CASE STUDY

DESIGN AND GLOBAL IMPLEMENTATION OF A FORECAST MANAGEMENT METHODOLOGY

CLIENT PROFILE

A manufacturer of self-service kiosks and point-of-sale terminals facing intense competition in its services business needed more accurate and timely forecast information to plan for and allocate its field service engineers. Historic inability to provide reliable demand estimates limited any proactive planning efforts, leading to reactive strategies, growing customer escalations and increasingly high service penalty fees.

DESIRED OUTCOMES

- Provide accurate enough demand information to regional planners for predicting short- and long-term demand of field service engineers.
- Implement a fair forecast accuracy measurement that could be scaled and replicated globally, to proactively detect unexpected demand shifts and manage forecast improvement efforts.

KEY ACTIONS TAKEN

- Identified and drove remediation of data quality issues causing forecast bias.
- Segmented demand by level of aggregation and behavior, to inform the selection and application of appropriate forecast methods.
- Designed and facilitated the implementation of a collaborative forecast planning process between the analytics team and the regional planners to:
  - Validate forecast methods used;
  - Focus forecast accuracy improvement efforts on highest impact areas;
  - Proactively incorporate local knowledge such as business shifts, known outliers and seasonality.
- Developed and implemented a process for measuring and interpreting forecast performance, at multiple levels of aggregation.

KEY RESULTS

34% improvement in forecast accuracy within the first 90 days.

Drove country-level monthly forecast accuracy above 95% for break-fix work orders (and above 90% for all work orders).

Forecast error variance consistently reduced month over month.

Executive buyoff for global deployment and planner's buyoff for ongoing consumption.

Canceled expected incremental investment in an external forecasting tool.