

# Certificate of Attendance

is hereby granted to

Roger Thijs  
of  
Euro-Support, Inc.

Business Forecasting & Planning Academy

Minneapolis, MN USA August 15-16, 2011



August 16, 2011



**Institute of Business  
Forecasting & Planning**

Monday, August 15 2011

08:45AM - 09:00AM  
Opening Remarks

09:00AM - 11:30AM

Level I: Designing and Implementing a Successful Collaborative Demand Forecasting Process

Larry Lapide, Ph.D  
Research Affiliate  
MIT CENTER FOR TRANSPORTATION & LOGISTICS



Massachusetts Institute of Technology

The best business forecasting methods will not yield accurate forecasts if the process is dysfunctional and does not include collaborative input from those who have market intelligence, such as from sales and marketing. In this workshop, you will learn who should be involved and how to successfully design and implement a demand forecasting process supported by appropriate forecasting methods. This will include what forecasts we should be preparing; why we need one number forecasts; where to organizationally place, and how to configure and charter the forecasting function; which forecasting approach we should use—top-down, bottom-up and middle-out; how far ahead we should forecast; and how often forecasts should be monitored and revised. To further engage participants, we will use a hands-on case study dealing with designing processes and methods.

Attendees will learn:

- Why the forecast process itself is important in the context of methods
- Where the forecasting function should reside within the company? What are its roles and the skill sets needed in the group
- The contribution of Consensus forecasting in the Forecasting Process
- What are the most successful forecasting approaches, and how to determine what's the best for your company
- Why a "Single Number" consensus forecasting approach is preferred and how it can be achieved at the company

09:00AM - 11:30AM

Level II: Achieving Successful New Product Launches: How to Prepare Forecasts and Plans for Products with Little or No History

Robin Simon  
Senior Consultant  
IBF



Forecasting for new products and services presents a unique challenge due to the lack of historical data. This is a regular challenge for new and short life cycle products such as cosmetics, apparel, electronics, technology, and other products where consumer demand dries up quickly.

This session will review the new product development process and then provide several different methods for estimating the two key components of new product forecasting:

- Sizing the overall opportunity
- Estimating the shape and timing of demand during product roll-out

Additionally, we will compare typical error rates for new products vs. on-going products to manage

management's expectations. Join us to learn tips and tricks for this specific, profitable, market segment.

Attendees will learn:

- Why we need new product forecasting
- How the new product development process typically works
- Which models are used for new product forecasting
- When to bring in new products in the planning process
- How to use the Product Life Cycle approach to forecasting and managing new products
- How forecasting errors of new products compare with other segments

12:00PM - 01:00PM

Lunch

01:15 - 03:15PM

Level I: The Most Commonly Used Statistical Forecasting Method in the World: How to Master Time Series Forecasting

Robin Simon  
Senior Consultant  
IBF



According to IBF's 2009 benchmarking research, 6 out of 10 companies use some type of time series method to prepare forecasts. Due to its simple data requirements and wide availability in all kinds of software (from spreadsheets to sophisticated forecasting systems), time series makes it relatively easy to generate good forecasts across a wide variety of products.

In this session, we will review the assumptions and principles that apply to all time series methods. We will also explain the fundamental differences between time series and cause-and-effect (regression) models, and show when to use each type of model. Further, we will show how to prepare time series forecasts with data-sets using MS-Excel.

*Exercises are an important part of this session, so please bring a laptop with MS-Excel.*

Attendees will learn:

- How to use the most commonly used time series models for forecasting
- When time series models are most appropriate
- When to modify time series forecasts
- How time series decomposition model can accurately forecast across a variety of industries
- How exponential smoothing works
- How to determine how much data to use for time series forecasting
- How to determine which time series model to use and when

01:15 - 03:15PM

Level II: Lean Forecasting & Planning: Prepare Forecasts Faster with a Better Allocation of Company Resources

John Gallucci  
Sr. Director of Supply Chain  
Nice-Pak, Inc.



In today's highly competitive market, where profit margins are sharply declining, it is more important than ever to efficiently allocate precious forecasting resources where they are most needed. Proliferation of products and channels of distribution, shorter product life cycles, and globalization all have intensified competition.

In this workshop, you will learn how to determine the profile of your products on the basis of forecast-ability and financial importance. You will learn a best practice process to easily determine where you should increase forecasting resources, and where to let the system solely handle the forecasting. Plus, how to handle and deal with products that are un-forecast-able? We will also discuss how to rationalize your products that reduce forecasting efforts and increase profit margins; what rules we need established for demand management that can eliminate the layers of bureaucracy and speed up the cycle time in preparing forecasts, as well as the number of SKUs a demand planner should handle; and much more. This interactive session will include actual examples and data to enhance the learning.

Attendees will learn:

- How to reduce the cycle time of your total forecasting efforts
- How to determine which products/ categories to concentrate on for forecasting
- How to determine the forecast-ability of your products and what to do with the un-forecast-able
- How to use product rationalization to our advantage
- Which rules should be established for demand management to eliminate layers of bureaucracy and improve end-results
- How to determine the number of SKUs a demand planner should handle

03:30 - 05:30PM

Levels I & II: The S&OP Game

The Demand Management board game is played hands-on to help you to answer these questions: 1) Is Demand Driven really new and different? 2) What does Demand Driven really mean? 3) How much change is required? 4) How important is consensus and collaboration and do we really need them? The board game will involve you in a virtual business using first traditional and then Demand-Based tools to forecast, produce and move your product to the market. You will be immersed with fun, as well as with intense learning experience with the facilitator, not the lecturer.

You Will Learn:

- Why some of the traditional approaches used in ERP systems fail?
- Which basic tools are needed to bring significant improvement to Supply Chain management?
- How you can use this board game to foster consensus and collaboration across the many functional areas at your company

Tuesday, August 16 2011

08:00AM - 10:15AM

Level I: Designing and Implementing an Effective Sales & Operations (S&OP) Planning Process

Larry Lapide, Ph.D

Research Affiliate

MIT CENTER FOR TRANSPORTATION & LOGISTICS



Massachusetts Institute of Technology

The best business forecasting methods will not yield accurate forecasts if the process is dysfunctional and does not include collaborative input from those who have market intelligence, such as from sales and marketing. In this workshop, you will learn who should be involved and how to successfully design and implement a demand forecasting process supported by appropriate forecasting methods. This will include what forecasts we should be preparing; why we need one number forecasts; where to organizationally place, and how to configure and charter the forecasting function; which forecasting approach we should use—top-down, bottom-up and middle-out; how far ahead we should forecast; and how often forecasts should be monitored and revised. To further

engage participants, we will use a hands-on case study dealing with designing processes and methods.

Attendees will learn:

- Why we need an S&OP process
- Why the forecast process itself is important in the context of methods
- Where the forecasting function should reside within the company? What are its roles and the skill sets needed in the group
- The contribution of Consensus forecasting in the Forecasting Process
- What are the most successful forecasting approaches, and how to determine what's the best for your company
- Why a "Single Number" consensus forecasting approach is preferred and how it can be achieved at the company
- Pitfalls to avoid while starting your journey and lessons learned
- Specifics including: who should attend, how often it should take place, how long it should take, what information should be brought to the meeting and much more

08:00AM - 10:15AM

Level II: Demand-Driven Forecasting: Sensing Demand Signals, Shaping, Predicting, and Managing Demand

Charles Chase

Principle Consultant, Demand Solutions

SAS



Looking to get a better indication on how consumers are responding to your products? Trying to learn how to influence product demand and fill the gap between the forecasts and financial goals and plans? Join us for this workshop and learn not only how, but also why.

Demand-driven forecasting is a three-step process that allows forecasters to sense demand signals, shape demand using "What If" analysis. These methods allow the forecaster to incorporate relationship factors including price, sales promotions, marketing events, and economic factors that influence demand.

The structured approach puts more emphasis on upstream activities that directly affect consumer demand down the stream, thus creating a more practical view of knowing the true unconstrained demand and managing it. Participants will discuss the value of using POS and consumption data to improve upstream operations as well.

Attendees will learn:

- Why Demand-Driven forecasting, not supply-driven, is crucial to forecasting success
- How to sense and shape demand
- How to reach your financial goals through specific Demand Management activities
- What is demand shifting?
  - o At point of sale
  - o At point of supply
- How to create a demand-driven process/framework
  - o Input into the S&OP Process
- What data sources are required
  - o POS versus shipments
- How to make your current demand forecasting process more demand-driven
- How demand-driven forecasting can support a demand-driven supply network (DDSN)

10:15AM - 10:30AM

Morning Break

10:30AM - 12:30PM

Level I: How to Sell Forecasts to Management, Build Confidence and Credibility for Your Efforts



John Gallucci  
Sr. Director of Supply Chain  
Nice-Pak, Inc.



What's the value in creating an accurate forecast if it never gets used by your internal customers and/or management? Plus, the final step in implementing a forecast is obtaining consensus and approval from upper management. This very important task can often be the most difficult for many reasons.

Join us and learn how to effectively present a forecast to upper management to win their confidence. We will analyze the levels of aggregation that are most important to management and show how to prepare a short presentation using sample data in a group exercise. We will also cover worst practices that often lead to failure in gaining commitment for your forecasts and support for your demand planning process.

Attendees will learn:

- What to include in the forecast meeting agenda and how to ensure it achieves maximum impact
- What the top priorities of upper management are and how to use this valuable information
- How to speak the language of your internal customers and management to better prove your value
- How simple risk management tools can be utilized to drive management acceptance of the forecasting process
- How to bridge and explain the forecast at various levels of aggregation, to meet the needs of your CEO and Supply Planners

10:30AM - 12:30PM

Level II: Cost of Error, Reducing Error and Commonly Used Metrics for Measuring Forecast Performance

Dr. Chaman L. Jain  
Professor of Economics  
St John's University



In today's competitive environment, it is more important than ever to reduce forecast error and improve forecast accuracy, providing a competitive advantage. Learn how forecaster's gauge accuracy improvement with measurement. Participants in this workshop will learn the common metrics used to measure forecast error. We will also discuss which error metrics to use, when, and why. IBF benchmarking data will demonstrate how much forecast error has reduced over the last decade.

Join us to learn what you need to know about forecasting error. Learn which products are difficult to forecast, at which level to forecast, and the impact of forecast error on the company's bottom line. We will also discuss the hurdles, institutional and procedural, that forecaster's commonly encounter and how to overcome them. In this session, you will learn a systematic method to apply key error metrics. In addition, real cost of error data from 4 different companies will show how a 1% improvement in error provided an income boost at a significant level.

Attendees will learn:

- How much forecasting error costs
- When and where errors are likely to increase or decrease

- The fundamentals of forecasting errors
- Which error metrics to use when, where and why
- How to gauge the improvement of forecast accuracy over the last ten years

12:30PM - 01:30PM  
Lunch

01:30 - 03:45PM

Level I: Data Cleansing: How to Select, Clean, and Manage Data for Greater Forecasting Performance

Mark Lawless  
Senior Consultant  
IBF



Forecasts can be prepared with the “best” and most widely used models in the world, but if these models are using data that has not been cleansed and verified, the result can be badly skewed. With the sudden swings in demand caused by extreme promotional activities and/or natural disasters or unplanned events, how can you be fully confident with your data?

In this workshop you’ll learn what to look for in data and how to cleanse and correct them for greater forecasting performance. The results include more accurate forecasts, and greater credibility with your internal customers, including top management.

Actual data will be shared and the participants will work systematically to learn the concepts allowing you to repeat these processes with your own data upon returning to the office.

Attendees will learn:

- The nature and characteristics of data
- How to handle outliers and adjust for market anomalies, natural disasters and unplanned events
- How to account for new consumer behavior leading to structural changes in your data
- How to adjust for missing data
- How to select the data that will provide greater forecast accuracy

01:30 - 03:45PM

Level II: Promotional/ Event Driven Forecasting: Quantifying Relationships and Scenario Planning with Regression

Charles Chase  
Principle Consultant, Demand Solutions  
SAS



How much sales lift can be expected with a 10% increase in promotional activities? What range of sales can be expected if we decrease the price by 20%? In this workshop, you will learn, not only how to quantify relationships, but also how to prepare the best forecasts by utilizing those relationships.

You will enjoy an overview of causal methods using time series data for forecasting, including a review of various causal forecasting models with a practical focus on how they are applied in real-world situations with actual data. The focus of the workshop will be on Multiple Linear Regression (MLR), an extremely powerful model, which we will demonstrate with MS-Excel.

This workshop will be valuable to forecasters that have little or no familiarity with these methods and want to learn how to effectively use them. As part of group activities, we will review a case study to illustrate how to apply MLR using CPG POS data. Syndicated/ consumption data will also be used as a part of demonstration.

Attendees will learn:

- How to accurately measure promotional changes, price changes, economic changes, and other variables that have a bearing on forecasts
- How to prepare forecasts with a regression model
- How Multiple Linear Regression (MLR) models work
- What-if analysis and how to use regression for scenario planning How to improve regression models to get better results