Accurate sales forecasting increases efficiency and results

Business Intelligence
IBM COGNOS TM1

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IBM

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Alliance Laundry Systems

- Established in 1908

- The #1 commercial laundry manufacturer: washing machines, dryers and ironers

- $690m turnover with 2,500 employees

- Used in laundromats, multi-housing laundries and on-premises laundries

- US (HQ), Belgium, France, Norway, Spain, Czech Rep., Brazil, Hong Kong and China

BUILT FOR RELIABLE PERFORMANCE.

Need for change

- Excel driven

- Time consuming

- Changing product mix

- Moving to a multi-brand offering

- Make-to-order business model

- Sales ownership to increase

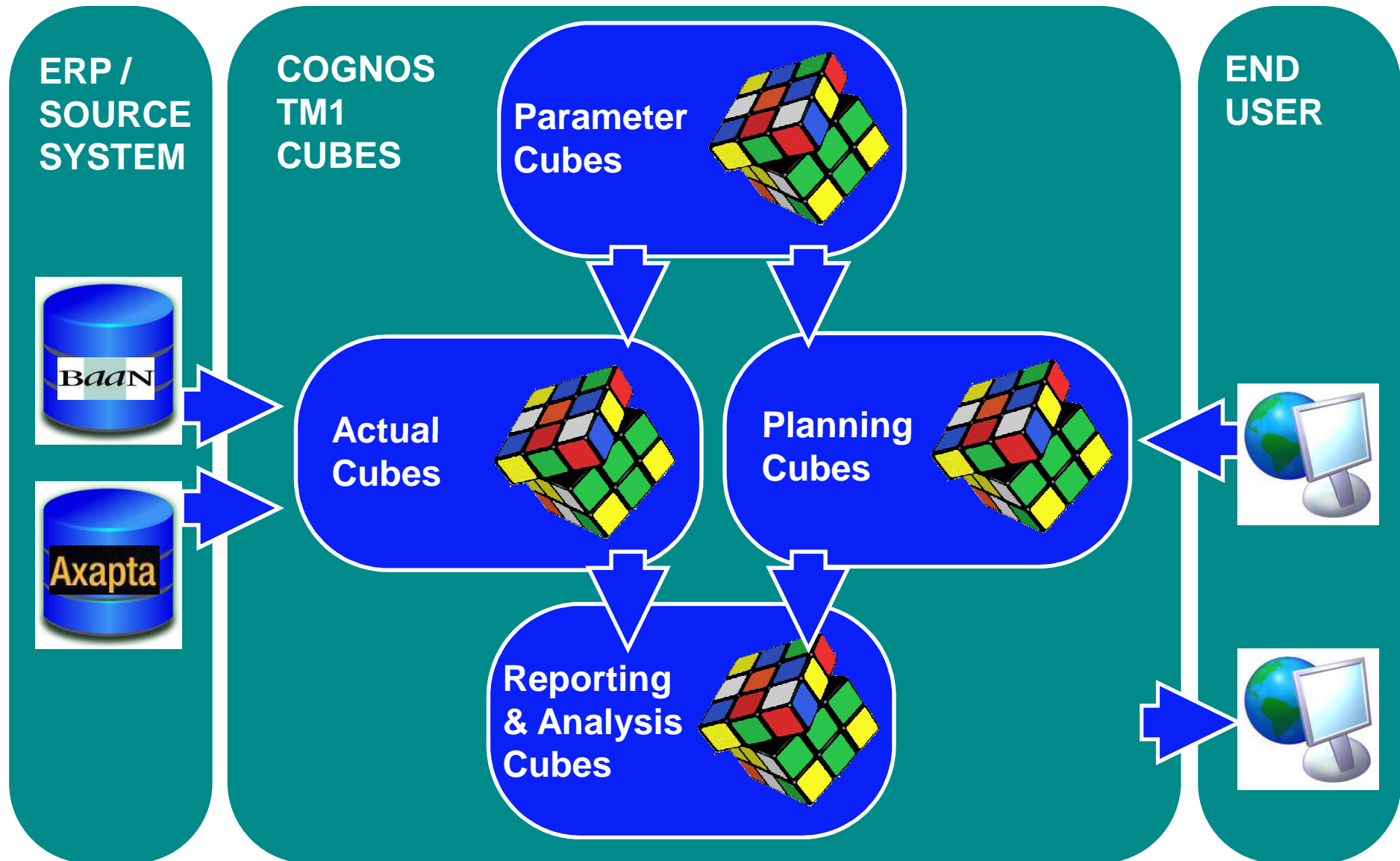- Increasing reporting and analysis requirements

Forecast process

- Rolling monthly sales forecast

- Worldwide customer base

- Sales force geographically dispersed

- Online input by Regional Sales Managers

- Workflow to monitor progress and approvals

- Forecast reviewed

- Forecast reliability measured

- Key input for demand planning, capacity planning, material resource planning, staffing requirements and the financial forecast

System architecture

ERP / SOURCE SYSTEM

COGNOS TM1 CUBES

Parameter Cubes

Actual Cubes

Planning Cubes

Reporting & Analysis Cubes

END USER

Baan

Axapta

Online tool for sales force

Workflow

ALLIANCE INTERNATIONAL - SALES INPUT TEMPLATE (QUANTITIES)

Home

Refresh

Customer overview

Actual - OO product

Actual - OO Customer

Subject: Forecasts June 2014 were submitted
All RSM forecasts for sales director SD5102 have been approved

Subject: Your June 2014 forecast was approved
SD 5102 - John Balman did not add a comment to the approval.

Subject: Forecasting Jur

Subject: 5107 - Diederik Vervenne has submitted the June 2014 forecast
5107 - Diederik Vervenne added a comment to the forecast: Identified new business oportunities with a Polish customer for 100 washing machines

Subject: Your June 2014 forecast was rejected
SD 5102 - John Balman added a comment to the reject: Why did you decrease the sales for our French customers?

	YTD Actuals	Open Orders			Budget	FC Tot YR	FCT	FCT	FCT	FCT	FCT	FCT	FCT	FCT	FCT	FCT	FCT	FCT
	mei/14	mei/14	jun/14	jul/14	Total Year	jun/14	jun/14	jul/14	aug/14	sep/14	okt/14	nov/14	dec/14	jan/15	feb/15	mrt/15	apr/15	mei/15
TOTAL NET SALES EUR	718.279	86.406	86.428	40.740	2.154.581	1.988.778	147.501	149.461	127.483	180.224	229.906	151.958	149.998	181.941	161.610	122.024	149.533	179.431
NET SALES EUR													49.998	181.941	161.610	122.024	149.533	179.431
NET SALES USD													0	0	0	0	0	0
EQUIPMENT	265												56	69	59	46	57	63
SOFTMOUNT	139	18	20	10	387	353	24	24	18	32	40	25	25	30	25	16	24	26
HD-washers (new model 60L-305L)	134	18	20	10	387	348	24	24	18	32	40	25	25	30	24	16	24	25
HF-washers (old model 185L)	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0
HFP-washers (455L - 900L)	4	0	0												0	0	0	1
HARDMOUNT	7	0	0												1	1	1	1
WD-washers (new model 65L - 400L)	7	0	0												1	1	1	1
TUMBLERS	56	9	9	4	150	144	10	10	8	12	16	10	10	18	12	8	12	15
T - Tumblers ALS	56	9	9	4	150	144	10	10	8	12	16	10	10	18	12	8	12	15
IRONERS	8	0	0	1	13	12	0	1	0	1	2	1	0	0	1	1	0	1
CI-ironers	5	0	0	1	6									0	1	0	0	1
RI - RI ironers	3	0	0	0	3									0	0	1	0	0
SFF - Flatwork Finisher	0	0	0	0	4									0	0	0	0	0
SMALL CHASSIS	55	2	5	0	240									20	20	20	20	20
HDS-CWDS8/DD8	55	2	5	0	240	208	20	20	20	20	20	20	20	20	20	20	20	20
SPARES	105.279	9.093	221	18	492.000	419.604	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000	40.000

Workflow

Increase accuracy, reduce input

- **Limited input by sales force:**
  - Aggregated product level
  - By customer
  - Quantities only
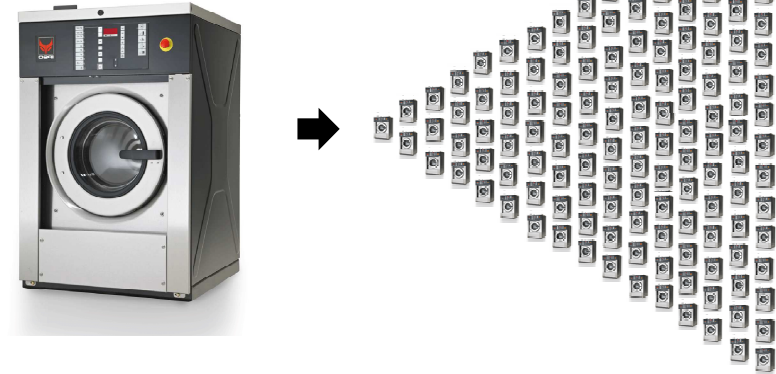
- **Detailed output to the organization by exploding aggregated data using historical reference period**

- **Centrally managed forecast drivers including exchange rates, selling prices and product cost**

- **Helps sales force focus on core business**

- **Increases ownership and improves sales forecast accuracy**

More dedicated sales support

- Daily sales report including open orders

- Sales and margin variances per product, customer, region, sales manager,…

- Waterfall analysis including price, volume and mix impact

- Forecast reliability measures per sales manager

- Exception reporting:
  - negative margins
  - largest price increases and decreases
  - most significant margin variances

How does TM1 work for us?

- Open system

- Scalable

- Import capabilities

- Fast response times

- Intuitive interface

- Excel add-in (but linked to database!)

- Easy to maintain

Accurate forecasting increases results

- Secure database environment

- Less time consuming data gathering resulting in more dedicated sales support

- Able to capture complexity of multi-currency, produced vs. buy and resale, make-to-order and multi-branding strategy

- Overall improvement of forecast accuracy throughout the organization

- Fulfilling organizational needs for actionable information enabling us to make better decisions aimed at meeting company's objectives