

# Forecasting, sales and operations planning:

A comprehensive review of your Logistics Systems and Processes

## Forecasting, sales and operations planning (S&OP)

If products are your business, success is a balancing act. You need to be able to actively and effectively secure sales and efficiently manage the process of getting goods to the customer.

Given the inextricable interdependencies of sales and operations planning, ongoing success for a growing or large business is only feasible if you're able to accurately forecast demand and integrate forecasting into your sales and marketing plans.

Accurate, integrated forecasting gives you the ability to strategically direct your businesses to achieve competitive advantage on a continuous basis:

- optimise marketing, sales, financial control and purchasing
- formulate effective marketing strategies for products
- accurately set purchasing quotas
- confidently and cost-effectively schedule advertising expenditures and sales promotions
- establish operating budgets and manage cash flow and capital budget / expenditure decisions
- reduced excess inventory
- fewer stock shortages which result when demand exceeds supply
- fewer unnecessary production line changes to fulfil unanticipated demand
- improved customer service levels as supply and demand balance
- more economic purchasing power

At STL Warehousing, we have more than 10 years' experience in formulating and integrating effective forecasting mechanisms, so we have the expertise required to help you balance the need for stock against the cost and the timing.

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## We do this by:

- considering the factors that influence forecast accuracy (including availability of product, demand history, capability of computer system, other available history (i.e., new products, design changes, changes in customer base, promotional actions, economic indicators))
- determining the items to be forecast and how far in the future it should extend
- determining how frequently should the forecast be made, reviewed and revised
- determining an acceptable tolerance of forecast error
- conditioning the data by removing the effects of unusual events (outliers) that are not likely to happen again
- considering problems that may require data adjustments, such as unusual weather, addition or loss of major customers, special promotions, and changes in price or package size.
- determining the most accurate forecasting method
- devise an ABC-analysis of the items to forecast: A-items are reviewed each month by management, whereas only those B- and C-items with a significant deviation between forecast and actual demand need to be reviewed by management
- have marketing, sales and logistics talk to each other using a common language and set of guidelines

## Contact Us Today

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Call 1300-486-329 or email [enquiry@stlwarehousing.com.au](mailto:enquiry@stlwarehousing.com.au) to discuss your sales forecasting and demand forecasting needs.

**STL Warehousing** Pty Ltd  
Suite 3.09  
32 Delhi Road  
North Ryde  
NSW 2113