



NETSUITE DEMAND PLANNING

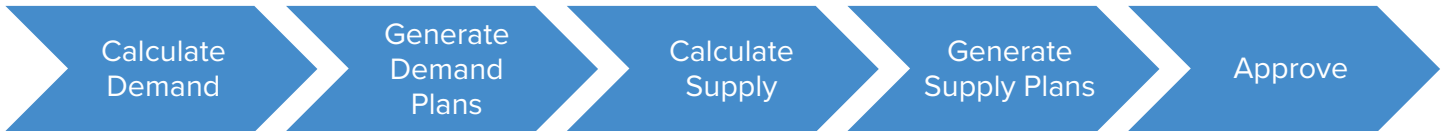
Reducing Inventory, Increasing Turns, Reducing Lead Times

NetSuite was built to support the needs of product-based businesses from its beginning and today offers a variety of native features, functions and processes to help these businesses to have the right materials available—at the right time—in the right place.

One of these key features is our native demand planning module that is specifically designed to provide the user with the ability to predict required inventory based on historical demand or sales forecasts. This innovative tool offers the right balance of powerful functionality and ease-of-use to help you manage your inventory more efficiently.

Key Benefits

- Optimize inventory levels.
- Increase turns.
- Reduce costs with order consolidation.
- Simplify the ordering process.
- Workflow approvals.



The Demand Planning Process

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Now that the items have been set up as desired, the system can evaluate demand and present it in a number of ways. The menu structure is laid out in a way that shows the process to calculate demand, review the demand plans and edit where required, generate the supply plans, review and edit those and finally generate planned Purchase Orders, Transfer Orders and Work Orders as desired. Note that the system can be set up to generate actual transactions and skip the planned orders if desired.

Available Planning Methods

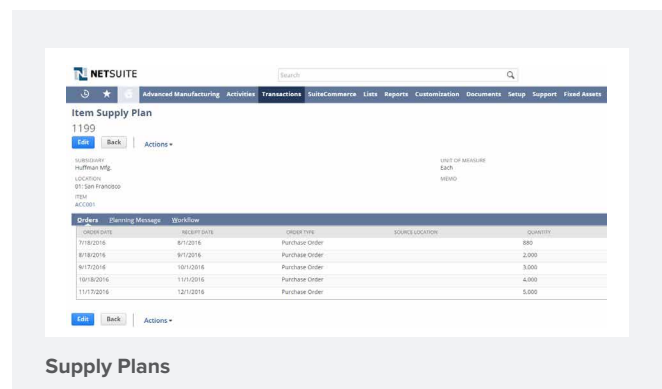
- **Linear Regression** – Use previous demand to project future inventory based on the ordinary-least-square regression method.
- **Moving Average** – Use the moving average of historical demand to calculate the overall average stock level needed, and then project future stock levels using that overall average.
- **Seasonal Average** – Use previous demand to examine the seasonal trend of inventory flow, and then project a similar seasonal trend for future stock levels.
- **Sales Forecast** – When using NetSuite for your sales operations, this option uses forward looking sales forecast data (such as opportunities, estimates, etc.) to project inventory demand.

Demand Plans

Once the demand plans have been generated, the user can easily modify them to include any known exceptions. This essentially becomes your MPS.

Supply Plans

Now that the demand plans have been generated and edited, creating the supply plans is a simple one-click process using the item settings to control how the orders are created. Depending on some parameters and approval workflows, the system will either generate planned, firm or released orders.



Planning Action Messages

NetSuite can also generate planning messages to assist the user in making the right decisions and optimize inventory levels where appropriate.

