

# ForecastPRO<sup>®</sup>

## Forecast Pro XE Version 6: What's New *The best keeps getting better!*

During the 20+ years since the introduction of Forecast Pro, we have been continually improving the product and expanding its functionality as the software has been constantly "road tested" by tens of thousands of users worldwide. Responding to customer requests (even the tough ones!) helps to keep us on our toes to ensure that the enhancements we make will help to solve the real challenges you face as business forecasters. We are pleased to provide you with highlights of some of the new features in **Forecast Pro XE Version 6**.

### New product forecasting

Since creating accurate forecasts for new products requires different approaches than those used for existing products, we've added several brand new features in **Forecast Pro XE Version 6** specifically designed for new product forecasting. You can choose the method(s) best suited to create your forecasts based on the profile of your new products and availability of other relevant data.

#### Item Supersession

When a new product is introduced as a replacement for an existing product, the demand history for the existing product is very relevant for creating a forecast for the new product. Using the new item supersession feature, you can map history for old, obsolete products into new, active products directly in **Forecast Pro XE Version 6**.

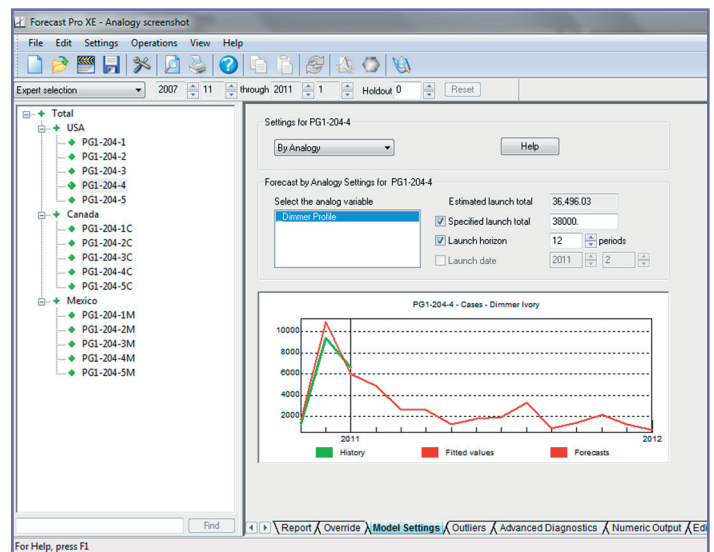
#### The Bass diffusion model

**Forecast Pro XE Version 6** implements the well-respected Bass diffusion model to create forecasts for new products. The Bass model forecasts the spread of a new technology, product or method based on the adoption rates of two types of users—innovators who are driven by their desire to try new products and imitators who are primarily influenced by the behavior of their peers.

This S-shaped model can be used with or without any sales data that you may have for the new products.

#### Judgmental forecasting

Forecasters often use judgmental techniques to create forecasts for new products. In **Forecast Pro XE Version 6**, items with no history can now appear on the Navigator with associated "zero" forecasts, allowing you to generate forecasts for these items and to make judgmental adjustments via the override facility.



In this example, the forecast for a new part is created using the **forecast by analogy** method and the following inputs: product profile; sales history; expected launch total and launch horizon.

#### Forecast by Analogy

One way to predict the sales of a new product is to choose an existing product or product profile which "looks like" the new product in terms of the expected demand pattern for sales of the product. Using the new forecast by analogy method, once you have identified an analogous product or product profile, **Forecast Pro XE Version 6** will generate a forecast for the new product.

Further, if any of the following information is available, it can be input into the model:

- Sales history for the new product (even if limited data are available)
- Expected total sales of the new product over a specified horizon

# Enhanced forecast overrides

We know how important adding judgment to “baseline” statistical forecasts can be for increasing forecast accuracy, so we’ve added new features to **Forecast Pro XE Version 6** to allow you to easily create, view and retain overrides.

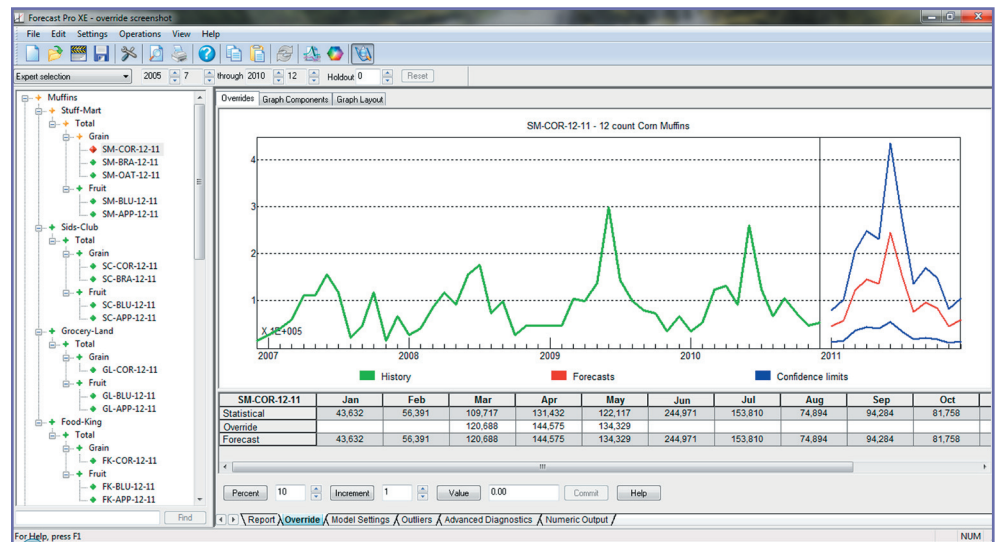
The Override Forecasts display now includes three rows which document how the forecasts have evolved:

**Statistical:** this row shows the statistically-generated forecast.

**Override:** this row displays any overrides that you have entered.

**Forecast:** this row documents the final forecasts.

**Forecast Pro XE Version 6** allows you to save each of these rows to document your changes. If you are in an environment where your forecasts are updated routinely (for example, monthly) you can load previous overrides into the current forecast, eliminating the need to re-key any of the prior changes.



In this example, the forecaster adds judgment to increase the statistical forecast for the months of March through May by 10%. These new values are documented in the “Override” row and appear in the “Forecast” row as the final numbers forecasted for those months.

# Improvements throughout the software

In addition to the changes above, **Forecast Pro XE Version 6** is packed with numerous other improvements including:

**Enhanced database support.** **Forecast Pro XE Version 6** supports reading and writing to/from transaction-style databases via ODBC. This format is generally much easier to use compared to the format found in Forecast Pro XE Version 5 (which is still supported) and allows you to use attribute fields to define hierarchies.

**Thumbnail graphs.** The Model Settings tab now features small “thumbnail” graphs to help you visualize how the forecast changes as you change the model settings.

**Expanded safety stock reports.** These reports now include DDLT (demand during lead time) and reorder points, and you can output your results based on customizable lead times.

**More flexible reporting options.** We’ve expanded the range of information that can be included in numeric output files and given you greater control over how your reports are formatted. Two new statistics have also been added—the sMAPE and the MAD/Mean ratio, which are well-suited for low-volume data.

**Refined interface.** The “curtain” menus now feature visible tabs, a more intuitive format that will be familiar to Excel users.

**Improved Expert Selection logic.** Working closely with our customers and their data, we are continually improving the automatic forecasting methodology in our software.