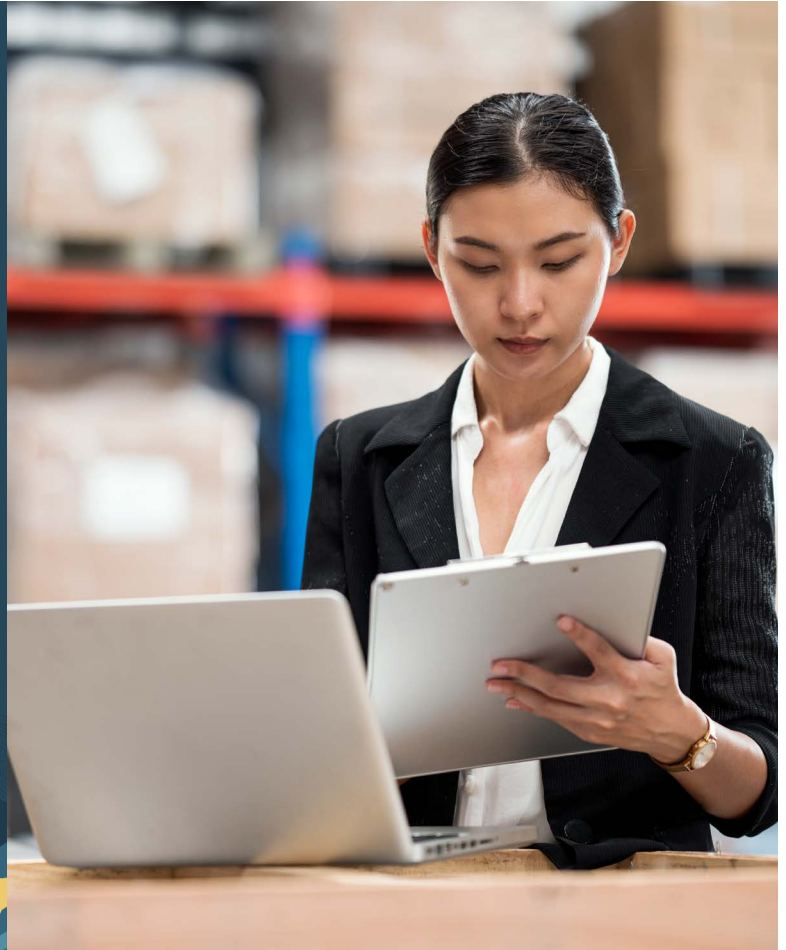




Easily Balance Demand and Supply  
Throughout Your Supply Chain

## NetSuite Supply and Demand Planning

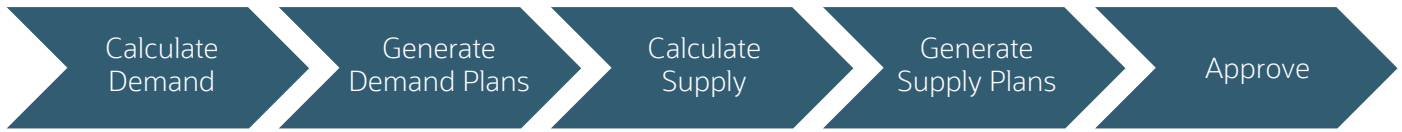


NetSuite Demand Planning supports both demand and supply planning capabilities. NetSuite Supply and Demand Planning helps balance supply and demand in a way that provides businesses the right combination of cost control, accurate lead times, and service level. Using inventory management and demand planning 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.
- Minimise inventory carrying costs.
- Eliminate delays in production due to lack of availability of materials.
- Optimise 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 optimise 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 -

Buttons: 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 organised 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 minimise the effect on all orders, the system provides intelligent supply reallocations recommendations designed to take the resources from multiple unallocated orders and fulfil 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.

| 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      |

## Multi-Location Inventory

## Supply Planning

NetSuite Supply Planning determines how to best fulfil demand plan requirements to balance supply and demand and fulfil customer orders as promised. The objective is to balance supply and demand to achieve your organisation'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 fulfil customer orders.

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

### 1. 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.

### 2. 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 |  |
| Item Forecast                       |          |            | 0          | 0          | 0          | 0          |            |            |  |
| <b>Unconsumed Forecast</b>          |          |            |            |            |            |            |            |            |  |
| Sales Orders                        |          | 10         | 5          |            | 16         |            |            |            |  |
| Planned Transfer Orders             |          |            |            |            |            |            |            |            |  |
| Transfer Orders                     |          |            |            |            |            |            |            |            |  |
| <b>Total Demand</b>                 | 0        | 10         | 5          | 0          | 16         | 0          | 0          | 0          |  |
| Parent Planned Work Orders          |          |            |            |            |            |            |            |            |  |
| Parent Work Orders                  |          |            |            |            |            |            |            |            |  |
| <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          |  |
| Current Item Purchase Orders        |          |            |            |            |            |            |            |            |  |
| Current Item Work Orders            |          |            |            |            |            |            |            |            |  |
| Current Item Transfer Orders        |          |            |            |            |            |            |            |            |  |
| <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         |  |
| Firm Planned Order                  |          |            |            |            |            |            |            |            |  |

## Supply Plans

### 3. 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 optimise 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; 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.

The screenshot displays the NetSuite Planning Workbench interface. At the top, it shows 'SUPPLY PLAN DEFINITION Fan - Buy', 'REPOSITORY REFRESHED 03/07/2022 9:11 am', and 'DATE RANGE 03/07/2022 To 03/02/2023'. Below this, 'PLANNING HORIZON 03/07/2022 - 03/02/2023' and 'RESULTS GENERATED 03/07/2022 9:12 am' are visible. The 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'). A location filter is set to 'United States'.
- 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 t'), and 'DEMAND TYPE' (Set to 'All Demand').
- Viewing Results for ALL ITEMS:** A table showing supply orders with columns for 'SUPPLY', 'START DATE', 'END DATE', 'FIRM', 'ITEM', 'LOCATION', and 'SOURCE'. The table is filtered to show 1 of 1 results (Total: 4).

| SUPPLY  | START DATE | END DATE   | FIRM                     | ITEM  | LOCATION      | SOURCE             |
|---|------------|------------|--------------------------|---|---------------|--------------------|
| <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 |                    |

### Planning Workbench

- **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 minimise the effect on all orders, the system provides intelligent supply reallocation recommendations, designed to take the resources from multiple unallocated orders and fulfil 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.

The screenshot displays the 'Order Items' page in NetSuite. It includes a 'Submit' button, filters for 'LOCATION' and 'VENDOR', and checkboxes for 'INCLUDE ITEMS WITH NO PREFERRED VENDOR' and 'INCLUDE ITEMS WHERE VENDOR IS NOT PREFERRED'. A 'MINIMUM QUANTITY' field and checkboxes for 'TO BE PRINTED', 'TO BE EMAILED', and 'TO BE FAXED' are also visible. The main table shows four planned orders:

| PLANNED ORDER # | SUPPLY PLAN DEFINITION | ORDER DATE | RECEIPT DATE | ITEM                      | DESCRIPTION        | QUANTITY | UNITS | LOCATION      | DEPARTMENT | CLASS                  | VENDOR             | CURRENCY |
|-----------------|------------------------|------------|--------------|---------------------------|--------------------|----------|-------|---------------|------------|------------------------|--------------------|----------|
| 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       |
| 3716            | Fan - Buy              | 08/28/2020 | 09/27/2020   | BLD200 Fan Blade          | Fan Blade          | 168      | Ea    | San Francisco | Production | Industrial Electronics | China Manufacturer | US       |
| 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       |
| 4307            | Fan - Buy              | 09/29/2020 | 09/29/2020   | FHW200 Fan Wire Harness   | Fan Wire Harness   | 152      | Ea    | San Francisco | Production | Industrial Electronics | China Manufacturer | US       |

## Order Execution

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