Forecasting at Illumina – Quick Reference Guide

Sales Forecast vs Budget

Sales Forecast is an <u>iterative</u> estimate of future sales that ultimately informs corporate financial guidance and provides our supply and manufacturing partners with correct signals to ensure we have the appropriate product mix to support customer demand for a certain fiscal period.

Budget is a <u>one-time yearly</u> estimate of sales that ultimately informs corporate financial guidance and provides our supply and manufacturing partners with correct signals to ensure we have the appropriate product mix to support customer demand for a certain fiscal year.

Why do we Forecast

- To provide realistic performance expectations to internal and external stakeholders
- To capture anticipated inventory demand to ensure products are available to meet customer needs
- · To better understand high level business direction

Who is responsible for Forecasting

TAM/SAM / PAM TAM / SAM / PAM are review forecast for entering forecast in TM1 TAM/SAM/PAM TAM/SAM/PAM DSM.RSD Product Care Reps are responsible for entering service entering service for exact in TM1 Reps are review forecast for entering service for ecasting / for Executive approval and reporting					
PAM are review forecast Reps are support for consolidate responsible that have been for entering entered by entering service forecast in TAM/SAM/PAM contract renewal opportunity approval and		DSM/RSD	PCR	Sales Ops	
	PAM are responsible for entering forecast in	review forecast that have been entered by	Reps are responsible for entering service contract renewal	support for sales forecasting / opportunity	consolidate revenue forecast for Executive approval and

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What tool is used to Forecast

Forecast inputs are made in IBM Planning Analytics (formerly known as TM1), which is the source system for forecast information and syncs with SFDC and SAP three times a day

Link: http://go/salesforecast

Forecasting Timeline

Forecasting is completed **3 times per quarter** during fiscal periods **M1** (Week 1).**M2** (Week 5), **M3** (Week 9)

Forecasting Process and Versions



Territory Current Forecast

M1 Territory Forecast

Field sales inputs their bottoms-up territory forecasts with an emphasis on capturing an accurate sales projection for the current quarter.

M1 Consensus Forecast

A snapped version of the M1 forecast after it has gone through top-down adjustments. This version is utilized by leadership & commercial finance and is the reflective of the business commitment for the period.

M2 Territory Forecast

Field sales makes adjustments to the current & future quarter forecasts based on any changes in the sales outlook for the period. The goal is to refine sales expectations.

M3 Territory Forecast

Field sales makes additional adjustments to the current & future quarter forecasts based in any changes in the sales outlook for the period. Closer attention to the next fiscal period is emphasized in the M3 forecast cycle.

Territory Current Forecast

This is the live forecast in TM1 the team utilizes when making forecast inputs & adjustments. M1, M2 and M3 are snapped based inn the Territory Current forecast at the time of the snap.

Forecasting Inputs in Territory Nodes

Forecast inputs are made in specific territory odes: **Key Account Groups and 'Other'** and then aggregate together to form a full territory sales forecast.

Key Account Groups

- · Typically represent the largest accounts in the territory
- Set as part of the yearly sales planning process and can be changes quarterly with sales leadership approval

'Other' Account Groups

- Includes all remaining accounts that are not part of the Key Account Groups
- Treated as a single forecasting bucket to capture expected business outside of the Key Account Groups

Other Important Items

- Forecast data in TM1 is always real-time
- Suggested Browser: Google Chrome
- VPN Access: must be on VPN to access
- · Access: Determined by ETM assignment
- Data Refresh: 3 times a day (10:00 am, 09:00 pm, 03:00 am GMT)

Need Help?

Contact salesops_EMEA@illumina.com