



Location Demand Influencing Factor optimization for SAP Forecasting and Replenishment

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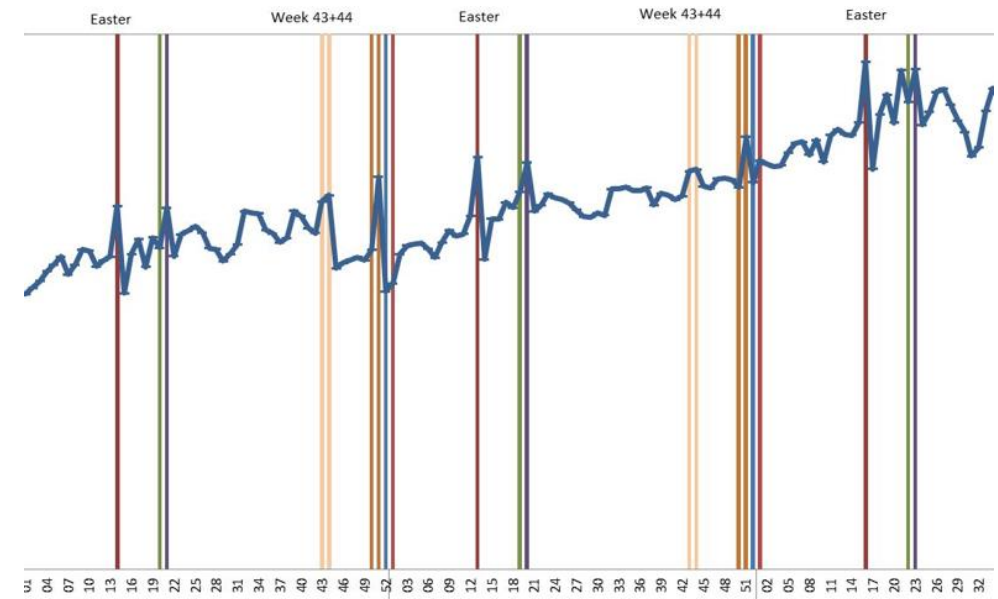
Location DIFs are important for the overall forecast model

The configuration of **Demand Influencing Factors** on location level has a significant impact on the quality of forecasts and orders.

A good configuration will improve and stabilize the underlying forecast model. This is a prerequisite for achieving optimal inventory, availability and automation.

Examples for typical Location DIFs:

- Holidays (e.g. Easter, Christmas, Thanksgiving, Chinese New Year, Ramadan)
- Vacation
- Back to school
- Sport events



A DIF is an external factor that has significant impact on demand.

Location Demand Influencing Factor optimization

- SAP Retail Data Science experts of the F&R **C**enter of **E**xcellence analyze the historical sales of 2 locations/stores* (*maximum 20.000 products per store, one channel*).
- The experts identify the Demand Influencing Factors for the location and suggests how they should be set or adjusted in the system.
- The analysis is carried out on the premises of SAP.
- The results are presented and communicated in a remote meeting. Result is a document which includes a proposal of location DIFs for the next 5 years.

* If you want to analyze more stores, any additional store costs one more day effort. Prerequisite: same channel and data sources.



Project phases and activities

Task	Activities SAP	Deliverables	Activity Customer
Data validation	Discuss data requirements and perform data audit	Approval if customer data is useable for analysis	Provide sales and item master data for the selected locations Provide list of expected location Demand Influencing Factors
Perform Analysis	Assess location Demand Influencing Factor on accumulated sales data	Optimization and documentation of the recommended configuration for the next 5 years	
Final Report Remote	Present result documentation via web conference	Explanation of results and handover of the documentation	

Data requirement:

- Sales data for a minimum of 114 weeks on daily base: Location, Product, Date, Consumption in base units (shrinkage and returned goods included, spoilage excluded) as csv file
- Product number of items which will be replenished via F&R
- List of public holidays or special days where a different sales behaviour is expected

Effort for the SAP Data Science Expert – 5 days (2 locations/stores*, maximum 20.000 products per store, one channel)

Please ask you local SAP representative for a detailed offer or let it run under your Max Attention contract.

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Delivered by the **SAP Retail Forecasting Center of Excellence**

- Team of experts **focused** on retail forecasting
- Global implementation and optimization experience since more than **15 years**
- Unique Retail Data Scientists and **optimization experts**
- Creation and delivery of **standardized services**
- Pilot implementation **best practices**
- Different **engagement models** with customers or partners available



SAP Retail Forecasting CoE – Services Overview

Design

Optimize

Operate

- Standard classroom trainings (*F&R, CAR - UDF*)
- Proof of Value (*Business case or forecast calculation - F&R / UDF*)
- Implementation Starter Pack (*Store or DC*)
- Location DIF* (*Modeling of the global DIF setting*)
- Product DIF* Analysis (*Modelling of promotions*)
- Expert Consulting on Demand
- F&R / UDF parameter optimization (*check and improve business results*)
- Inventory Diagnostics for Retail
(*Visibility of root causes for OOS and overstock situations*)
- What-If Analyzer for F&R (*Tool for experts*)
- **New** Automated reference item detection – Forecast for new items
(*Add on for F&R – automated detection, assignment and frequent quality check*)

* Demand Influencing Factor



Are you interested?

Please contact us for more information

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