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Blending Analytical and Marketing Forecasts for Effective Supply Chain Execution

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ABSTRACT

Given today's information explosion, 'data' has become a valued asset that can drive business intelligence. Advanced computing power and storage technologies have made huge volumes of information not only accessible but available for performing complex analytics.

Tapping into this information base will allow an organization to better understand its business and more effectively predict customer demand. For a company like Cisco which delivers a broad spectrum of products to diverse customer types across many geographical regions, this information is paramount. Advanced analytics can uncover meaningful relationships within all corporate data and allows us to better understand: What actually drives customer demand? Can we leverage information across customers or geographic region to increase revenue? Are we missing opportunities to gauge the demand for the next big thing?

However, it has been shown that the effective combination of both analytics and specific domain knowledge results in the highest level of accuracy for predicting demand. This type of qualitative forecasting allows for the inclusion of domain expertise, managerial insight and business acumen in the process. This forecast process results in a better demand and supply plan and cascade performance improvement throughout supply chain metrics.

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