

CASE STUDY

Demand and capacity planning helped a leading retail company to improve accuracy in demand forecasting by 15%



A U.K based leading retail player wanted to reduce the percentage error in their demand forecasting approach. Due to the inconsistent nature of their existing demand and capacity planning processes, they were not able to manage their inventory stocks and ensure the easy availability of high-demand products.

Demand and capacity planning is an important method that helps companies to monitor and improve their inventory management. The growing popularity of demand and capacity planning can be attributed to its ability to simplify the logistics value chain by integrating smarter demand forecasting and predictive analytics into the process of capacity planning. With obsolete demand forecasting processes, businesses had to rely solely on historic patterns of demand to plan for production needs. But analytics-based capacity planning strategies help businesses to gain better visibility into factors affecting their supply chain and also provides actionable insights relevant to actual scenarios.

Business Challenge

By leveraging Quantzig's demand and capacity planning solutions, the client wanted to reduce their average percentage error in demand forecasting and improve productivity. Also, they wanted to understand and analyze the demand patterns across various regions. With the help of demand and capacity planning solutions, the client was looking to coordinate their capacity planning efforts in different countries, including rationalizing SKU's, and consolidating suppliers to enhance their inventory management system.

Solution Offered and Value Delivered

The demand and capacity planning experts at Quantzig developed a robust demand and capacity planning framework to understand the core business challenges of the client. The framework included recommendations for capacity management and safety stock optimization. With the help of our demand and capacity planning solutions, the client was successfully able to improve the accuracy in demand forecasting by 15%, while simultaneously improving inventory management. Our multi-step, holistic demand planning approach helped the client to optimize their supply chain operations. Furthermore, the solutions that we offered enabled the client to insert what-if scenarios into their existing supply chain networks to automatically and accurately align operating capacity to demand and ensure optimal throughput, cost containment, and improve capacity management.

Quantzig's demand and capacity planning solutions also enabled the client to:

- Improve demand forecasting accuracy by 15%
- Overcome out-of-stock scenarios
- Improve production capacity and inventory management capabilities