

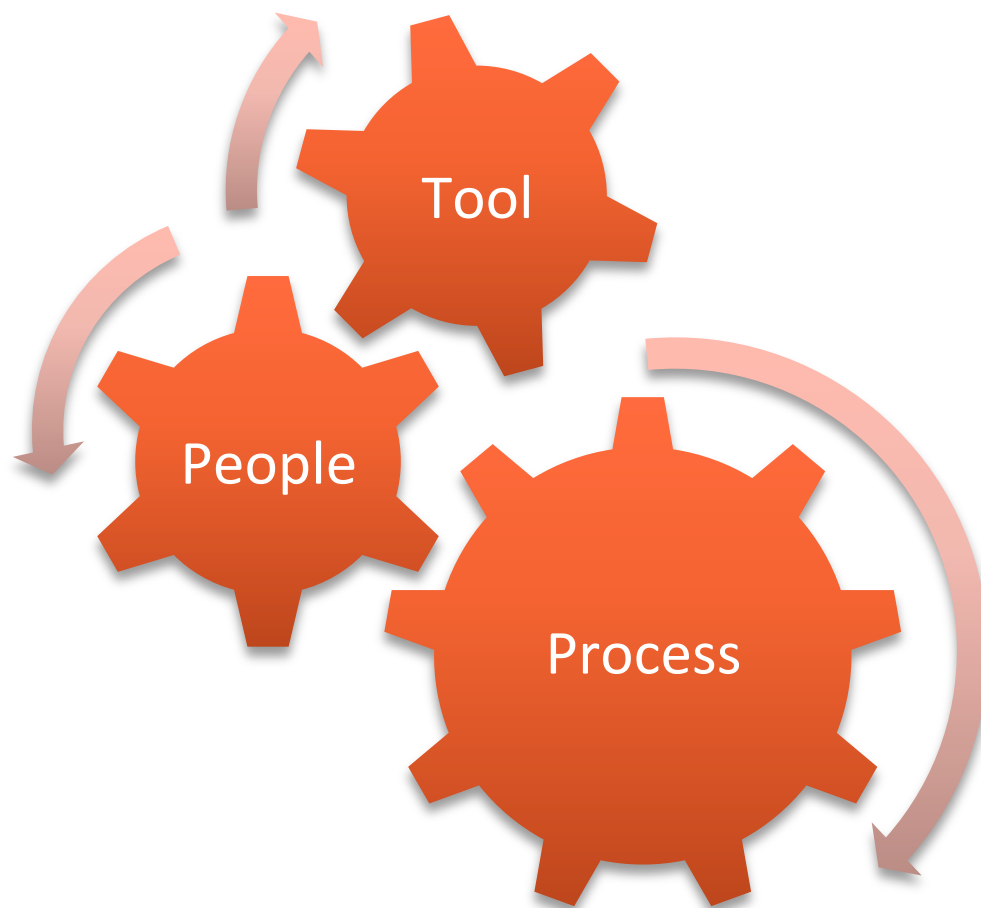


BUSINESS PLANNING AND FORECASTING PROCESS

ACUMONEY CONSULTING LLP

A Good Forecasting Process Brings About The Best In People And Tools By Getting Them Together

If the everyone works in isolation, then only the failure is forecasted!



- What is being forecasted? - Definition and acceptability across the company
- Assignment and acceptance of roles & responsibilities
- Acceptance of one data by all (*the most common issue across the world*)
- External information (marketing, finance etc) – over ride of system forecast
- Tracking of forecast accuracy
- Ownership of forecast – who explains the errors?
- Definition of inventory – company, distributor, reseller, in-transit. Who owns how much and impact on forecast
- Forecast Meeting – date, time and agenda
- Constituents of the forecast meeting – cross functional attendees

Use Dashboards to communicate and track forecasts

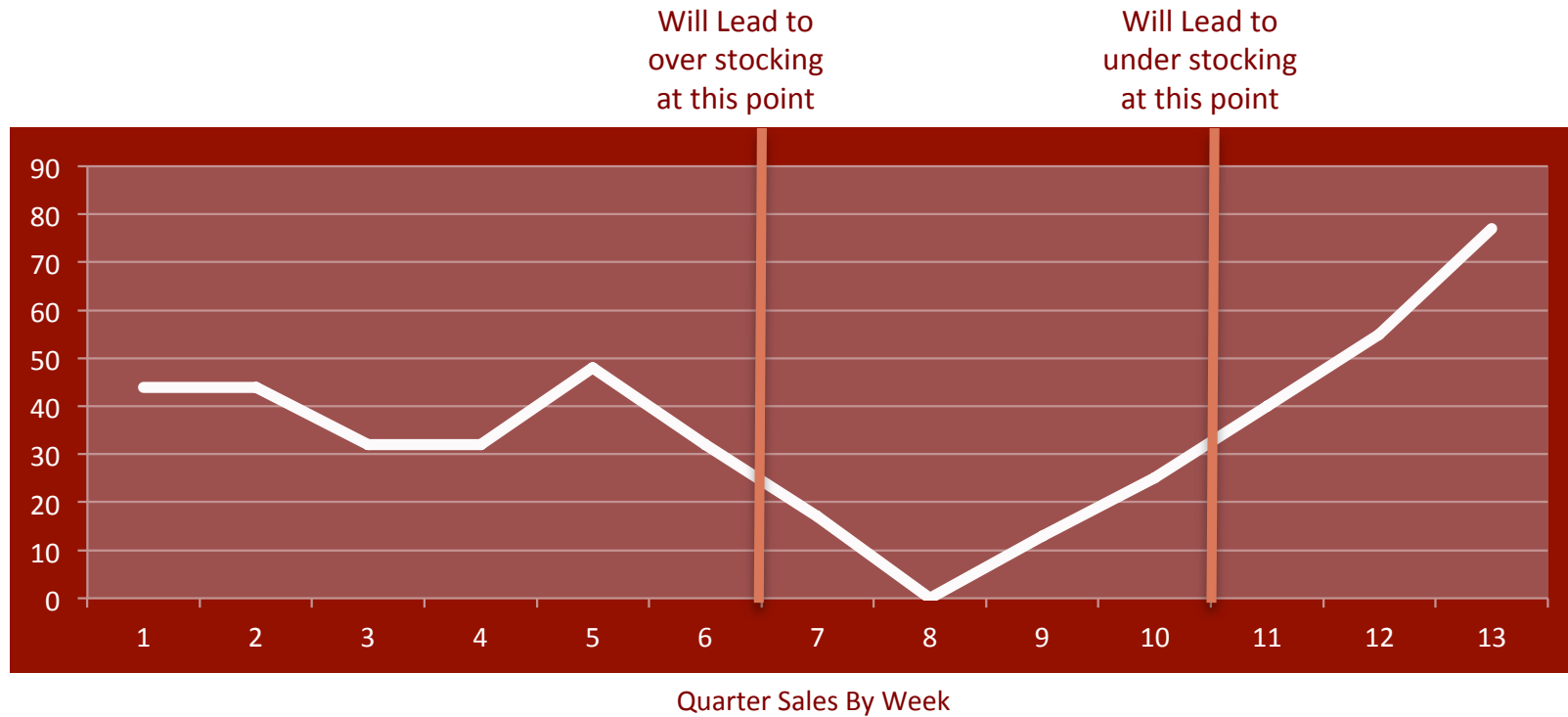
Revenue					
	QTD	QTD Plan	Qtr @ Current rate	Forecast	Plan
	17.28	25.62	41.15	46.60	50.50
Attain	67%		81%	92%	
YoY	23%		33%	51%	63%
QoQ	24%		29%	46%	58%

Identify the problem areas; Manage By Exception

Revenue By Category								
	QTD	QTD Plan	Qtr @ Current rate	Forecast	Plan	Plan Mix	QTD Mix	
Machine	6.72	9.78	14.56	21.21	21.21	42%	39%	
Tablet	3.72	5.17	8.05	10.10	10.10	20%	21%	
Phone	4.27	5.73	9.25	9.09	9.09	18%	25%	
iPod	0.26	1.02	0.55	1.51	1.51	3%	1%	

Revenue By POS								
POS	QTD	QTD Plan	Qtr @ Current rate	Forecast	Plan	Plan Mix	QTD Mix	
A	3.29	5.23	7.12	10.10	10.10	20%	19%	
B	4.46	6.99	9.67	12.10	12.10	24%	26%	
C	2.20	2.76	4.77	5.50	5.50	11%	13%	
D	2.14	2.26	4.64	4.50	4.50	9%	12%	
E	1.32	1.66	2.86	3.30	3.30	7%	8%	
F	2.51	2.11	5.43	5.00	5.00	10%	15%	

Why Backward Run Rate Is A Bad Idea for Inventory Management

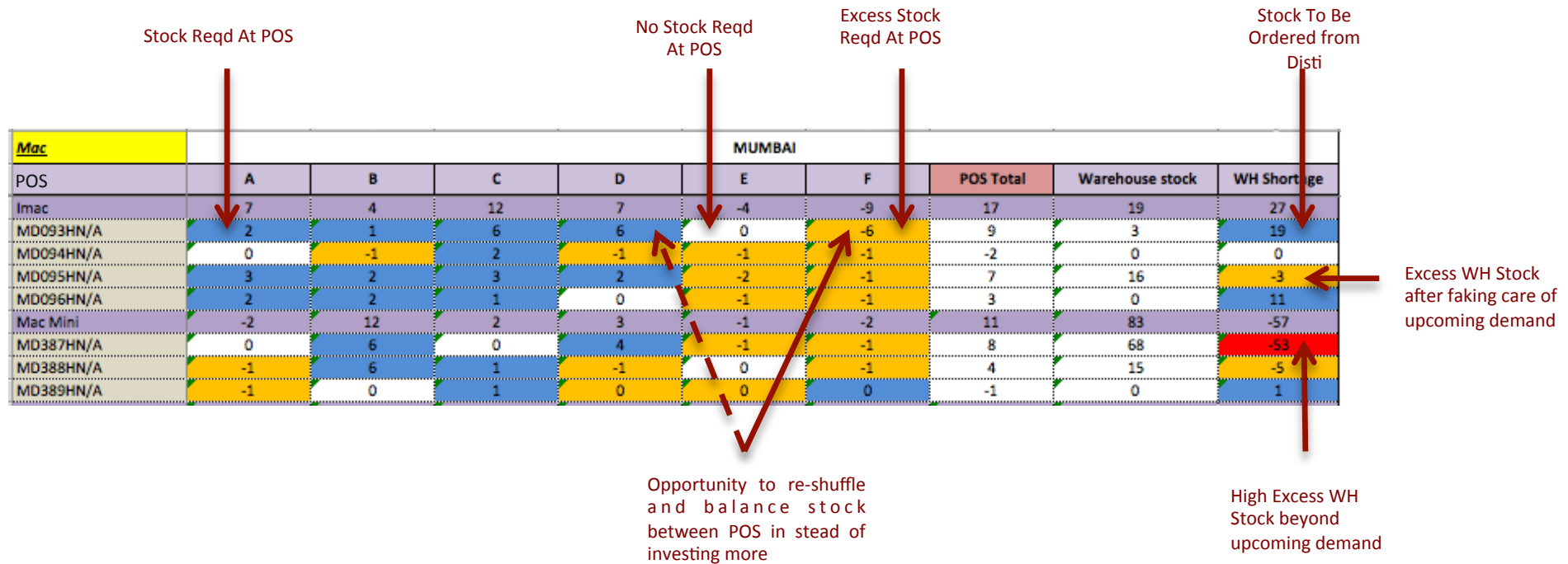


Stocking basis the forecast is the smarter thing to do!

POS & Warehouse Stocking Strategy

Optimize Stock Holding Without Effecting Sales

Low stock is a worry for sales, high stock is a worry for finance



Stock requirement derived from the forecast process

The process contributes, even beyond the numbers!

- Common goal approach – management, sales, finance & procurement
- Forecast meeting becomes information sharing platform
- Cross learning from experiences and approaches
- Healthy competition amongst the team members
- Cultivates the habit of organized and planned working
- Improves presentation, analytical and planning skills
- Reduces conflicts and blame game



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