

SOLUTION BRIEF

Planning With Insight: Channel and Planning Functionality Combine for Success

To delight customers, establish operational excellence, and increase competitiveness, companies need accurate planning based on a granular-level knowledge of what market requirements may be in a year, a month, and the next few days. Planning accuracy relies on clean demand data and reliable forecasting algorithms. By using applications in e2open's Planning and Channel suites in tandem, companies can quickly adapt predictions across time horizons based on continuous demand feedback from all routes to market. These organizations can then improve working capital and margins, drive partner and customer loyalty, and successfully execute sales strategies.

Long-term business success relies on consistent short-term execution excellence. Determining how much stock to carry at every store, partner location, and warehouse for each product at any time — while avoiding excess inventory and empty shelves — is key to revenue growth, effective promotions, fewer expedites, and a positive customer and partner experience.

Accurate forecasts require two things: the timely availability of demand signals and modern forecasting algorithms based on data science. Having one without the other leads to a substantial loss of value. Companies with excellent demand signal data that are not using it systematically for their forecasts leave money on the table. By the same token, companies fail to realize their forecasting solution's full potential when they have great algorithms for predicting demand but inadequate demand signals.





Bringing data and algorithms together is a goal many struggle to achieve. The diversity of data sources makes connectivity an issue. Inconsistency in data definitions further amplifies the problem. The data and type of algorithms required for a one-week forecast differ from what is needed for a one-year plan. Attempting to deliver everything with a single application is like using a combined exercise bike and rowing machine. The contraption performs both functions but does neither of them very well! A collection of point solutions delivers the capabilities but requires extensive integration.

Pre-Integrated Solution

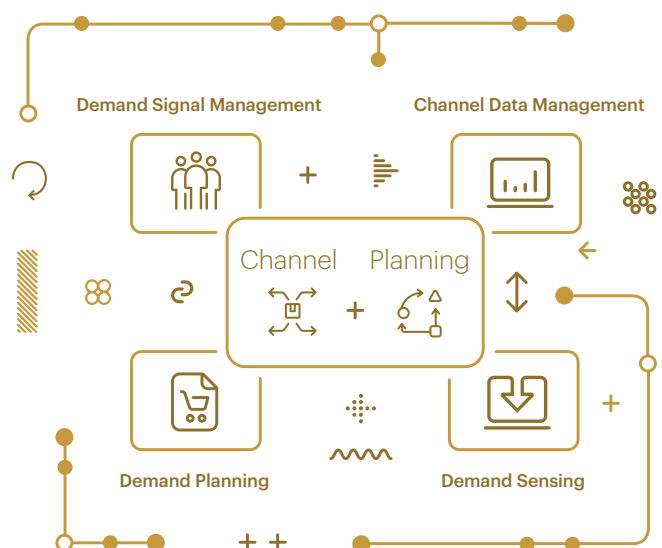
E2open addresses all the challenges by combining e2open Demand Signal Management, e2open Channel Data Management, e2open Demand Sensing, and e2open Demand Planning into one pre-integrated solution. This unified system supports all channel models, tiers, and time horizons across a multitude of data sources. As a result, planners and channel professionals are empowered to define and execute successful long-term demand-shaping strategies and achieve excellence in short-term execution.

Applications Made for Each Other

Highly accurate demand forecasts result when sophisticated prediction algorithms are applied to rich datasets encompassing multiple factors that drive or influence demand. To achieve a true picture of demand, data from direct online, single-tier retail, and multi-tier distribution channels must come together. Normalizing, harmonizing, and validating data from every

partner, whether retail or distribution, is a must. When data is enriched with further detail, such as industry, size, location, and product attributes, deeper insights emerge. Correlating the data with causal factors, such as weather or demographics, is also an important part of understanding demand.

E2open's pre-integrated solution brings the required data and all the algorithms necessary for planning onto one platform. Demand Signal Management and Channel Data Management from e2open's Channel suite deliver the data needed for omnichannel visibility across all distribution tiers, reporting timeframes, and sources. Demand Sensing and Demand Planning, two of e2open's Planning suite applications, provide the algorithms and artificial intelligence (AI) required to plan against any time horizon. Together they form the perfect quartet.





Key Features

- Widespread data collection that includes POS, inventory, weather, social sentiment, pollen count, and demographics
- Powerful, proven harmonization and forecasting algorithms based on data science and AI machine learning
- Scalability across large numbers of items, locations, and channels to support the most complex distribution and supply chains
- Sleek integration among e2open applications along with APIs for connectivity to other systems to speed solution deployment
- Automated data profiling, alerts, forecast generation, and publishing to increase planning and operations team productivity
- Streamlined processes and cross-functional account team collaboration for more efficient planning

Key Benefits

- Improved forecast accuracy compared to traditional methods or planning applications alone
- Increased ability to meet OTIF requirements and avoid substantial fines
- More successful promotional activities with better on-shelf availability
- Optimized inventory quantities at the aggregate level and across the distribution network
- Lower operational costs due to a sharp reduction in expedited manufacturing and shipping
- Decreased working capital requirements as a result of lower safety stock and warehousing expenses

Simplifying Deployment With a Single Source for Multiple Demand Signals

For companies with large, multi-tier indirect distribution channels and extensive retail networks, getting demand insights to feed into forecasting and planning applications requires numerous connections. These include every distribution and retail partner ERP or ordering system, plus any other sources of complementary demand-related data such as weather, planograms, social sentiment, and so on. Connecting to a multitude of data sources is no small task. Multiple ERP and third-party systems, varying data formats, and disparate transmission protocols spell complexity — and there's no guarantee of data accuracy.

By design, Demand Signal Management and Channel Data Management collect, harmonize, validate, and enrich demand signal data such as point-of-sale (POS), inventory, demographic, and other similar inputs across the entire partner network. The applications act as the single source of demand information for the planning and forecasting made possible by Demand Sensing and Demand Planning.

Deploying the four applications together simplifies implementation by exponentially reducing the number of connection points. As part of the e2open platform, the applications already share a B2B connectivity layer and leverage a unified data model and common Harmony® user experience. This makes the implementation even more straightforward.

Boosting Forecast Accuracy Significantly — Twice

Demand Sensing, a technology that was first pioneered by e2open in 2002, has been proven to increase forecast accuracy by 30 to 40% compared to traditional short-term forecasting methods. For longer-term forecasts, Demand Planning can achieve 10% better predictions than other planning approaches. However, the quality of any forecast or plan depends on its inputs.

Demand Signal Management routinely provides accurate, harmonized, timely retail data. Channel Data Management performs a similar function for the multi-tier distribution channel. Together, they are the natural source for reliable information and those additional demand signals that boost forecast accuracy. The results speak for themselves: live deployments of Demand Signal Management with



Demand Sensing have shown that leveraging additional demand signals can further enhance the accuracy by up to 10 to 12%.

Improving Customer Service Levels

Falling short of customer expectations is a costly business. Major retailers are levying substantial financial penalties on their suppliers for missing delivery slots or delivering incomplete orders. While non-retail customers may not be as strict about missing service-level agreements (SLAs) for orders, suppliers should be under no illusion: late, incomplete, or incorrect deliveries impact a customer's perception of a brand. In a highly competitive world, future orders, revenue growth, and the success of a business are at risk.

Channel Data Management and Demand Signal Management together can provide timely demand information from across all routes to market. Plugging these insights into Demand Sensing and Demand Planning allows a company to have a better understanding of what will be expected when and in what quantity. Service levels and on-time, in-full (OTIF) targets are easier to achieve when that knowledge and understanding translate into action, whether it is stock replenishment, soft allocations, or logistics plans.

Reducing Expediting Costs

Brand owners often resort to expediting manufacturing orders when overall stock levels are insufficient for meeting demand. The aggregated inventory level might be adequate, but if products are in the wrong location, choosing to expedite shipping could be the only option. Expediting always costs more.

Channel Data Management and Demand Signal Management capture data about demand-influencing factors at individual sites across all tiers and modes of distribution. Using this data, Demand Sensing can create accurate daily forecasts for each location. With the product available when and where the demand is, there is no need to expedite.

Improving Working Capital Utilization

Keeping large amounts of safety stock is another way of meeting order-accuracy targets, guarding customer satisfaction, and protecting the brand's reputation. However, maintaining high safety stock levels ties up working capital when it comes to the cost of goods in inventory and the cost to manage them. Brand owners can avoid such costs by using data sourced from Channel Data Management and Demand Signal Management data to drive better long-term forecasts in Demand Planning and correlating them with the short-term view provided by Demand Sensing.



Safeguarding Revenue and Margin

Demand Signal Management provides rich, contextualized sales and inventory data, both aggregated and at the store level. Demand Sensing consumes this data to produce reliable daily forecasts. The combined applications can help companies ensure that neither daily sales nor high-profile events such as retail promotions and new product launches are hindered by a lack of inventory available to meet and exceed revenue goals. Similarly, Channel Data Management provides the demand insights that Demand Sensing and Demand Planning can use to better forecast product requirements through the multi-tier indirect distribution channel. This helps companies minimize lost B2B sales opportunities and avoid wasting funding by promoting products that are unavailable or in short supply.

Dramatically improve forecast accuracy across all time horizons with whole market visibility. Maximize the value of e2open's applications by systematically using demand signals and distribution insights to drive automation and feed proven, scalable planning algorithms.

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.™ Learn More: www.e2open.com.

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