SALES TREND

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Signal to Shelf Mastery:

A CPG guide to ensuring on-shelf availability through precision forecasting

Every day, leaders of Consumer Packaged Goods (CPG) companies face a flood of retailer data, consumer signals, and promotional insights. Even with all this information at their fingertips, a single empty shelf can still translate into lost sales and frustrated customers - especially when forecasts are inaccurate or delayed. Traditional supply chain approaches plan from the inside-out and are burdened by disconnected data, manual processes, and limited collaboration. The result: they often fall short in rapidly responding to near-term demand shifts.

When out-of-date demand forecasts or stockouts leave shelves bare, they drag down retail service-level performance, disappoint consumers, and siphon off hard-won sales—the metrics CPG companies prize most.

To overcome these barriers, forward-thinking brands are embracing an outside-in planning approach. This departs from the traditional approach by consuming retailer data directly into forecasting processes to achieve greater accuracy across stores, distribution centers (DC), and brand-level planning. It's a connected strategy that ensures products remain available exactly when consumers need them, even as market dynamics change swiftly.

Understanding the unique pressures facing today's CPG brands, e2open's connected supply chain management platform is designed to quickly interpret and act upon near-term demand signals. By effectively harmonizing retailer data with typically unmodeled demand signals to your brand's existing planning and execution systems, e2open enhances your ability to swiftly anticipate market needs and reliably keep shelves stocked.

CPG supply chain visualization: from signals to shelf

01 Retail signals
- Point-of-sale data (POS)
- Consumer trends and promotions
- Inventory levels at retailers

02 Data harmonization and integration
- SKU matching and validation
- Retailer data integration into brand systems

03 Near-term demand sensing (outside-in planning)
- Enhanced forecast accuracy (stores, DCs, brand-level)
- Predictive analytics and AI insights

04 Connected collaboration and execution
- Aligned stakeholders
- Multi-tier inventory optimization
- Collaborative response to market shifts

05 Shelf confidence and results
- Improved on-shelf availability
- Higher consumer satisfaction
- Increased brand loyalty

Silos, spreadsheets and stock outs: the CPG supply chain conundrum

For many CPG companies, grappling with disconnected data systems, cumbersome manual processes, and limited visibility into near-term consumer demand is part of the chaos they deal with daily. Additionally, retailer data frequently doesn't align neatly with internal brand platforms, resulting in forecast inaccuracies and inventory mismatches across stores, distribution centers, and brand operations.

An overreliance on spreadsheets for managing complex SKU mapping and demand data creates a series of cascading challenges from manual errors to delayed decision-making. It also slows brands down to the point where they can't adapt quickly to unexpected demand spikes.

Key challenges

Fragmented data: Proprietary retailer and internal systems create inconsistencies, causing inaccurate forecasts and inventory misalignment.

Manual complexity: Over-reliance on spreadsheets slows response times and increases errors.

Inflexible forecasting: Traditional forecasting methods are unable to rapidly adjust to sudden shifts in consumer demand.

Disconnected collaboration: Ineffective communication across teams, retailers, and distributors hinders proactive decision-making.

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Additionally, traditional forecasting and planning methods typically lack the flexibility needed to incorporate near-term retailer insights effectively. Organizational silos further exacerbate these challenges, restricting effective collaboration among internal teams and external partners. Without seamless data harmonization and clear visibility into near-term forecast and inventory positions, brands struggle to align stakeholders quickly, leading to missed sales, disappointed customers, and elevated operational costs.

STOCK LEVELS

Success with near-term forecast accuracy

A prominent CPG brand in the food and beverage industry once struggled with frequent stockouts due to forecast inaccuracies and cumbersome, manual SKU mapping across various retailers. These challenges drove down both sales and customer satisfaction. After adopting e2open's connected platform, the brand quickly experienced significant improvements. **Data harmonization** streamlined SKU mapping, substantially boosting forecast accuracy across stores, DCs, and brand-level operations. With AI and automation driving efficiency and improved forecasts, this enabled quicker responses to near-term market changes.

With e2open's near-term **demand sensing**, the brand used retailer insights to swiftly adjust inventory plans. As a result, they saw notable improvements in on-shelf availability, significantly reducing stockouts. Multi-tier inventory optimization further reduced excess inventory while increasing service levels.

The measurable results included a 3% increase in on-shelf availability, a 30% reduction in excess inventory, and a 40% improvement in forecast accuracy. Additionally, customer service levels rose, greatly enhancing consumer satisfaction and brand loyalty.

CASE STUDY

Delivering consistent on-shelf availability

» Challenge

A prominent CPG brand frequently encountered stockouts due to forecast inaccuracies and complex SKU mapping across retailers, leading to lost revenue and diminished customer satisfaction.

» E2open's comprehensive platform in action

Data accuracy: Enhanced SKU mapping greatly improved forecast reliability.

Rapid forecast adjustment: Real-time demand sensing enabled agile forecast adjustments, maintaining high availability even during promotional periods.

Inventory optimization: Multi-tier inventory management efficiently directs inventory levels, significantly reducing stockouts and excess inventory.

» Results

3%↑
increase in on-shelf availability, boosting sales

30%↓
reduction in excess inventory, lowering operational costs

40%↑
improvement in forecasting accuracy, enhancing planning effectiveness

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Strategies for turning insights into on-shelf precision

Synchronize data and demand signals for pinpoint forecasts

Adopting an outside-in planning approach that synchronizes retailer signals with internal forecasting and execution systems can help overcome data complexity and inconsistent availability. Harmonizing SKU definitions across retailers, distribution centers, and enterprise platforms also ensures a single source of truth and eliminates misalignment that erodes forecast reliability.

Advanced, AI-driven demand-sensing turns daily point-of-sale, inventory, and promotional data into near-real-time insights. By surfacing short-term shifts in shopper behavior, planners can recalibrate forecasts and production targets early—before stockouts or excess inventory materialize.

Incorporating collaborative planning and dynamic inventory keeps shelves stocked

Cross-functional collaboration is equally critical. That's because bringing customers, distributors, and inventory together on a collaborative platform—continuously fed with granular point-of-sale data and near-term demand forecasts—breaks down communication silos, accelerates decision-making, and keeps every stakeholder focused on the same, up-to-date demand picture.

When the entire team can see what's selling today and what's projected to sell tomorrow, potential service-level risks and replenishment opportunities surface sooner, enabling rapid, coordinated actions that protect on-shelf availability while trimming excess stock.

Because multi-tier inventory optimization balances safety stock, in-transit, and store-level inventory against the most current demand signals, companies that continuously re-optimize these buffers maintain high service levels while freeing working capital formerly trapped in oversupply.

Apply these interconnected strategies—data harmonization, demand sensing, collaborative planning, and **dynamic inventory optimization**—to elevate forecast precision and safeguard on-shelf availability across every node of your supply network.

The e2open platform advantage

E2open's robust supply chain management platform delivers:

Seamless data harmonization: Simplified SKU mapping between retailers and the brand's internal systems ensures accurate, synchronized data.

Real-time demand insights: AI-powered forecasting captures immediate consumer and market trends, enabling swift response to changing demand.

End-to-end collaboration: A unified platform seamlessly coordinates sales forecasts, orders, inventory, and logistics among all supply chain participants.

Optimized inventory management: Multi-tier inventory optimization dynamically adjusts inventory levels, minimizing stockouts and excess inventory.

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Why e2open is your partner for shelf confidence

E2open's comprehensive platform helps CPG brands swiftly adapt to near-term market changes through connected collaboration, effective data harmonization, and accurate outside-in planning. By seamlessly integrating retailer data into your existing processes, e2open helps your teams make timely, informed decisions. Choosing e2open means confidently managing your supply chain to enhance forecast accuracy and on-shelf availability, ensuring consumers always find exactly what they need, reinforcing brand loyalty, and maintaining high service levels and a competitive advantage.

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 500,000 manufacturing, logistics, channel, and distribution partners as one multi-enterprise network tracking over 18 billion transactions annually. Our SaaS platform anticipates disruptions and opportunities to help companies improve efficiency, reduce waste, and operate sustainably. Moving as one.™ Learn More: **www.e2open.com**

If you'd like to learn how e2open can help you enhance forecast accuracy and on-shelf availability, contact us today.

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