Demand Forecasting and Replenishment with Absolute Visibility

**Absolute Value®**

**Comprehensive Forecasting and Replenishment**
In this economic climate, forecasting is a must for distributors, but it alone is not enough. Replenishment that addresses long lead times, across the supply chain, encompassing all warehouse locations, is critical. Absolute Value starts with the statistical and collaborative forecasts and then compares them to time-phased expected inventory to determine where your inventory needs and surpluses are.

Absolute Value identifies inventory need, surplus, and excess across your company, on a daily basis, and gives you the visibility of your entire company when making a buying decision. More than 300 companies use these methods in Absolute Value to reduce inventory levels, transportation costs, and stock outs to improve their return on investment.

“Absolute Value software features a comprehensive set of tools for forecasting the future demand of products, replenishing inventory and analyzing an organization’s inventory investment. It can help distributors in a wide variety of industries achieve the goal of effective inventory management.”
– Jon Schreibfeder, Effective Inventory Management

**Solution for Microsoft® Dynamics™**
Your Microsoft Dynamics implementation represents significant investments in cash and time. Absolute Value was designed to integrate with Dynamics to preserve your current software investment, while upgrading your forecasting and replenishment capabilities. In addition, the Absolute Value User Interface parallels that of the Dynamics platforms, allowing you to leverage your training expenditure as well.

“Absolute Value is flexible and dynamic. Unlike other tools, it isn’t static. The solution grows with you.”
– Paulette Enfante, Supply Chain Manager, Phoenix Mecano, Inc.

**Your Choice: Hosted or On-Premise Deployment**
Absolute Value can be delivered as a Hosted or an On-Premise solution with either Subscription or Perpetual licensing. Both options provide you with a quick and straightforward implementation. Our architecture allows you to focus on the activities that directly impact your business and the ROI you are expecting.

**Absolute Visibility**
Absolute Value delivers the ultimate visibility. It is not a black box, but rather provides drill-down visibility for every calculation. You are provided visibility at the forecast, summary rollup, branch location, collaborative forecast, promotions, and suggested order levels.
Best-Fit Forecast Method
Absolute Value forecasting uses a best-fit formula approach to ensure that the most suitable formula is automatically assigned to each item in each warehouse. The result is an extremely accurate 52 period forecast.

The Total Forecast
The total forecast is made up of the following:
- Statistical formula-based forecast
- Adjustments to the statistical forecast, including promotions
- Collaborative forecast

Forecast Summary
The forecast can be rolled up based on the categories you select, and can be represented in quantity, cost, or price. Adjustments made to any of the forecast summary levels can then be applied as individual adjustments to each item in that level.

Promotions
Promotions are often used to increase sales, but sometimes they serve as the source of future forecast errors. Absolute Value separates the anticipated forecast for promotions, enabling the user to adjust historical usage for promotion-based sales.

Collaborative Forecast
Your large customers can dramatically affect demand unexpectedly. By giving them a way to notify you of their anticipated demand, you minimize both overstocks and stock outs that can impact all of your customers. Collaborative forecasts are only valuable if they are reasonably accurate. Absolute Value compares actual sales to the collaborative forecast to determine the historical accuracy of that forecast.

Vendor Collaboration
Vendor Collaboration creates a collaborative forecast for you to provide to your suppliers. The collaborative forecast shows your anticipated demand of the products that vendors will supply to your company over the coming months.

Replenishment
Even a forecast that is 100% accurate does not solve the whole inventory management problem. Stacking levels, long and short lead times, unanticipated demand, surplus inventory, excess inventory, dead stock, late and early purchase orders, kits, and branch replenishment are only a few of the issues that must be handled each day. Absolute Value places as much emphasis on replenishment as it does on forecasting.

Distribution Requirements Planning (DRP)
In a multi-warehouse environment, it is very important to deploy your inventory in the right warehouse and quantities, based on their respective forecasts and time-phased expected inventory.

This DRP functionality handles both hub and spoke replenishment through the replenishment path, as well as the balancing of inventory across the supply chain for items that are vendor purchased in each location. It is common to have a surplus in one warehouse and a need in another for the same item. Absolute Value creates suggested transfers for both replenishment and inventory balancing. The result is lower overall inventory at the company level and a higher customer service level.

Surplus and Excess Inventory
The system reviews inventory levels for all items in all warehouses to identify surplus and excess inventory. While surplus is more inventory than you need, excess is defined as inventory that may not sell before it is obsolete. These calculations are also available when the purchasing department makes buying decisions.

Suggested Order
The suggested order is automatically created during the overnight process for each vendor. Buyers then use the vendor buying calendar to review the suggested orders before placing their purchase orders. Drill-down capabilities enable buyers to view the calculations for each order quantity.

Containerization
Containerization enables the user to create multiple purchase orders from a single suggested order, one purchase order per container. An option exists to split a line between two or more containers to maximize loading. You can also put multiple suggested orders (vendors) into a single container. Once the container is initialized, you can change quantities or move an item from one container to another.

Alerts
Alerts support management by exception. You are notified of situations before they become a problem, including possible stock outs within lead time and between planned production runs, as well as late purchase orders.

Absolute Visibility
When reviewing the suggested order you have access to:
- Detailed sales history by period
- Total forecast detail
- Time-phased expected inventory
  - On-hand inventory
  - Open sales orders
  - Purchase orders
  - Warehouse transfers
  - Kit components
- Surplus and excess inventory in all warehouses
- Replenishment path of each item
- Detailed calculation lines for each item

About the Company
Absolute Value has extensive roots in the distribution software industry, with specific strength in Forecasting and Replenishment. Constructed of both end-user and software vendor experience, the Absolute Value team bridges a dual perspective on the complex needs of today’s distributors.

Blending this depth of experience with knowledge of state-of-the-art technology and application solutions provides our clients a unique pathway to success.