PLAYBOOK · DEMAND PLANNING

The Demand Planning Playbook

A step-by-step approach to better forecasts and fewer surprises, from clean data and a solid baseline to events, collaboration and AI-assisted planning.

THE GOAL

Forecasts you can plan against

Demand planning estimates how much of each product customers will want, where and when. A forecast is only useful if supply, inventory and finance can plan against it with confidence. That depends less on a clever model than on a repeatable process: the right data, a sensible baseline, visible assumptions and a habit of measuring what happened.

This playbook sets out six steps. Each step has a clear outcome and a short checklist. You can adopt them in order or use them to find the weakest link in your current process.

1

Prepare

Clean data, product and customer hierarchies, and agreed planning levels.

2

Baseline

A statistical forecast that explains normal demand, trend and seasonality.

3

Adjust

Events, promotions and market signals layered on top of the baseline.

4

Align

Sales, marketing and finance agree the forecast and record assumptions.

5

Measure

Accuracy, bias and value added by each adjustment, reviewed every cycle.

6

Automate

AI-assisted sensing and guided agents flag risk early; planners decide.

STEPS 1 TO 3

Build a forecast you can trust

1 Prepare the data and the planning levels

Outcome: a single, clean history that everyone uses.

- Collect shipment and order history by product, customer and location, and note which one is the best proxy for demand.
- Fix gaps, one-off spikes and product code changes so history reflects real demand.
- Agree the planning levels: for example SKU by location by week for execution, product family by region by month for strategy.

2 Create a statistical baseline

Outcome: an unbiased starting forecast that captures trend and seasonality.

- Segment items by volume and variability so simple items get simple methods and volatile items get more attention.
- Use a small set of well-understood models and let the system pick the best fit per item.
- Treat new products separately using similar-item profiles until history exists.

3 Add events, promotions and market intelligence

Outcome: a forecast that reflects what you know is coming, not only what happened.

- Plan promotions and events as distinct items with expected lift, timing and any cannibalisation or halo effects.
- Capture pricing changes, launches, listings and delistings, and external signals that matter to your category.
- Keep every adjustment visible with an owner and a reason.

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STEPS 4 TO 6

Align, measure and improve

4 Reach a consensus forecast

Outcome: one forecast that sales, marketing, supply and finance all commit to.

- Hold a short, structured review focused on the items and customers that matter most.
- Ask each function for assumptions, not opinions on the number.
- Record the agreed forecast, the assumptions behind it and who owns each change.

5 Measure accuracy, bias and value added

Outcome: you know which steps improve the forecast and which do not.

- Track accuracy at the level supply plans against, and bias to see whether you consistently over- or under-forecast.
- Measure forecast value added: does each manual adjustment beat the statistical baseline?
- Review the largest misses each cycle and fix the cause, not the number.

6 Bring in AI-assisted planning

Outcome: earlier warning and less manual effort, with planners in control.

- Use demand sensing to pick up short-term signals and flag items at risk before they become shortages or excess.
- Let guided planning agents prepare recommendations and explain them; planners review and approve.
- Keep governance in place: every change is traceable and every recommendation can be overridden.

PUT IT TO WORK

Demand planning health check

Area	Question	Status
Data	Is demand history clean and consistent across sources?	☐ Yes ☐ No
Baseline	Does every item have a statistical forecast to start from?	☐ Yes ☐ No
Events	Are promotions and launches planned as separate, visible items?	☐ Yes ☐ No
Alignment	Do sales, supply and finance commit to one forecast?	☐ Yes ☐ No
Measures	Do you track accuracy, bias and forecast value added?	☐ Yes ☐ No
Early warning	Are risks flagged before they affect service or inventory?	☐ Yes ☐ No

Start small. Choose one product family or customer group, run the six steps for two cycles and compare results before extending further.

How Plan Optimus helps

The Optimus Digital Platform brings demand sensing, event and promotion planning and guided agents together in one connected planning environment. Forecasts flow directly into supply, distribution and S&OP, so the plan everyone sees is the plan being executed.

Demand sensing | Event and promotion planning | Guided agents | Audit trail

See it in your own planning data

Book a walkthrough of the Optimus Digital Platform and AI-assisted planning for demand, supply, S&OP and finance.

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