

# Five Options to Support Demand-Driven Initiatives

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## INTRODUCTION

As supply chain complexity and customer segmentation increase, manufacturers increasingly implement more than one demand management system in order to manage demand differently for their different products and accounts. This results in an excessive number of software systems to support multiple business processes. For example, a manufacturer might use one system to handle vendor managed inventory (VMI) at several accounts, another to manage collaborative planning, forecasting, and replenishment (CPFR) at other accounts, and a third system to control demand planning at its remaining accounts.

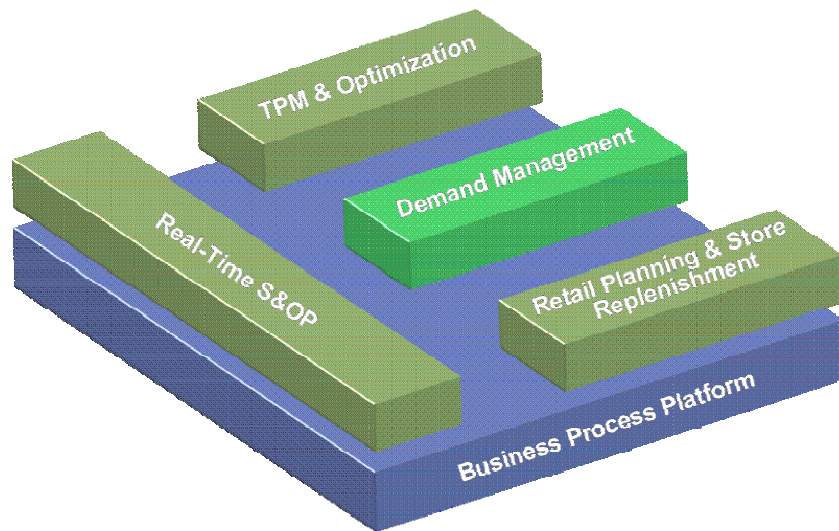
Unfortunately, meeting this challenge typically requires redundant costs for deployment, administration, and training for each software system. While multiple systems might improve responsiveness at individual accounts, they do not provide the holistic view of demand that manufacturers need for efficient companywide production, inventory, and distribution planning.

Oracle Demantra Demand Management manages the visibility of and response to demand across your entire portfolio of products and accounts. Even if you start with just one demand stream (source of demand information), this flexible solution lets you add demand streams, channels, and accounts incrementally, all operating on the same platform and data model.

The Demantra Planning Platform, the basis of all Demantra Demand Driven Planning solutions, is an object-oriented, standards-based platform that ensures flexibility, scalability, and extensibility as your organization's needs evolve. With this platform, you can tailor the Demantra applications to your specific requirements.

The Demantra Planning Platform enables you to extend your first option, Demantra Demand Management, through configuration by Oracle Consulting Services to create unique demand driven solutions including:

- Retail Planning and Store Replenishment
- Demand Driven Vendor Managed Inventory (VMI)
- Demand Driven Collaborative Planning, Forecasting and Replenishment (CPFR)
- Assumption-Based Planning



**The Demantra Planning Platform—the basis of all Demantra demand management applications—ensures flexibility, scalability, and extensibility as an organization’s needs evolve.**

### **Develop an Accurate One-Number Plan**

With the Demantra Demand Management, manufacturers can sense, shape, and respond to demand. They can develop an accurate one-number plan in a collaborative process to align the organization across internal departments and customers. And with the solution’s flexibility, business process automation, and scalability, manufacturers can streamline a wide range of day-to-day operations with demand intelligence. The result is a demand-driven organization with higher service levels and sales, more satisfied customers, and lower inventory and distribution costs.

### **Support Store-Level Replenishment From POS Data**

Combining best-in-class demand management capabilities with precise inventory replenishment and plan-o-gram functionality, this provides a Retail Planning & Store Replenishment solution that maximizes profitability at the shelf-level. This solution ensures that you have the right product, in the right stores, in the right quantities.

### **Make Better Replenishment Decisions**

Most VMI software solutions focus on the mechanics of placing replenishment orders rather than on making better replenishment decisions based on an enhanced understanding of demand. The Demand-Driven VMI solution arms manufacturers with the ability to take advantage of downstream demand data and derive real

benefits from VMI programs. They can take control and increase product availability and sales, while decreasing inventory levels and distribution costs.

### **Collaborate with Trading Partners in Real Time**

The Demand-Driven CPFR solution supports the updated Collaborative Planning, Forecasting & Replenishment (CPFR) requirements with a dynamic and collaborative environment that coordinates internal and external planning, forecasting, promotions planning, and replenishment processes. Embedded analytics support the sharing of insights to improve forecasting. With this solution, organizations can collaborate with trading partners, suppliers, distributors, retailers, and customers in their demand and supply chains.

Demand-Driven CPFR's support for CPFR processes creates a virtual workspace in which manufacturers and their trading partners can share information in real time. Users can collaborate over the Web on plans and forecasts, and adjust those plans based on new insights. With planning and forecasting worksheets, users can monitor POS data, distribution center (DC) stock levels, and on-hand inventory to create the most precise forecasts and replenishment plans possible.

### **Accurately Forecast Promotion Lift**

The Demantra Promotion Forecasting solution extends demand planning to analyze and predict the impact of sales incentives and promotions on demand. Demantra Promotion Forecasting allows supply chain organizations to accurately forecast promotion lift by combining historical data—such as point-of-sale (POS), syndicated, or sales—with promotion causal information.

Organizations can forecast promotion at a low level of granularity, such as the SKU and store levels, for direct store delivery, cross-docking, and production planning purposes. The forecast can include cannibalization and halo effects on nonpromoted products, as well as account switching (shifting of volume from nonpromoted accounts to promoted accounts), for greater precision and improved inventory allocation. Demantra Promotion Forecasting can simultaneously account for trade promotion, consumer promotion, pricing, and other elements of the marketing mix.

### **Improve Statistics-Based Forecasts**

Not all forecasts can be generated completely based on statistical models. Market experts, analysts, and user experts often have insights that can be harnessed to improve an initial forecast from a statistical model. These inputs are the basis for qualitative assumption-based planning.

The Assumption-Based Planning configuration looks for current and anticipated situations and patterns, and incorporates this information into the forecast. These situations include external conditions such as market factors, contract changes, political influences, changes in culture, and geopolitical and social factors.

## **CONCLUSION**

With the object-oriented and standards-based approach of the Demantra Planning Platform, you can rapidly and economically configure these demand-driven solutions to manage demand visibility and response across your entire portfolio of products and accounts. Oracle Consulting Services can configure any of these five solutions to meet all your planning needs so that your business can operate as effectively as possible and achieve competitive advantage. And with the ability to accommodate your business as it evolves and grows, Demantra Demand Driven Planning solutions from Oracle will continue to deliver a return on investment for years to come.



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