purchase or manufacturing order releases based on revenue, cost and margin

Enables planned inventory replenishment — monthly, weekly or daily — using synchronized time segments

Manages multi-level distribution and inventory replenishment plans by creating dynamic hierarchies

Optimizes safety stocks, service levels, reorder points, periods of coverage and lead times to ensure peak inventory management performance

Automatically calculates economic order quantities, lead times and inventory levels using the intelligent planning advisor and user-defined business rules for inventory optimization

Rough Cut Capacity Planning

- Determines the higher-level capacity needed for key resources such as; manpower, machinery, subcontracting or capital
- Allows, via intuitive graphical interface, fine-tuning of capacity and improved visibility over factory resources
- Includes filters to allow highly focused data searches
- Analytical reports for quick ad-hoc analysis
- Exception management reports to constrained issue immediately
- Analyzes load and capacity for both planned and actual work loads
- What-if analysis for fast decision making
• Conversion factors that will allow for capacity to be done over by any unit of measure

Drag and drop mid-term load between key resources

Sales & Operations Planning (Basic)

• Link medium to long term operations with business goals, operational planning, and financial planning
• Unite disparate sales, marketing, operations, and finance functions
• Model the effect of meeting demand on your company’s supply capabilities and financial goals
• Build upon the strength of your QAD Demand Management component investment

Balance expected demand with available supply through key resources by product family or group.
QAD Demand Management Implementation

**Business Process Review** involves a review of your processes for formulating a demand plan (forecast), with emphasis on special situations such as introducing new products, the type of promotional activity common in your business and others.

**Process Measurement Review** involves a review of various key measurements related to the demand management process, such as forecast accuracy, recommended safety stock levels and trend analysis. This will also include industry best practices to help you determine if new measurements would be valuable to your organization.

**Application Configuration** involves configuring the following Demand Management Engine and Collaborative Portal applications to work best in your environment:

- Installing QAD DM and setting up the prototype environment
- Creating the Living Master scenario and any required helper scenarios
- Loading historical data used in the formulation of a statistical forecast
- Configuration of all data attributes, opinion lines, required filters and exceptions
- Creation of report templates to enable process measurements

**Batch Processing** involves performing certain tasks on regular intervals such as data loading, forecast export to QAD Enterprise Applications, etc. The Batch Scheduler will be configured to automate regular tasks or execution of a series of tasks.

**Typical Implementation Plan for One Site**

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Process Review</td>
<td>1 day</td>
<td>2 days</td>
</tr>
<tr>
<td>Information Systems Review</td>
<td>1 day</td>
<td>1 day</td>
</tr>
<tr>
<td>Process Measurement Review</td>
<td>1 day</td>
<td>1 day</td>
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<tr>
<td>Development of Plan</td>
<td>1 day</td>
<td>2 days</td>
</tr>
<tr>
<td>Super-User Training</td>
<td>3 days</td>
<td>4 days</td>
</tr>
<tr>
<td>Application Configuration</td>
<td>1 day</td>
<td>3 days</td>
</tr>
<tr>
<td>Batch Processing</td>
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<td>2 days</td>
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<tr>
<td>Interface Development</td>
<td>1 day</td>
<td>2 days</td>
</tr>
<tr>
<td>Customized Add-ons</td>
<td>1 day</td>
<td>2 days</td>
</tr>
<tr>
<td>Management of final rollout</td>
<td>1 day</td>
<td>2 days</td>
</tr>
<tr>
<td>Final Configuration/Technical Setup</td>
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<td>2 days</td>
</tr>
<tr>
<td>Final Data Conversion</td>
<td>2 days</td>
<td>3 days</td>
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<tr>
<td>System and Compliance Testing</td>
<td>1 day</td>
<td>4 days</td>
</tr>
<tr>
<td>End user training</td>
<td>3 days</td>
<td>4 days</td>
</tr>
<tr>
<td>Value Audit</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<td>35 days</td>
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