

6 Reasons TO USE Demand Sensing to React Faster to Market Changes

1. Reduce demand latency when there's a distributor/retailer between you and your customer.

Extract relevant information directly from PoS data to improve your sales forecast without having to wait for your distributor. Give better short-term input to production/supply and correct the production plan accordingly by expediting or de-expediting orders, for example.



2. Make better use of existing inventory in the short term

You may have inventory available, but in the wrong place. Demand sensing helps you dynamically optimize inventory and balance your network by considering not only available inventory in regional warehouses, but also factor in expected/"refreshed" customer demand.



3. Close the gap between the inbound and outbound sides of your business.

The inbound team wants to fill the warehouse with as many goods as it can hold; the outbound folks divide goods into stores to try to get rid of them. Demand sensing helps keep these two groups in sync by showing a single global picture of demand.



4. Generate more precise seasonal demand forecasts.

Gaining rapid insights into demand so you can anticipate or react quickly is important for fast movers and seasonal products alike. When an item doesn't sell as expected, you can act quickly to adjust production and inventory to avoid obsolescence.

5. Right-size inventory for new product introductions.

Product life cycles continue to get shorter; new products are continuously coming in and superseding existing products. Demand sensing helps ensure you have the right amount of the previous products and confidence in inventory you'll need to meet demand for new products.



6. Better understand promotion performance.

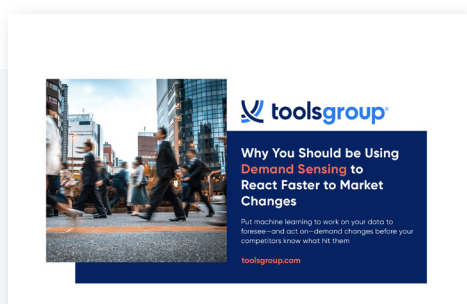
Use sell-in data such as promotion attributes and product and market data to understand the promotional uplift and better forecast demand for future promotions.



Demand sensing companies have **an ability to see trends sooner and, combined with an agile supply chain response, the ability to react sooner to changing demand.**

-Gartner

Gartner: Achieving E2E Supply Chain Capability Is Much More Than a Good Demand Signal. Published 23 September 2019 - ID G00450414



Download our ebook: Why You Should Be Using Demand Sensing to React Faster to Market Changes