



Digitizing and Automating Demand Planning For A Pet Nutrition Company



Overview

A multi-national manufacturer of pet nutrition-based products was losing business due to its manual approach to demand forecasting and inability to track accuracy across their channels. They needed a purpose-built solution that could automate volumes and improve forecasting accuracy for their product portfolio.



Key Challenges

The inefficiency in forecast accuracy across channels of modern trade, wholesale and DTS, and digital capabilities saddled the company with a MAPE (mean absolute percent error) of more than 25%. While bonus packs, promotions, etc., caused a large amount of switching between demand units, inflation and price increases made customer demands volatile.

Modern trade _

- Demand planning for national and regional customers was complex
- Volatile demands led to sales push and loading in last week

Wholesale and DTS

- Demand planners could not possibly look at all the demand units and customers manually
- There was a lack of DU forecast by warehouse in DTS as well

Digital capabilities

 Excel sheet based planning process made it difficult to manage adjustments and track accuracy manually

- Promotional discounts, bonus bags and bundles, intense competition activity, and sell-out based inventory were some of the active demand drivers
- This included 87 customers, 23 warehouses in DTS & distributors

 External factors like macroeconomics and consumer trends were not available in a platform

Solution Approach

Asper implemented an Al-based, next-gen demand anticipation engine that captured complex, latent interactions and non-linear effects of different demand signals. By identifying shocks to the system, the engine enabled demand planners to understand the variability of myriad inputs, outputs, and changing relationships, and then provided optimal insights and recommendations.

Dynamic Demand.ai was able to generate forecasts for 4-month rolling time horizons by concentrating on the predictors of inventory, promotional calendar, and holidays/events (introduced by Asper). Using these inputs, plus additional external factors, forecasts were optimized for all the combinations in only a few weeks with subsequent refreshes requiring just a few hours.



Modern trade

- Strong baseline forecast made possible with available data signals including sell out and category trends, and inventory and pricing
- Equipped to quantify the impact of different demand drivers and build scenarios for adjustment

Wholesale and DTS

- High level of accuracy in final forecasts
- Automated the demand planning process for low touch products

Digital capabilities

- Implemented end-to-end digital platform for baseline forecast, impact of drivers, and adjustments from demand planners
- Visualization to highlight key opportunities for adjusting and identifying agility changes on demand

- Segmented all demand units and customers into high-touch and low-touch; this way,demand planners could focus on high-touch products only
- Inclusion of internal and external features
- Repurpose time on improving accuracy for high-value opportunities

 Gained ability to generate final forecast by adjusting on top of the baseline forecast

Value Delivered

Working with Asper, the company was not only able to achieve improvements in forecasting accuracy but was also able to automate about 60% of its portfolio. Asper's AI engine generated a near-final forecast in wholesale and DTS channels along with a reliable baseline for the modern trade channel.

42%

20+

of the product volume driven by automated decisions percentage points improvement in 1/3rd of the company's portfolio

70%

of the portfolio's forecasting accuracy improved by the Al engine



increase in accuracy for all 3 channels



For more information, contact

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