THE TOP 10 KEYS TO DEMAND SIGNAL REPOSITORY EXCELLENCE

The case for building a Demand Driven Value Network (DDVN) is clear: it enables consumer goods companies to leverage external demand data to realize powerful improvements across the enterprise. Early adopters report reduced out-of-stocks and reduced costs, driving significant revenue increases.

According to Gartner, "Becoming demand driven matters. Based on Gartner research, the most advanced demand-driven companies hold one-third less inventory, have 20% better perfect order performance and have lower supply chain costs equal to 5% of revenue. DDVN CP leaders enjoy accelerated revenue, lower inventories and return on assets of +53%, or 1.5 times the consumer products industry average," analyst Steve Steutermann states in Gartner's Supply Chain Strategy for Consumer Products: The Handbook for Becoming Demand Driven, November 2010. "In 2005, we reported that only 1% of companies used customer data as the basis for supply chain planning processes, and that less than 2% of companies had segmented customers based on profitability. Today, progress is not much more evolved, with only 7% to 8% of CP companies exploiting any capability to connect customer data to planning."

Demand-driven companies also start to see benefits well beyond managing inventory, including improved promotions and new product introductions along with stronger relationships with retailers.

But the path to attaining those benefits is less clear and can include significant challenges. The fact is, to reap the maximum benefit from a true DDVN takes commitment and a well-conceived plan which requires a best-in-class Demand Signal Repository (DSR) at the core. Consider these 10 insights for a successful implementation.

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