Arconic Demand Forecasting

October 3, 2018

Hudson High

Arconic Fastening Systems

Waco, TX

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Innovation, engineered.

Demand Forecasting Project – Heavy Truck Market

- **Current State: High-level market forecast**

  - **Truck build rates**

  - **Upper management use**

  - **No direct correlation to product**

  - **Various customer demand inputs (EDI vs. discrete)**

- **Ideal State: Detailed product-specific forecast**

  - **Product part # and group level**

  - **Demand planner use**

  - **Input for S&OP process/capacity planning**

  - **Ability to react to market swings**
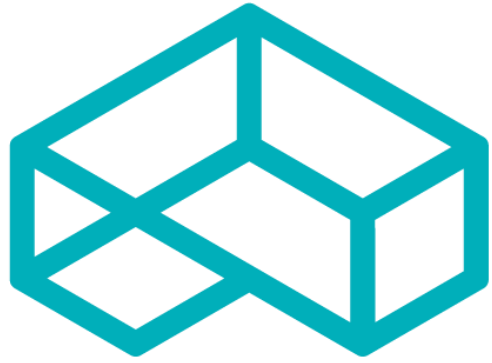
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Demand Forecasting Project – Heavy Truck Market

- **Inputs:**

  1. **2015 – 2018 YTD sales data for truck LOB**

  2. **Current open order data for truck LOB**

  3. **Market build rate (through 2023)**

     a) **Add'l sales data for other markets can be provided if truck market data is not deemed to be a sufficient sample size**

- **Outputs:**

  1. **Time-Series Model Forecasts**

     - **Including product group and part number demand detail**

     - **2 short-term & 2 long-term models (4 models per group)**

     - **justification for models chosen (pros/cons)**

  2. **Simple forecasting tool (Excel or otherwise) for internal forecast generation**

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