Supply Chain Weekly Blast **#015 : Demand Sensing** Part 01





«Demand Sensing» is the term used, where organizations predict customer's purchase or behavioral choices and include the **downstream data** with minimal lag for generating short-term demand information

CPFR (Collaborative Planning, Forecasting and Replenishment)

Demand Driven Value Chains

Demand Sensing

Demand sensing is the path to predictive demand by taking historical data, combined with future predictions of external factors and real-time demand signals, orders, shipments, etc.

Benefited areas

Demand Planning

- Improvement in demand forecasting - Promotional forecasting and new product introduction

Finance

- Alignment of financial forecast and the demand plan
- Synchronization of projections
- Lower operational costs

Sales & Marketing

- Reduction in product obsolescence - Improved on-shelf availability - New product introduction - Synchronizing sales and marketing with demand plan

Loaistics

Manufacturing

- Reduced inventory
- Lead time improvement
 - Lower cost and prices

- Order fill rates
- Transport & deployment scheduling
- Out-of-stocks and excess inventory reduction

Supply chain planning

- Capacity synchronization and scheduling
- Effective inventory planning
- Lower level out-of-stocks
- Higher customer service levels