Capgemini

Demand Planning

Bring accuracy and efficiency to your supply chain through leveraging intelligent automation

" In many organizations, the processes for creating the consensus demand plan are not connected to the processes used to create and manage the business plan. This results in increased costs and poor business plan delivery." [1]

Finding the right product, in the right place, at the right time

Customer satisfaction is the key to success. A happy customer is loyal, provides revenue and profit, and evangelizes on your behalf. So, it will come as no   surprise that most businesses focus a lot of time and effort on keeping the customer satisfied, especially ensuring that he or she can find the right product, in the right place, and at the right time.

To achieve this, your supply chain needs to be efficient, particularly when it comes to forecasting. Good demand planning requires the supply chain professional to:

- Take a broad view of market forces.
- Understand various factors that impact their demand.
- Implement synchronized planning and execution.
- Adopt the right tools to provide a real-time view across all your businesses, physical and digital channels, and brands.

To meet today's supply chain challenges, many businesses are embarking on digital transformation to take advantage of the opportunities offered by intelligent automation, artificial intelligence (AI), and improved analytics – with successful initiatives centered on reimagining the customer experience, operational processes, and business operating models.

These technologies are driving a revolution in demand planning that is transforming the supply chain dynamic from being a necessary cost to a competitive differentiator. In addition, the role of the Demand Planner requires increasing levels of collaboration with intelligent automation, robots, and other artificial intelligence – enabling the planner to undertake a more value-adding role with a whole-business perspective.

Create competitive advantage through focusing on your end customer

Capgemini's Demand Planning offering puts your customers at the very center of our solution, opening your channels to new, innovative business models that can lead to increased revenue, profitability, and working capital, as well as enhanced customer satisfaction.

Our Demand Planning solution unlocks value across your business – transforming your supply chain into a function that delivers competitive advantage and enhanced business outcomes, including:

- **Reduced working capital –** reduced forecast error has a direct impact on your inventory and safety stock levels.

- **Improved customer service –** a better forecast results in better order fulfillment and happier customers.

- **Increased productivity –** increased planner productivity and time enables you to focus more on collaboration and forecast value-add activities.

- **Enhanced agility –** implementing a proven target operating model designed for the age of intelligent automation gives you the agility to adapt to the evolving market landscape.

- **Increased scalability –** standardization and optimization of your demand planning processes reinforces your speed to market from product inception to commercialization.

- **Improved responsiveness –** make quick and informed decisions, and react to predictable and unpredictable events, both large and small, that impact the market.

- **Enhanced transparency –** better data management and analytics reduces your inventory costs while improving your forecast accuracy and frequency.

In short, Capgemini's Demand Planning solution moves your business away from a "plan-source-make-deliver" model to a multidirectional live supply network, transforming your planning function into one that is executed in real-time, highly agile, and performed primarily autonomously.

Increased forecast accuracy with reduced demand planner touch and time

Leading businesses already know that the supply chain is a key enabler of future business models. From artificial intelligence to automatic guided vehicles, from blockchain to augmented reality, the building blocks of the future are falling into place, and those businesses with the most foresight and imagination will be winners in the coming years.

Capgemini's Demand Planning solution can bring a competitive edge to your business by understanding, shaping, and predicting customer wants and needs, leveraging five key pillars that we call the Planning Excellence Framework:

- **Business strategy and operating model –** shifts your supply chain away from being solely a support function to become a growth enabler and competitive differentiator.

- **Functional and process capability –** applies operational excellence throughout the value chain aligned to your business strategy.

- **People and organizational structure –** designed to support your decision-making and move your bsuiness towards a no-touch supply chain built on an automated real-time planning function.

- **Technology competency –** leverages deep IT skills and experience to design and build fit-for-purpose technical landscapes that underpin your supply chain processes and systems.

- **Execution and continuous improvement –** an outcomes-focused approach to transition, stabilization, and delivery that continually validates, assesses, and acts.

Performance Barometer → Digitalization → Results

Capgemini's Demand Planning solution is a continuous driver to better results
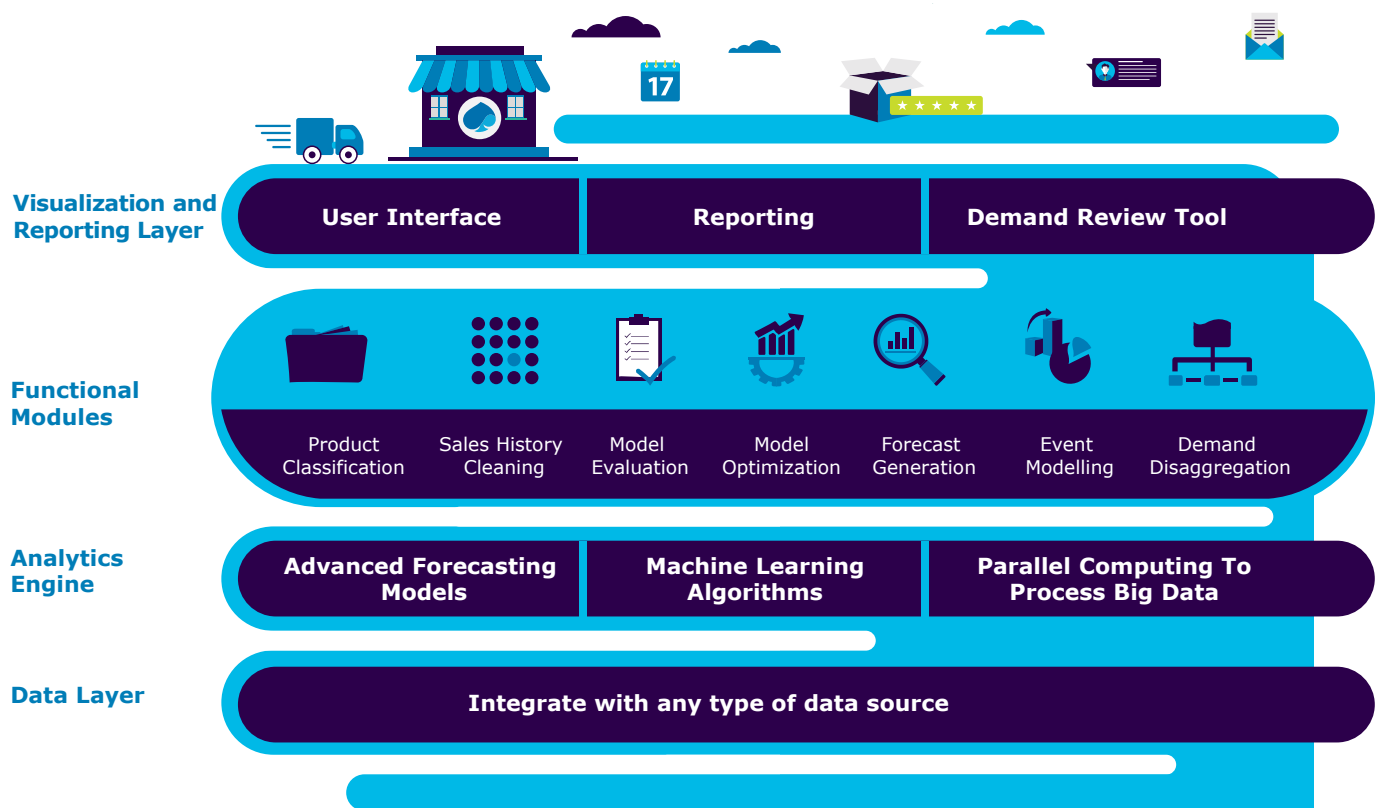
Best-in-class demand planning capability

Careful orchestration of various levers – including tools, performance reviews, processes – goes into delivering our best-in-class demand planning operating capability, as well as a team of data scientists continuously building advanced statistical forecasting and machine learning capabilities to drive no or low-touch compliance. Our Demand Planning delivery model is built on four fully integrated layers:

- **Visualization and reporting layer –** ensures that that the benefits of the other three layers are visible, well-articulated, and available in real-time through world-beating review and reporting tools.

- **Functional modules –** applies a highly-functional, integrated, modular approach to optimize the quality

and efficiency of every planning discipline, from product classification to demand disaggregation.

- **Analytics engine –** provides advanced machine learning and pattern recognition to maximize gains using complex pattern detection around events, holidays, promotions, and weather, and to enable volume and timing predictions.

- **Data layer –** ensures that the demand planning function optimizes its generation and access to a depth and breadth of data, and maximizes the ability to monetize that data through advanced planning approaches, pattern recognition, and sensing.

Visualization and Reporting Layer	User Interface		Reporting		Demand Review Tool	

Functional Modules	Product Classification	Sales History Cleaning	Model Evaluation	Model Optimization	Forecast Generation	Event Modelling	Demand Disaggregation

Analytics Engine	Advanced Forecasting Models	Machine Learning Algorithms	Parallel Computing To Process Big Data

Data Layer	Integrate with any type of data source

> " *It's not just planning disciplines that are changing, but also planning roles. Planners are increasingly interacting with machines, automated tools, algorithms, robots, and other artificial intelligence, and this is enabling them to be more strategic, more collaborative, and with a reach across the entire business"*

Jörg Junghanns
VP, Europe, Digital Supply Chain,
Capgemini's Business Services

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Why Capgemini?

Working with top software and hardware vendors in each area of the supply chain, our supply chain specialists create transform our clients' business outcomes to create competitive advantage by leveraging sector specific solutions powered by intelligent automation, re-engineered operating models, and sustained execution.

Our global team of supply chain experts has managed supply chain management projects for many Fortune 500 companies in the last five years. When put into practice, the expertise and experience we bring to demand planning operations has delivered a range of tangible business benefits for our clients:

For a global fast-moving consumer goods business:
- Up to 20% relative improvement in forecast error rate
- Up to 25% improvement in demand planner productivity
- Reduced 0.5 days of inventory throughout the network, resulting in inventory savings of around €90M
- Over €11M in annual inventory cost savings for excess and obsolete inventory.

For an international medical device, pharmaceutical, and consumer packaged goods company:
- Up to 18% relative improvement in forecast error rate
- Up to 25% improvement in demand planner productivity
- Over €10M in annual inventory cost reduction
- Over 15 value-adding transformation projects implemented for Demand Planners.

For a European-based multinational bottling company:
- Up to 13% relative improvement in forecast error rate
- Over €3M reduction in working capital, warehousing and freight costs
- Over €30M saving from network optimization.

What separates Capgemini from our competitors is our careful selection of best-of-breed technology partners, combined with our architectures and methodologies created from years of experience across all industries and regions, which enables us to continuously build advanced statistics' forecasting and machine learning capabilities.

We are renowned for working with our clients in a truly collaborative manner to deliver accelerated value while minimizing risk to your business.

[1] "Gartner Inc, Consensus Planning: Align the Demand Plan to Business Objectives," Beth Coppinger, Marko Pukkila, August 27, 2018

> " To master planning in today's volatile supply chain environment requires a combination of flexible planning solutions, optimized exception handling, deep insight into broad base of data, and skilled planners. This is a combination that is incredibly difficult to strike"

Dharmendra Patwardhan

Global Head of the Digital Supply Chain Practice, Capgemini's Business Services

About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of € 17billion.

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