

ARKIEVA

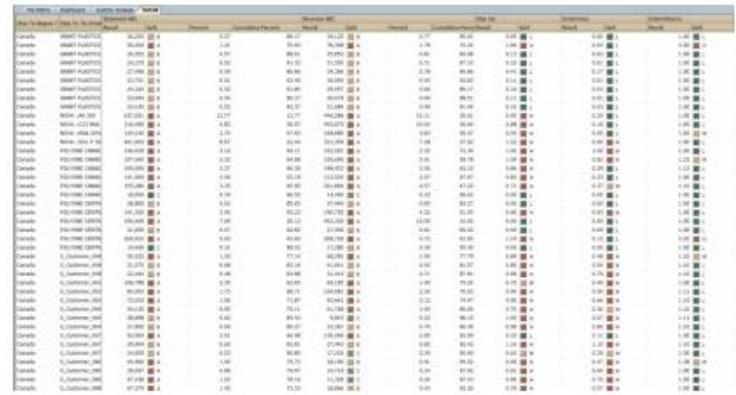
DEMAND ANALYSIS

Arkieva Demand Analysis

Analyzing one's supply chain on a continuing basis is a luxury most businesses have been unable to afford; until Arkieva's Demand Analysis made the process simple, repeatable, and far less time consuming.

Demand Analysis User Benefits

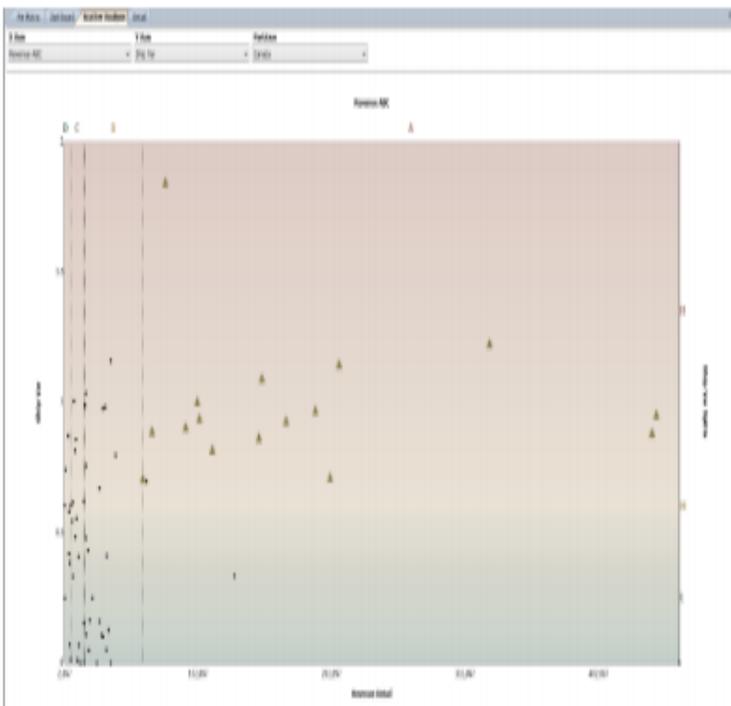
- // Reduce late shipments by 20% based on analysis and visibility of low-service areas
- // Separate the "vital few" from the "trivial many" for collaboration or partnerships
- // Combine views of inventory, demand, and supply to see how well the various components of the supply chain are operating together
- // Refresh all analyses as often as necessary as data and the marketplace change



ABC Analysis by Ship-to; Note that some customers who are Class A in shipment volume are Class C in revenue

Key Demand Analysis Capabilities

- // Quickly identify where volatility exists in the customer base and product offerings
- // Perform ABC profiling by any quantitative inputs; i.e. volume, revenue, open orders, etc.
- // Determine what customers and products are the most profitable
- // Identify specific areas of demand variability and customer/product combinations with low customer service
- // Track customer service on an order-by-order basis
- // Identify trends in shipments and fill-rates by customer, product, and location
- // Report against an unlimited number of business attributes, dimensions, aggregations and time periods with easy –to use-ad-hoc- reports



Variability analysis separates the trivial many (at left) from the vital few (above)

Why a Demand Analysis Tool?

One of the most important things a business needs to do in uncertain times are to monitor changes in the marketplace; constantly responding to these changes.

Powerful online analytical tools are essential for planning because information becomes out-of-date so rapidly. Today's "A" customer may be gone next month. The business needs to be able to constantly refresh the answers to the following questions:

- // Who are my most profitable customers?
- // Where is the largest volatility in my demand?
- // Which large volume customers are not contributing proportionately to revenue?
- // How soon should we begin building inventory to support an upcoming promotion?
- // Are our most important customers getting our worst customer service?

Another very important aspect of business analysis is to be able to look not only at historical data but also at the future (forecasts, production plans, etc.). Unlike most other BI tools, Arkieva's Demand Analysis is structured to analyze supply chain data, which consists of both historical data and future plans. Flexible ad-hoc reporting can be used to answer many questions and to enable the analyst to ask other, "softer" (hence more difficult) questions:

- // What has our historical forecast accuracy been? (hard number answer)
- // What percentage of growth are we projecting over our historical sales level?
- // Given our low level of forecast accuracy and high level of projected growth, can we really have enough confidence in these forecasts to produce to them? (No computer can answer this one - but Arkieva's BA provides the data to emphasize the importance of the question.) Which large volume customers are not contributing proportionately to revenue?

Customer and Product Segmentation

Best-in-class supply chains have learned that inventories can be reduced considerably if they don't treat all customers and products equally. There are some customers for whom you jump through hoops, and others who are in no way as critical or strategic. Arkieva's Demand Analysis contains the functionality you need to segment customers, products, and/or product/customer combinations.

Everyone knows the 80/20 rule. Arkieva's Demand Analysis Profiling function allows you to vary those percentages to fit your own data (many businesses find that in fact fewer than 20% of their customers or products account for 80% of their volume and/or revenue). You can also vary the number of categories, if your company uses, say, an ABCD schema.

In combination with Arkieva's Inventory Planner, you are then able to vary service levels (and safety stock) according to your segmentation; maximizing the value of your working capital dollars. The close linkage among the various Arkieva modules promotes the sort of "optimization of the whole" that characterizes world-class Sales and Operations Planning.



Discover The Arkieva Difference

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ABOUT US

Since 1993, Arkieva tools have been used in more than 200 unique applications around the globe, and most of our clients leverage Arkieva software to support collaborative planning teams in North America, Europe, and in Asia.