

Case study

Planning



# Successful Demand Forecasting at dm

## Results

- Precise staff planning with exact sales predictions
- Optimized workflows as well as satisfied employees and customers

## Productivity improvement:

dm chose Blue Yonder in order to predict sales accurately in the individual stores and thus reliably carry out staff planning. In addition to each store's daily sales from the last 10 years, the forecasts consider adjustable parameters, including store hours. Both are necessary to determine the number of employees needed as accurately as possible.

## Challenges:

- Improve cooperation between manufacturer and distribution center to ensure product availability
- Provide valid predictions for industry partners
- Short-term demand for goods in stores vs. long delivery times of industry partners
- Precise sales forecasts, even for exceptional cases like holidays or vacations
- Avoid over- and understaffing

## On optimizing supply of goods with algorithms:

dm utilized Blue Yonder to optimize external product supply. Blue Yonder created demand predictions at SKU level for the distribution centers for 52 weeks. The weekly predictions of article demand were based on 2.5 years of historical data for each particular distribution center. Seasonality was also taken into account. For example, 90% of the sales of perfume and candles were generated in December.





### Accurate sales forecasts:

dm chose Blue Yonder in order to predict sales accurately in the individual stores and thus reliably carry out staff planning. In addition to each store's daily sales from the last 10 years, the forecasts consider adjustable parameters, including store hours. Both are necessary to determine the number of employees needed as accurately as possible. Thus outgoing goods have a significant effect on personnel requirements in a store. Other external data are factored in addition to this, such as pending market days or holidays in neighboring states.

### On demand forecasts:

Blue Yonder delivered precise demand forecasts for dm distribution centers for the next six months. This guaranteed that the expected availability of goods was met in stores, as well as optimized delivery time and manufacturer logistics.

### Solution benefits:

- Using valid predictions to increase security for industry partner planning and ordering
- A basis for long-term raw material planning
- Meeting demands for availability of goods and ending up with less overstock
- Precise staff planning with exact sales predictions
- Optimized workflows as well as satisfied employees and customers

### Blue Yonder's expertise:

“Blue Yonder's forecasting software was the only solution capable of intelligently forecasting the sales per store on a daily basis and the only one to consider external data as additional parameters.”

- Managing Director IT, dm

 Luminate Planning

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