

Free Practitioners' Workshop series

Forecasting and Inventory Planning: what goes wrong and how to cure the problems

Friday, 28 February at the Work Foundation | London



In operations, whether retail or manufacturer, forecasts deliver the essential input into the ordering system. But organizationally these two functions are often quite distinct. Neither side knows what the other is doing. Nor do the software providers – so the forecasts are often treated as an established fact rather than estimates with considerable uncertainty surrounding them. The result is that the order quantities are out of line with the required service level. What can be done? This workshop aims to explore where the two functions interact and how the relationship, both technical and organizational, can be improved.

Today's programme:

- 12:30-13:00 hrs Registration and Networking
- 13:00-14:00 hrs Welcome and session on *"What gets measured gets managed: What are the right forecasting and inventory measures for you?"*
Prof John Boylan
- 14:00-14:45 hrs Session on *"Integrated forecasting and inventory management in retailing: where it matters most with perishable products"*
Dr Anna- Lena
- 14:45-15:00 hrs Break and Refreshments
- 15:00-15:45 hrs Session on *"Linking forecasting with operations and finance"*
Graham Malkiewicz
- 15:45-16:30 hrs Panel Discussion

About the Centre

The Centre for Marketing Analytics and Forecasting engages with businesses in the areas of forecasting, inventory planning and marketing analytics. Further details can be found on our website - <https://www.lancaster.ac.uk/lums/cmef/>

Marketing Analytics
& Forecasting



Lancaster University
Management School

WHAT GETS MEASURED GETS MANAGED: WHAT ARE THE RIGHT FORECASTING AND INVENTORY MEASURES FOR YOU?

PROFESSOR JOHN BOYLAN,
CENTRE FOR MARKETING ANALYTICS AND FORECASTING (CMAF)
LANCASTER UNIVERSITY MANAGEMENT SCHOOL



This talk will address such questions as:

What are most appropriate strategic inventory measures for your organisation? How do they relate to your measures at an operational Stock Keeping Unit level? What forecasting accuracy error measures best relate to inventory performance? How should forecast accuracy be monitored at an organisational level?

We will look at some common pitfalls in measuring forecast accuracy and how to avoid them. An overall approach is recommended, which addresses the link between forecasting and inventories, and encourages diagnosis of problems, as well as monitoring overall performance.

LINKING FORECASTING WITH OPERATIONS AND FINANCE

GRAHAM MALKIEW,
CONSULTANT, DEMAND WORKS



Bio"Graham has spent 38 years working in the brewing industry (Scottish & Newcastle (latterly Heineken UK) and C&C Group (Magners Cider & Tennents Lager). In various supply chain (production, materials and demand planning functions) and IT project roles (ranging from major ERP implementation to selecting and deploying planning tools & processes). His last role within C&C was as Head of Planning. He has recently joined Demand Works as consulting project manager.

This session will delve into methods for linking strategic, tactical and operational plans. The presentation will cover: Methods for using sales forecasts and forecast variability for procurement, operations, and financial planning; organizational and behavioural considerations; and the role of systems in sales and operations planning.

INTEGRATED FORECASTING AND INVENTORY MANAGEMENT IN RETAILING: WHERE IT MATTERS MOST WITH PERISHABLE PRODUCTS

DR. ANNA-LENA SACHS,
CENTRE FOR MARKETING ANALYTICS AND FORECASTING (CMAF)
LANCASTER UNIVERSITY MANAGEMENT SCHOOL



Recent studies have caught attention to the large amounts of food wasted in retailing. Food waste can be reduced by better matching supply and demand. We present a data-driven model that integrates forecasting and inventory optimization, balancing inventory holding and penalty costs based on sales data. Using data of more than 60 stores from a large European retail chain we show how major improvements can be achieved with the data-driven model by taking the characteristics of perishable products into account.