Anaplan

EBOOK

Plan for Success: Modernize your Approach to Intelligent Forecasting

Make better informed business decisions with Anaplan on AWS

Table of Contents

Accurately Forecast for Success

Being able to effectively and accurately plan for future business demand has never been more important. As increasing amounts of data become available across all type of industries, modern solutions are needed to extract value.

Implementing an intelligent demand management solution that uses artificial intelligence (AI) and machine learning (ML) to deliver actionable insights and recommendations positions organizations to make better informed decisions more quickly.

Employing the detailed data analysis capabilities of AI/ML helps uncover key information to improve forecasting accuracy and results. Ultimately, this can make it possible to achieve desired business outcomes more rapidly and open doors to new opportunities.

In this eBook we will detail some of the demand management challenges organizations face and explain how the broad set of capabilities available in Anaplan's solution(s) on Amazon Web Services (AWS) helps overcome them.

> "Nearly 50% of product out-of-stocks arise from forecast errors, resulting inventory shortages, and a lack of supply chain responsiveness. Forecasting customer demand through the pandemic has proven to be a particular challenge for many businesses but those that invest in advanced forecasting processes and technology have benefited from cross-functional integration with finance, supply chain, marketing, and HR."
>
> *Simon Ellis,*
> *Program Vice President, IDC*

> "Across industries and use cases accurate forecasting avoids revenue loss and enhances profit margins with better resource allocation. Understanding customer demand, or demand planning, has a large impact on generating revenue with the right products, inventory, pricing, and channels."
>
> *Madhu Raman*
> *AWS Head of Intelligent Automation Solutions*

Inaccurate Forecasting Can Adversely Impact Future Growth

Almost universally, businesses are looking for ways to increase efficiency and reduce costs. Yet these efforts are often hampered by unforeseen changes in market trends or failure to identify evolving customer needs.

One of the primary reasons this occurs is because when trying to effectively plan for future demand, organizations do not have visibility into, and an understanding of, what drives customer purchases. In many cases, this is because teams are working in siloed environments across entire organizations, making it difficult to leverage disparate sets of internal and external data to more accurately identify similar—possibly related—patterns and trends in customer behavior. Misreading, or entirely missing, such deep insights often leads to inconsistent decision making that can be costly.

However, finding and Implementing a modern solution that incorporates AI/ML capabilities to compile and analyze key internal and external customer data can sometimes be a tough sell. This is because, business users often struggle to use these AI/ML services in their demand management processes without heavy involvement from technical experts

The inability to gain valuable insights from customer data makes it difficult to identify which demand-shaping decisions to make, and when to make them. Repeatedly relying on incomplete and inaccurate demand management data results in failure to realize the financial impact and unintended consequences of the misguided business-process decisions that are ultimately made.

Trust in Faulty Data Often Results in Misguided and Costly Decisions

The ability to integrate and extract value from both internal and external data across different business units, organization-wide, is critical to understand the impact of demand forecasting decisions. Inaccurate inventory and incomplete forecasting efforts fail to present the complete picture of productivity, demand, and resource utilization.

Below are examples that detail how these shortcomings often impact organizations across various industries.
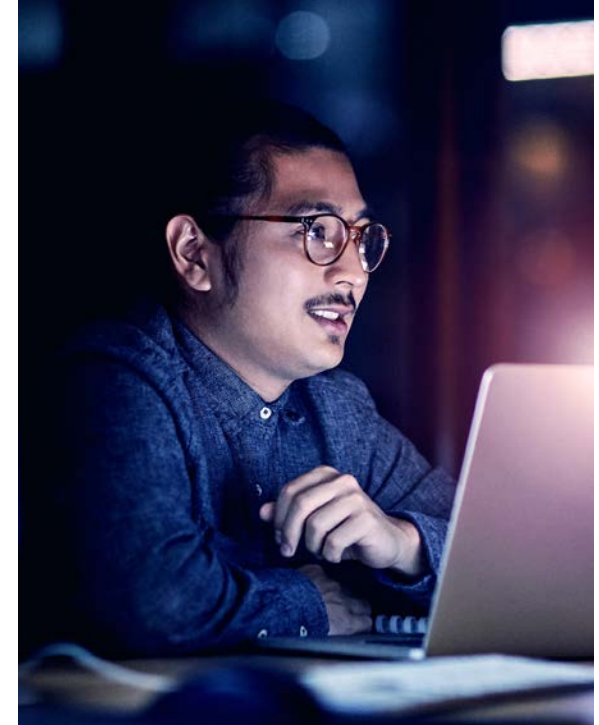
Manufacturing

Across the manufacturing industry, modernization is currently driving the transformation of operations but requires accurate demand planning and demand sensing to achieve goals and deliver desired business outcomes.

Life sciences

There is a need for life sciences organizations to adapt to rapidly changing market, operational, financial, and/or regulatory requirements while making the right investments to balance critical resources such as people, capacity, and working capital to unlock significant value.

Retail & consumer-focused organizations

Consumer-focused organizations who deal with rapid changes in distribution channels, while trying to keep pace with rising digital commerce need to consistently meet increasing consumer expectations, which requires detailed insights leveraged from internal and external.

Optimize Intelligent Forecasting with Anaplan

Make accurate decisions on demand forecast needs by deploying an intelligent solution from Anaplan. The easy configuration and analysis of the Anaplan platform makes intelligent forecasting accessible to a wider audience of business users, fostering a more unified environment. You can also easily scale across use cases and data sets to enable data-driven business growth.

Customer value drivers

Improves Forecast Accuracy ($$$)

- Improve forecast accuracy with ML and statistical algorithms

- Create accurate forecasts fast, regardless of data volume and complexity

- Derive greater inference from historical data, forward-looking business metrics, and third-part data

- Continuously improve predictions by adding more data to fine-tune forecasts

- Generate optimal predictions by automatically selecting the best predictive model for the use case

Time and Efficiency Gains ($)

- Business friendly way to leverage ML for forecasting and making it accessible to more users

- Convert customer data to forecast engine-friendly format to avoid manual data preperation

- Save time on forecast model set up and training

- Only modify the model when assumption or use case changes, lowering maintenance costs

Automation and Repeatability ($$)

- Enable automated analysis and inference of large volumes of data

- Easily expand to new use cases by added new data directly in Anaplan

- Validate data automatically and compare planned vs. actuals to surface potential problems

- Evolve and adjust over time with continuous machine learning

- Scale forecasts as the business grows, removing procurement bottlenecks

- Simplify intergration of first and third-party datainto forecasting process

Amazon Forecast

Amazon Forecast is a fully managed service leveraging machine learning (ML) and deep learning algorithms to deliver highly accurate time-series forecasts. As advances in ML techniques continue to evolve at a rapid pace, Amazon Forecast optimizes the service, so that customers continue to see accuracy improvements with minimal to no additional effort on their part.
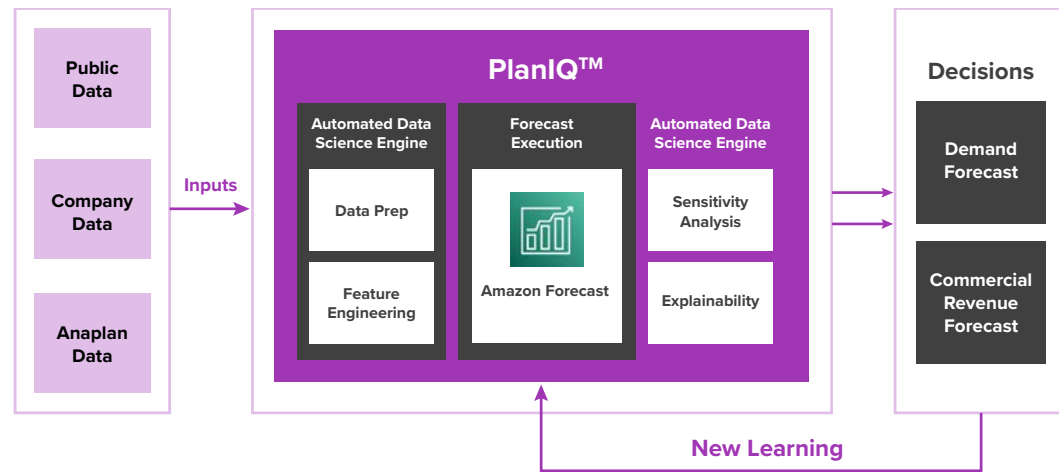
Intelligent Forecasting Solution

PlanIQ with Amazon Forecast

PlanIQ with the power of Amazon Forecast

Anaplan PlanIQ solution combines Anaplan's powerful Connected Planning Platform with Amazon Forecast and AWS ML capabilities and deep learning algorithms to generate accurate forecasts, quickly. The solution brings together leading algorithms and cloud-native capabilities so teams can make more informed predictions while expending fewer resources:

- Automatically train forecast models

- Receive highly-accurate metrics in an accessible format

- Gain transparency into automated configurations

- Validate model training data

- Schedule operations to match forecasting cycles

- Support ad-hoc predictions

- Easily compare forecasts with actuals

Embrace a Modern Approach to Business Planning

Anaplan makes intelligent forecasting easily accessible to a broad range of organizations and industries by enabling:

Demand management

Gain the ability to translate internal data and external market and customer data into critical insights on the true drivers of demand, enabling you to take actions to shape demand, optimize efficiency, and maximize revenue and margin.

Commercial revenue planning

Accurately predict revenue for optimal alignment of revenue, volume, and profit targets to more effectively prioritize go-to-market actions across markets, products, and channels.

Workforce planning

Integrate your approach to workforce planning so it evolves to become an extension of your organization's strategic, operational, and financial plans by connecting multiple teams to plan and model customized workforce and talent strategies and scenarios.

Use Case

Demand Management

Scenario:

Business leaders often struggle with how to balance cost and customer service when they are trying to accurately predict and shape true customer demand. Causes for this include:

- Blurred view into factors that drive customers to ultimately purchase

- Limited understanding of the impact of price, promotion, product-mix, placement, and process

- Difficulty in aligning sales, channel partners, and operations to drive the desired outcomes

- Inability to determine which demand-shaping actions to take, and when to take them

- Disassociation of the financial impact, and unintended consequences, of their ultimate decisions

Impact:

Inaccurately predicting and shaping true customer demand commonly results in:

- Products being produced in the wrong quantities

- Inventory shipped and positioned to sub-optimal locations

- Missed revenue due to lack of inventory, or markdowns due to excess inventory

- Uneven, poor customer experiences

Anaplan solution:

Accessing and analyzing key customer data with the Anaplan platform enables you to readily:

- Translate customer and market knowledge into insights and advantage

- Leverage stakeholders' forecasts, evaluate scenarios, and reach consensus

- Stimulate demand using demand-shaping activities

- Align actions to outcomes with focus on segments that help realize them

Use Case

Commercial Revenue Planning

Scenario:

Across organizations, different teams have trouble quickly aligning revenue, volume, and profit targets when prioritizing go-to-market budgets and projected spend across markets, products, and channels. These recurring limitations stem from:

- Fragmented systems and processes
- Lack of real-time connection between commercial plans and go-to-market plans
- Limited visibility into spend and ROI
- Impaired agility to make tradeoff decisions to improve forecast
- Ineffective spend to execution timing

Impact:

Disconnected decisions based on inaccurate and/or incomplete customer data leads to:

- Missed attainment of revenue, profit, and volume targets
- Delayed time to market
- Lack of trust and accountability
- Lack of cohesion between trade and channel programs and corporate marketing initiatives

Anaplan solution:

Adopt a collaborative approach with Anaplan to:

- Optimize budgets and trade-offs across revenue, volume, and profitability goals
- Engage in real-time collaboration across marketing, sales, and channels plans
- Synchronize marketing and trade spend
- Gain insight into GTM budget, approved spend, and actual spend visibility

Use Case

Workforce Planning

Scenario:

Failure to consistently identify and fill talent and skill gaps can impede business success and limit the ability to keep pace with changing market trends and evolving customer needs. Among the reasons this occurs are:

- Inability to accurately assess the overall financial impact of talent and skills gaps
- Fragmented systems and processes hamper the ability to deploy and quickly onboard talent where it is most needed
- Lack of real-time collaboration leads to misallocation of key resources
- Impaired agility to make tradeoff decisions and improve workforce efficiency and productivity

Impact:

Across the organization, the impediments described above often result in:

- Use of workforce planning strategies that are not tied to business outcomes and performance
- Idle capacity due to personnel and resource investments that are not based on true market demand
- Delayed time to market or missed sales due to lack of capacity and reduced productivity

Anaplan solution:

Achieve designated goals and meet/exceed desired business outcomes with Anaplan by:

- Developing a comprehensive workforce plan based on real-time collaboration across business functions
- Aligning planned and proposed talent and skill investments with demand management data
- Optimizing engagements on budget and talent decisions by aligning them with business strategies and priorities

Case Study:

Modernized Approached to Analysis Appeals to Apparel Company

Simplified process uncovers hidden cost saving and efficiencies

Anaplan lets procurement do what it does best: Find optimal ways to deliver the goods and services the business needs to thrive. Analytics and scenario planning capabilities draw on current, complete data for more accurate results more quickly. Spend analysis becomes more sophisticated, allowing new efficiencies to emerge. Visibility into the supply chain surfaces opportunities to save and allows for more consideration before a purchase is made.

Having information available transforms procurement from a reactive fulfillment function to a proactive strategic partner in evaluating supply chain possibilities.

> "We have definitely seen an improvement in our ability to forecast."
>
> *Senior Director for Operations*

Apparel business

A **major apparel business** implemented Anaplan for big gains in inventory and forecasting efficiency.

Challenges

- 250,000 SKUs
- 850 million items annually
- 30,000 retailers
- No complete, holistic view of supply chain and procurement activities

Results

- Eight days trimmed from inventory process
- $25 million in inventory carrying costs saved
- 10–15% reduction in excess and obsolete inventory
- Visibility into all products at one time in one view

Engage the full predictive capabilities of Anaplan in AWS Marketplace

Use AWS Marketplace to start your Anaplan journey and unlock new capabilities within your organization. Accelerate the adoption and initiation of Anaplan solutions by using AWS Marketplace. AWS Marketplace is a curated digital catalog that makes it easy for customers to find, buy, and deploy third-party software, data products and services that customers need to build solutions and run their businesses.

- Decrease transaction friction with customized terms and flexible payment options

- Unlock innovation with features that streamline procurement

- Standardized license terms governs software usage and defines obligations provided by each AWS participating partner

- Find, test, buy, and deploy easily by choosing from thousands of third-party software, professional services, and data listings

- Discover centralized governance and launch products that align with your organization's policies

AWS Marketplace is an online software store designed to help customers find, buy, and immediately start using the software and services that run on AWS.

Visit Anaplan in AWS Marketplace

aws marketplace

Getting Started

Anaplan brings a business-friendly approach to intelligent forecasting, enabling organizations to accurately predict changing demands and ultimately improve ROI. Read more on how Anaplan on AWS brings AI/ML into the hands of the business user to unlock new insights and evolve your forecasting solutions.

Anaplan PlanIQ with Amazon Forecast Solution Brief

Anaplan PlanIQ Datasheet

Intelligent Forecasting with Anaplan PlanIQ Video

About Anaplan

Anaplan (NYSE: PLAN) is a transformative way to see, plan, and run your business. Using our proprietary HyperblockTM technology, Anaplan lets you contextualize real-time performance, and forecast future outcomes for faster, confident decisions. Because connecting strategy and plans to collaborative execution across your organization is required to move business FORWARD today. Based in San Francisco, we have 20 offices globally, 175 partners and more than 1,700 customers worldwide.

To learn more, visit anaplan.com

⅄naplan