

Data Validation & Conditioning

Bad data results in bad forecasts. Be sure to use actual customer demand to drive your forecasts. Validate and - when necessary - condition your data for optimal reliability

Are you using the most appropriate demand history to drive the forecasts?

Yes No

Have you validated the history for the "All Items" aggregate record (in \$) against a reliable sales report?

Yes No

Have you validated the history for at least 3 randomly selected items (in Units & \$) against a reliable sales report?

Yes No

Have you Filtered for items with missing or negative history - and adjusted that history as appropriate?

Yes No

Have you Filtered for missing product attribute data (e.g. Planner, Vendor, Class Codes, etc.) and updated accordingly?

Yes No

Proactive, Pre-mortem Assessment

You don't have to wait until the end of the month to see if your forecasts were accurate. Use the Unsigned Error to evaluate the fit of the forecasts for all "A" items, and evaluate month-to-date performance to the forecast on a weekly basis

Have you Imported Month-to-Date Sales, Filtered it against the Forecast, and reviewed significant outliers?

Yes No

Have you created separate Unsigned Error Ranges by ABC Code - and reviewed significant outliers?

Yes No

Take a Snapshot of the Forecast for Analysis

The first step towards evaluating forecast accuracy is to save your forecasts for review. Pick a time - ideally at the point when sourcing or production decisions are based on your forecasts - to save a snapshot of those forecasts for future evaluation.

Have you saved a 1-Month Forecast ... with the appropriate lead time?

Yes No

Have you saved a 12-Month Forecast - with the appropriate filename (default or user-defined name)?

Yes No

Did you save the forecasts for All Items, customers, families, etc.

Yes No

Did you run the "Save Forecast" process?

Yes No

Execute the Evaluation process

When comparing actual demand against the forecasts, do so from multiple perspectives. In addition to a monthly comparison, calculate bi-monthly or rolling quarterly comparisons - by product family, by channel, by customer, by supplier, etc.

What was the appropriate month - or range of months - to evaluate? (Please circle)

Jan Feb Mar Apr May June Jul Aug Sep Oct Nov Dec

Did you Specify the appropriate month to evaluate?

Yes No

Did you also specify the appropriate rolling 2-month or 3-month range to evaluate?

Yes No

Against which Range of items do you run Performance Analysis?

All Items

Other Ranges - e.g. Product Family (Specify): _____

Did you run the Performance analysis against the appropriate Range(s)?

Yes No

Analyze Your Forecast Accuracy

Evaluate your overall performance (for the company, by planner, by customer, etc.) ... then dig into the details. Identify and review the items, customers, product families etc. with the most problematic forecasts. Identify the root cause of forecast variances, and take corrective action.

Performance Summary Review

Have you reviewed, recorded & charted Mean Absolute Percentage Error (MAPE)?

Yes No

Have you reviewed, recorded & charted the number of items for which the Adjusted Forecasts were more accurate & less accurate than the System Forecasts?

Yes No

Have you reviewed, recorded and charted the % of Volume in the >30%, <30% and +/- 30% variance ranges?

Yes No

Performance Detail Review

Have you reviewed - in detail - the 20 items with the least accurate forecasts (i.e. with the highest unit error)?

Yes No

Have you reviewed - in detail - the accuracy of all "A" items?

Yes No

Have you reviewed the 5 product families with the least accurate forecasts?

Yes No

Have you reviewed the 5 least accurate items in the 5 families with the least accurate forecasts?

Yes No