



Easily Balance Demand and Supply  
Throughout Your Supply Chain

## NetSuite Supply and Demand Planning

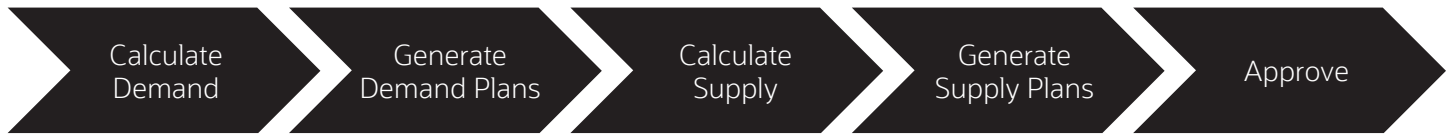


NetSuite Demand Planning supports both demand and supply planning capabilities. NetSuite Supply and Demand Planning helps balance supply and demand in a way that provides businesses the right combination of cost control, accurate lead times and service level. Using inventory management and demand planning techniques combined with a robust scheduling engine and predictive analytics, NetSuite Supply and Demand Planning helps businesses to make informed decisions which ensure product availability while keeping excess inventory to a minimum.

### Key Benefits

- Increase forecast accuracy.
- Eliminate obsolete inventory.
- Ensure product availability.
- Minimize inventory carrying costs.
- Eliminate delays in production due to lack of availability of materials.
- Optimize ordering with planning rules and order pegging.

## The Demand Planning Process



## Demand Planning

NetSuite Demand Planning predicts future inventory needs based on historical demand, seasonality, open opportunities and/or sales forecasts. The demand planning process includes calculating demand, generating demand plans, calculating supply, generating supply plans, and finally executing purchase orders, transfer orders and work orders. By pinpointing when to reorder items and in what quantities, you can optimize stock levels, improve forecast accuracy, and enhance supply chain planning. NetSuite Demand Planning ensures you have the right amount of stock on hand to fill orders without having overstock sitting idle on warehouse shelves.

### • Item Setup

One of the most critical areas to the planning process is defining the parameters that affect each item. This defines the item as being available to demand planning, establishes an alternate source item (if you are trying to plan a new item with no sales history), and establishes which distribution network and category it might belong to if you are using the DRP (distribution resource planning) functionality so that you can transfer inventory between locations. You can also set additional planning parameters that affect either how demand is evaluated or how the planned orders are generated.

**Inventory Management**

USE BINS

DEFAULT ATP METHOD  
Cumulative ATP with Look Ahead

REPLENISHMENT METHOD  
Time Phased

PLANNING ITEM CATEGORY

ALTERNATE SOURCE ITEM

PREFERRED STOCK LEVEL  AUTO-CALCULATE      DAYS

REORDER MULTIPLE

REORDER POINT  AUTO-CALCULATE

PURCHASE LEAD TIME  AUTO-CALCULATE      SAFETY STOCK LEVEL DAYS

SEASONAL DEMAND

EXPECTED DEMAND CHANGE

TRANSFER PRICE  
4.00 per Gal.

ROUND UP QUANTITY AS COMPONENT

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**Locations** • Bin Numbers • Vendors • Quality Specification Context •

PREFERRED LOCATION

VIEW  
On Hand

SUBSIDIARY  
- All -  
- None -  
- Mine -  
- Mine and Descendants -

LOCATION  
- All -  
- None -  
- Mine -  
- Mine and Descendants -

Add Location   Duplicate Multiple Locations   Customize View

ACTION	DUPLICATE	LOCATION	CURRENCY	QUANTITY ON HAND	QUANTITY ON HAND (BASE UNIT)	VALUE	QUANTITY ALLOCATED	QUANTITY COMMITTED	QUANTITY AVAILABLE
Edit	Duplicate	Denver	US Dollar	79	79	373.67			79
Edit	Duplicate	San Francisco	US Dollar	355,15301	355,15301	1,420.61			355,15301
Edit	Duplicate	New Jersey	US Dollar	246,38878	246,38878	985.57	9,72888	9,72888	236,6599
Edit	Duplicate	Boston	US Dollar	454	454	1,702.5			454

**Item Setup**

- **Forecasting**

With the demand planning process, demand can be evaluated and presented in a number of different ways including:

- Linear Regression – Use previous demand to project future inventory based on the ordinary/least-square regression method.
- Moving Average – Use the moving average of historical demand to calculate the overall average stock level needed and then project future stock levels using that overall average.
- Seasonal Average – Use previous demand to examine the seasonal trend of inventory flow and then project a similar seasonal trend for future stock levels.
- Sales Forecast – When using NetSuite for your sales operations, this option uses forward looking sales forecast data (such as opportunities, estimates, etc.) to project inventory demand.

- **Multi-Location Inventory**

Easily define multiple inventory locations with real-time visibility. Locations can be organized hierarchically—for global businesses the country can be defined. During the planning process, the system can be set up to automatically create transfer orders between locations as necessary.

- **Allocation Exceptions Management**

To respond to supply shortages and VIP customers, you can review all sources of supply and order allocations to ensure that high priority sales orders ship complete and on time. To minimize the effect on all orders, the system provides intelligent supply reallocations recommendations designed to take the resources from multiple unallocated orders and fulfill priority orders first. It can also generate alternate recommendations, reducing the time to find, review and execute reallocations and automatically re-aligns the supplies to the affected orders.

The screenshot shows the NetSuite 'Locations' page. At the top, there are navigation options: 'List', 'Search', and 'Audit Trail'. Below this is a 'VIEW' dropdown set to 'By Subsidiary', and buttons for 'Edit View' and 'New Location'. A 'FILTERS' section is visible below the view options. The main part of the page is a table with columns: 'EDIT | VIEW', 'INTERNAL ID', 'SUBSIDIARY', 'NAME #', 'PHONE', 'CITY', 'STATE/PROVINCE', and 'COUNTRY'. The table contains 16 rows of location data. At the bottom of the screenshot, the text 'Multi-Location Inventory' is displayed.

EDIT   VIEW	INTERNAL ID	SUBSIDIARY	NAME #	PHONE	CITY	STATE/PROVINCE	COUNTRY
Edit   View	1	United States	Boston		Boston	MA	US
Edit   View	3	United States	Boston MRB		Boston	MA	US
Edit   View	10	United States	Boston Quarantine				US
Edit   View	7	United States	Boston Receiving Inspection		Boston	MA	US
Edit   View	13	United States	Denver		Denver	CO	US
Edit   View	6	United Kingdom	London		London	London	GB
Edit   View	14	United States	New Jersey		Eatontown	NJ	US
Edit   View	12	United States	Outside Processing		Greensboro	NC	US
Edit   View	2	United States	San Francisco		San Francisco	CA	US
Edit   View	4	United States	San Francisco MRB		San Francisco	CA	US
Edit   View	11	United States	San Francisco Quarantine				US
Edit   View	8	United States	San Francisco Receiving Insp.		San Francisco	CA	US
Edit   View	5	Canada	Toronto		Mississauga	ON	CA
Edit   View	9	United States	Vendors		Akron	OH	US
Edit   View	17	United States	Vendor: Blast o Matic		Henderson	NV	US
Edit   View	15	United States	Vendor: CoaterUp Custom Coatings		El Reno	OK	US

## Supply Planning

NetSuite Supply Planning determines how to best fulfill demand plan requirements to balance supply and demand and fulfill customer orders as promised. The objective is to balance supply and demand to achieve your organization’s financial and service objectives. Supply plans generate a recommended schedule for purchasing or manufacturing items and list the recommended purchase orders and work orders based on lead times and expected demand. This all ensures products are available to fulfill customer orders.

NetSuite Supply Planning takes demand plans and generates them into purchase, work and transfer orders to ensure product is available to fulfill customer orders using three planning methodologies:

## Reorder Points

Using Reorder Points, NetSuite generates a purchase order, work order or transfer order to restore inventory to the preferred stock level when it falls below the minimum threshold, referred to as the reorder point. When set to auto calculate, NetSuite will consider historical data values such as item demand from sales, lead time from the suppliers, and company-defined safety stock to define the reorder point.

## Timed-Phased Planning

NetSuite Time-Phased Planning is used to plan demand when the repurchasing cycle is known. If a supplier always delivers on a particular day of the week, it makes sense to plan for this material based on the cycle in which it is delivered. In this case, NetSuite can calculate all supply needed to cover demand in the current cycle and it can be ordered and delivered together. You will not be able to reorder until the following delivery date.

**All Locations Date-Based View**

PLANNING PERIOD SIZE: Monthly

ITEM: SAF200	PAST DUE	03/01/2022	04/01/2022	05/01/2022	06/01/2022	07/01/2022	08/01/2022	09/01/2022
<i>Item Forecast</i>			0	0	0	0		
<b>Unconsumed Forecast</b>								
<i>Sales Orders</i>		10	5		16			
<i>Planned Transfer Orders</i>								
<i>Transfer Orders</i>								
<b>Total Demand</b>	0	10	5	0	16	0	0	0
<i>Parent Planned Work Orders</i>								
<i>Parent Work Orders</i>								
<b>Production Requirements</b>	0	0	0	0	0	0	0	0
<b>Projected Gross Requirements</b>	0	10	5	0	16	0	0	0
<i>Current Item Purchase Orders</i>								
<i>Current Item Work Orders</i>								
<i>Current Item Transfer Orders</i>								
<b>Scheduled Receipts</b>	0	0	0	0	0	0	0	0
<b>Safety Stock</b>	110							
<b>Projected Available Balance</b>	54	44	39	39	23	23	23	23
<b>Adjusted Available Balance</b>	54	50	45	45	29	29	29	29
<i>Firm Planned Order</i>								

**Supply Plans**

## Material Requirements Planning

NetSuite Material Requirements Planning, commonly referred to as MRP, gives businesses visibility into inventory requirements needed to meet demand, helping your business optimize inventory levels and production schedules. One of the standard methods for balancing supply and demand, NetSuite MRP accelerates the production process by determining what raw materials, components and subassemblies are needed, and when, to assemble finished goods based on demand and bill of materials (BOM).

NetSuite MRP increases supply planning insight and efficiency, enabling businesses to efficiently manage inventory, schedule production, and deliver the right product—on time and at optimal cost.

- **What-If Scenario Planning**

What-if analysis gives you the tools to understand how to best use your inventory. Using scenario planning, businesses can mock-up multiple

scenarios and identify if it's possible to speed up delivery by, for example, making changes to where goods ship from and when. With NetSuite MRP, you can set supply planning criteria, including the planning horizon, included items, locations and planning rules at the plan level vs. the item level. This allows businesses to build multiple hypothetical plans and run what-if scenarios to understand how changes will affect inventory levels and their ability to meet demand.

- **Planners Workbench**

The Planners Workbench helps users highlight situations that require attention, allowing them to prevent both shortages and excess supplies, and provides what-if analysis capabilities for simulating multiple plans. By focusing on actions, exceptions, aggregation and execution, planners can monitor, firm up or release orders for approval and aggregation; review and accept action/exception messages individually or in bulk;

The screenshot displays the NetSuite Planning Workbench interface. At the top, it shows the title "Planning Workbench" and navigation links for "Plan List" and "Event Log". Below this, there are several status and filter fields: "SUPPLY PLAN DEFINITION Fan - Buy", "REPOSITORY REFRESHED 03/07/2022 9:11 am", "DATE RANGE 03/07/2022 To 03/02/2023", "PLANNING HORIZON 03/07/2022 - 03/02/2023", and "RESULTS GENERATED 03/07/2022 9:12 am".

The main interface is divided into several sections:

- ITEM FILTERS:** Includes "PLANNING WORKBENCH VIEW" (Set to "Select View"), "REPLENISHMENT METHOD" (Set to "All Methods"), "PLANNING ITEM CATEGORY" (Set to "All Categories"), and "ITEM" (Set to "All Items").
- MESSAGE / ORDER FILTERS:** Includes "ACTION TYPE" (Set to "All Actions"), "EXCEPTION TYPE" (Set to "All Exceptions"), "SUPPLY TYPE" (Set to "Transfer Order" and "Planned Work Order"), and "DEMAND TYPE" (Set to "All Demand").
- Viewing Results for ALL ITEMS:** A table with columns for "Action", "Exception", "Supply", and "Demand". The "Supply" column is currently selected.

The table shows the following data:

Item	Start Date	End Date	Firm	Item	Location	Source
<input checked="" type="checkbox"/> SUPPLY						
<input checked="" type="checkbox"/> Planned Purchase Order #32905	03/07/2022	04/06/2022	<input type="checkbox"/>	BLD200 : Fan Blade	San Francisco	China Manufacturer
<input checked="" type="checkbox"/> Planned Purchase Order #32902	03/07/2022	05/06/2022	<input type="checkbox"/>	CAP200 : SMT Capacitor 3216	San Francisco	China Manufacturer
<input checked="" type="checkbox"/> Planned Purchase Order #32903	03/07/2022	03/07/2022	<input type="checkbox"/>	FWH200 : Fan Wire Harness	San Francisco	China Manufacturer
<input checked="" type="checkbox"/> Planned Work Order #32904	03/07/2022	03/12/2022	<input type="checkbox"/>	SAF200 : Solar Attic Fan (Integrated Panel)	San Francisco	

and gain visibility into the allocation of demand to supply. The analysis is delivered in a logical layout that supports the decision-making process. NetSuite MRP offers full pegging support, so planners are also able to drill into supply and demand across locations for an item.

- **Supply Allocation**

As a part of the supply allocation functionality, you're able to allocate inventory that has already been received, and also inventory that you anticipate receiving, whether that's on a work order, transfer order or purchase order. You're also able to allocate inventory that's coming in on an inbound shipment, which is basically a collection of purchase orders that are managed on an individual shipment basis. This allows customer service reps validate supply and identify the earliest date an order can be filled.

- **Allocation Exceptions Management**

To respond to supply shortages and VIP customers, sources of supply and order allocations can be reviewed to ensure highest priority sales are fulfilled first. To minimize the effect on all orders, the system provides intelligent supply reallocation recommendations, designed to take the resources from multiple unallocated orders and fulfill priority orders first.

System generated reallocation recommendations reduce the time to find, review and execute reallocations. After you accept a recommendation, the system automatically re-aligns the supplies to the affected orders. However, if the generated recommendations are not suitable, you can generate a new set of allocation recommendations. You can then review reallocation scenarios until you define a solution. After you approve an allocation, the system returns you to the order.

**Order Items** More

LOCATION:

VENDOR:

INCLUDE ITEMS WITH NO PREFERRED VENDOR

INCLUDE ITEMS WHERE VENDOR IS NOT PREFERRED

PARENT ITEM:

MINIMUM QUANTITY:

TO BE PRINTED

TO BE EMAILED

TO BE FAXED

TOTAL: 0.00

Time Phased Items | Reorder Point Items | **Planned Orders** | Blanket PO Items

ORDER START DATE:  ORDER END DATE:

<input type="checkbox"/>	PLANNED ORDER #	SUPPLY PLAN DEFINITION	ORDER DATE	RECEIPT DATE	ITEM	DESCRIPTION	QUANTITY	UNITS	LOCATION	DEPARTMENT	CLASS	VENDOR	C
<input type="checkbox"/>	3708	Fan - Buy	09/28/2020	11/27/2020	CAP200 SMT Capacitor 3216	SMT Capacitor 3216	2,500	Ea	San Francisco	Production	Industrial Electronics	China Manufacturer	US
<input type="checkbox"/>	3716	Fan - Buy	08/28/2020	09/27/2020	BLD200 Fan Blade	Fan Blade	168	Ea	San Francisco	Production	Industrial Electronics	China Manufacturer	US
<input type="checkbox"/>	4306	Fan - Buy	09/29/2020	11/28/2020	CAP200 SMT Capacitor 3216	SMT Capacitor 3216	2,500	Ea	San Francisco	Production	Industrial Electronics	China Manufacturer	US
<input type="checkbox"/>	4307	Fan - Buy	09/29/2020	09/29/2020	PWH200 Fan Wire Harness	Fan Wire Harness	152	Ea	San Francisco	Production	Industrial Electronics	China Manufacturer	US

**Order Execution**

