

# Supply Forecast Collaboration

Demand Synchronization Across all Tiers of Supply

Managing volatile demand involves sourcing base ingredients, components and subassemblies that are often available only in limited quantities. E2open Supply Forecast Collaboration provides early visibility into supply constraints for both planned and unexpected orders. The system enables buyers and sellers to proactively identify and address supply and demand mismatches before they impact business, improving productivity and supply assurance while reducing lead times and risk.

Assuring supply is a constant challenge, especially in complex multi-tier networks. Volatile demand and large unexpected orders disrupt the upstream supply ecosystem and keep partners in a constant and inefficient state of tension in which they scramble to balance material needs and capacity. To offset the uncertainties, suppliers routinely hedge demand forecasts, incurring extra financial liability in the form of elevated stock and the unnecessary use of capacity. In multi-tier environments, each successive partner adds its own hedge, amplifying inefficiencies and costs with diminished service levels and profitability as the outcome.

Supply Forecast Collaboration synchronizes demand across every tier of supply and creates shared value for all parties within the supply ecosystem. Advance visibility into orders enables suppliers to better ensure that materials and capacity are available. Transparent processes and trust in the forecast give suppliers the confidence to scale back or even remove their hedge against uncertainty. With complete visibility into order commitments and supply constraints, buyers gain confidence in suppliers' ability to meet planned and unexpected demand. The result is a more efficient supply chain with better service, lower costs and greater productivity for all parties.

## Key Features

- Time-series view of component forecasts, upsides and commitments for suppliers and contract manufacturers
- Shared source of truth for all parties that increases transparency and trust between partners
- Dynamic alerts for demand-supply mismatches between buyers and suppliers
- Advance visibility into large upside orders
- Improved sales and operations planning (S&OP) performance through the use of decision-grade supply data



## Key Benefits

- 50-75% less excess and obsolete inventory as a result of increased trust in supplier commitments
- 25-35% reduction in component expediting costs due to improved visibility into forecasts
- 10-20% fewer mismatches between forecasts and supplier commitments through access to real-time order information
- 5-10% improvement in customer order fill rates due to better alignment of component supply with finished goods demand
- Increased productivity through the automation of labor-intensive and error-prone spreadsheet reconciliation processes

## Seamless Synchronization of Demand Across all Supply Tiers

Supply Forecast Collaboration takes sourcing to a new level. Organizations can collaborate across all supply tiers to ensure that raw materials and outsourced capacity are available for both existing and upside orders.

### **Streamlined Automation of Manual Processes**

Planners publish component forecasts within the application in daily, weekly and monthly buckets based on the finished goods supply plan. In return, suppliers use the same system to provide forecast commitments and upside availability for materials and manufacturing capacity.

Automating this exchange of information between partners eliminates the time-consuming processes of manually sending and reconciling spreadsheets across multiple partner tiers. Furthermore, all parties share a single data source to eliminate errors and potential miscommunications. This streamlined approach creates shared value by improving the productivity of the brand owner and all supply tiers.

### **Proactive Alerts That Make Rapid Responses Easier**

Whenever suppliers are unable to meet the forecasted demand, the system triggers an alert so planners can proactively resolve imbalances instead of scrambling at the last minute after they have already received an order. Early visibility into supply constraints gives planners time to investigate alternate sources to ensure supply

availability, minimize production delays and lower the cost of serving customers. Suppliers receive timely visibility into major demand changes and can respond with improved service levels and capacity utilization. Brand owners who provide their suppliers with this proactive information enable them to take action faster, becoming preferred customers and creating an overall increase in shared value as a result.

### **Physical Inventory Reduction Based on a Single Source of Truth**

Supply Forecast Collaboration creates a common space for brand owners to share forecasts with suppliers and receive their buy-in, improving trust levels between the two parties. This reduces the need for brand owners to store extra inventory at their warehouses to hedge against the possibility that suppliers will not be able to deliver on time. More frequent communication with suppliers ensures that brand owners can effectively manage any increases or decreases in forecasts without increasing inventory liability.

### **Agility in the Face of Large Upside Orders**

Visibility into sizable upside orders enables buyers and suppliers to be proactive, adjusting smoothly to accommodate larger order volumes instead of being disrupted by shortages and delays. Full awareness of supplier capacity makes it easier for buyers to choose the right suppliers who can deliver these strategic orders on time and at a lower cost.

### **Improved Sales and Operations Planning Performance**

Planners get timely visibility into supply constraints for the entire forecast horizon, reducing the need for guesswork and rules of thumb. As a result, when planners go into the S&OP supply review process, they are confident that their plans are timely and feasible. Brand-owner service level metrics improve as a result of better supply-demand matching.



Efficient collaboration among all parties within the supply ecosystem creates shared value between partners. Advance visibility into orders enables suppliers to ensure that materials and capacity are available.

## About e2open

E2open is the connected supply chain software platform that enables the world's largest companies to transform the way they make, move, and sell goods and services. With the broadest cloud-native global platform purpose-built for modern supply chains, e2open connects more than 400,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 12 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as One™. Visit [www.e2open.com](http://www.e2open.com).

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