

Planning an Accurate Forecast | 6 Items You'll Need

Are you ready to put together a forecast? We talked to some of our Customer Account Analysts (CAA) to find out what information you'll need to have on hand to build an accurate forecast.

Historical Data

This is your actual sales data for the previous time period that you're forecasting. For example, if you're forecasting the third quarter of 2018 you want to have your actual sales data from the third quarter of 2017.

Projected Data

Your projected sales for the time period you're forecasting. This is less important than historical data because there's always an element of wishful thinking associated with it, but hopefully your projections are based more in reality than in dreams.

Seasonal Factors

Is your ordering affected by seasons (Summer/Winter) or by holidays (Chinese New Year, Tet, Christmas, Easter, Halloween, or other cultural holidays?)

Miscellaneous Factors

Did you recently get a new customer or lose a customer that will cause a change in your ordering? Was there an Act of God event that occurred that will affect the amount you will order? This will be reflected in your forecast. Let your CAA know.

Inventory Requirement

Every customer has an Inventory Requirement amount. This is the amount of product the manufacturer agrees to keep in the warehouse at all times. Be certain this figure matches up with the one your CAA has.

On-Hand Agreement

Every customer has an On-Hand Agreement amount. The number refers to the amount of time the manufacturer will keep your product on hand in the warehouse, usually 30, 60, or 90 days. Do you know what yours is? You should. Check with your CAA to see if the On-Hand Agreement number they have matches the one you have.

Pro Tip:

Your CAA is your secret weapon. Let's face it. The CAA is going to do most of the heavy lifting anyway. If you have questions, ask them! The CAA is there to help. They have dealt with every scenario you can imagine and can help you create a seamless forecast that will keep your business running smoothly with plenty of room to grow.