

# INVENTORY FORECASTING

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Forecasting by product involves setting **estimated quantities of product to be sold** during a given time frame. The forecasted quantities are used during the course of the season to help project where the inventory risk may be (not having enough, or having too much left over).

You may be long on inventory (too much), or short (not enough) when taking into consideration the:

- Quantity on hand
- Ordered Amount on Purchase Orders
- Committed Amount on Work Orders
- Remaining Forecast (calculated by taking Forecast for the time frame *less* Sales for the time frame *less* WO remaining)

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## Forecast Example

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Your company projects that you will sell 1,000 MT of a certain product in the Spring. You have 200MT on hand right now, 300 on order with the supplier, 400 remaining in work orders, and so far this Spring you have sold 100... your long/short position would look like this:

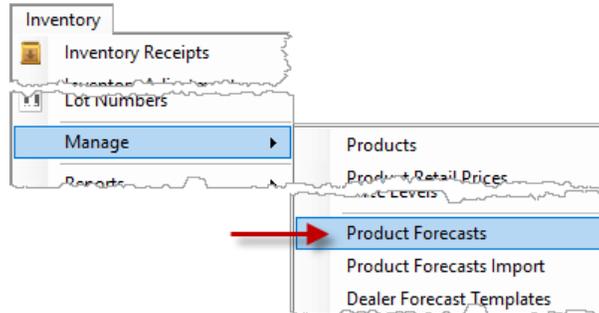
- $200(\text{Qty on Hand}) + 300(\text{Ordered}) = 500 \text{ available}$
- $500 \text{ (available)} - 400(\text{Committed}) = 100 \text{ uncommitted}$
- $1000(\text{forecast}) - 100(\text{ytd sales}) - 400(\text{Committed}) = 500 \text{ remaining forecast}$   
(if negative, s/b set to 0)
- $100(\text{uncommitted}) - 500(\text{remaining forecast}) = -400 \text{ (long/short; when negative, it means short)}$

# Entering Forecasts

There are two ways to enter your inventory forecasts: manually or by exporting/importing.

## 1. Manually Entering Product Forecasts

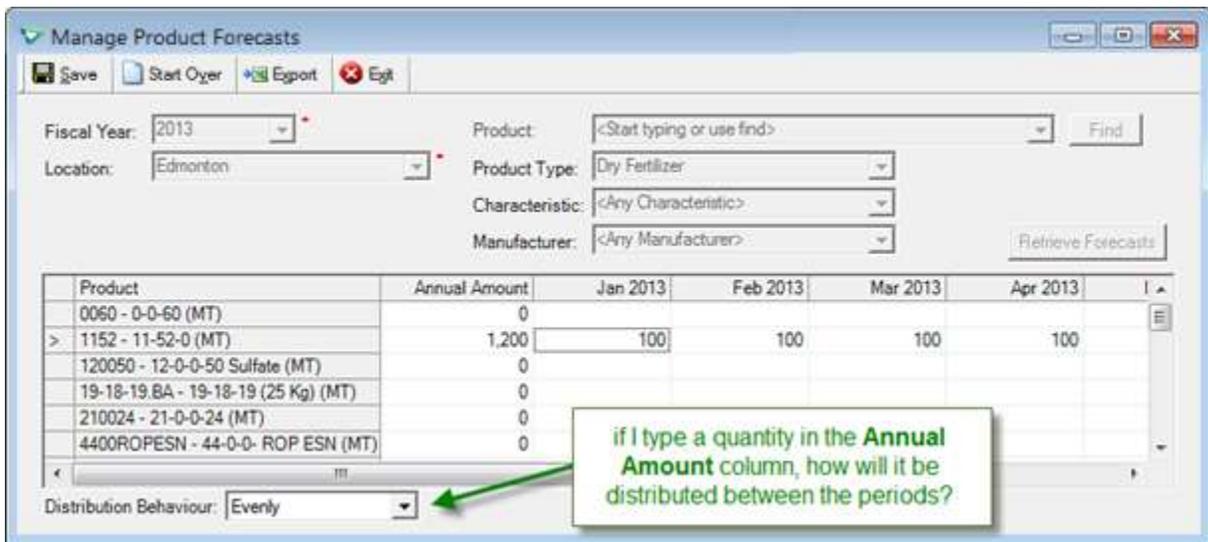
Manual forecasts are entered here:



Inventory > Manage > Product Forecasts

Forecasts are **per product, per location, per period** (forecasting uses the same periods that budgets use). For each product/location/period, a **forecast quantity** (measured in main unit type) can be stored.

Starting with a **given fiscal year**, a **location** (*all locations* as a possible choice, for those with access to <Company>), and a **selection of the active inventory products**, a forecast can be setup by clicking **Retrieve Forecasts**.



Inventory > Manage > Product Forecasts

### Note

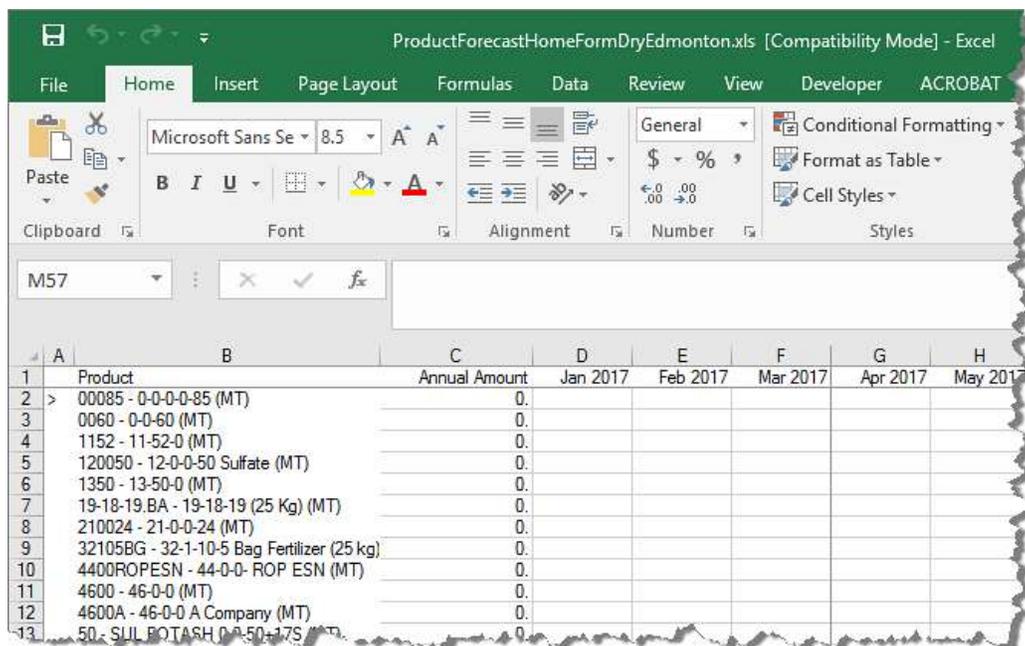
If a single product is selected through the product combofind, then the dropdowns for the product type, product characteristics, and product manufacturer are no longer available, in order to avoid conflicts.

If you'd find it easier to plan off-line, use the **Export** button in the menu bar to create a spreadsheet (that looks just like the Manage Forecasts window) to enter the values in Excel, then come back and transcribe them into agrē.



Inventory > Manage > Product Forecasts

**Note** Remember to **save the export file to a LOCAL drive** or network so that it's available to programs (like Excel) outside of agrē.

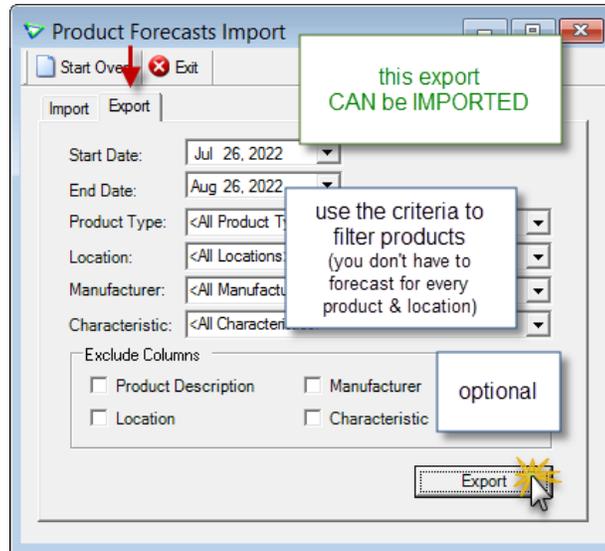


## 2. Exporting/Importing Product Forecasts

Instead of typing the forecasted values manually into agrē you can export the forecast values to a *different* Excel spreadsheet where the numbers can be more easily manipulated, then those values can be imported back into agrē.

### Product Forecast Export

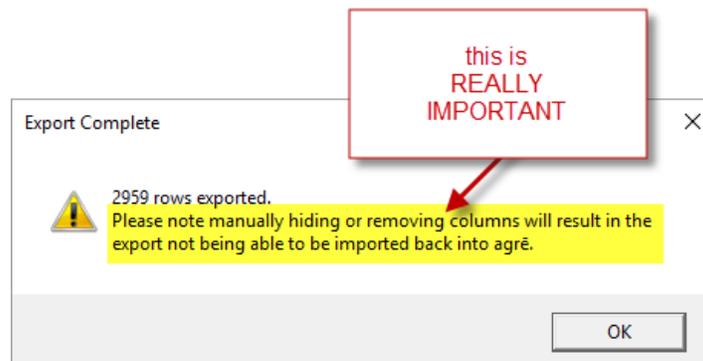
Use the **Product Forecast Worksheet** export to create a file that can later be imported back into agrē (inactive products will not be included).



Inventory > Manage > Product Forecasts Import > Export tab

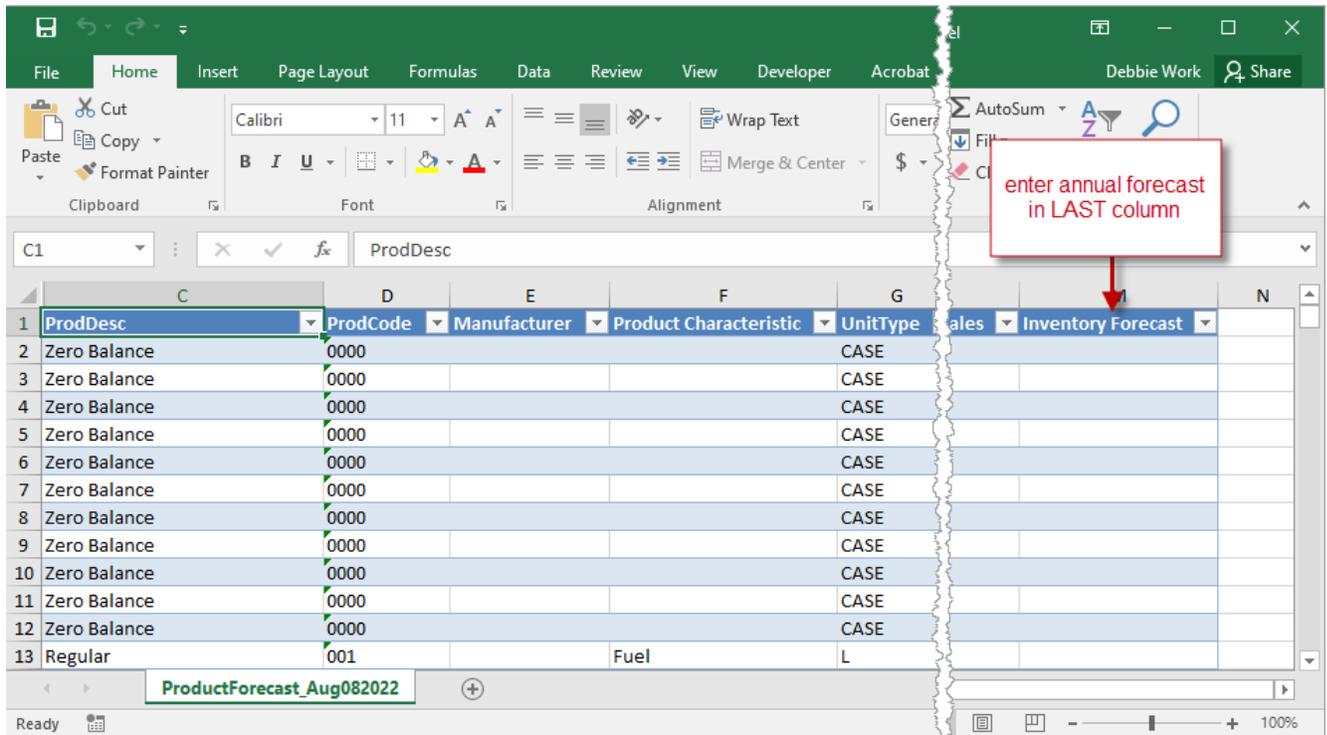
**Tip** **Exclude Columns** - any checked columns will *not* be included in the export file.

**Note** Remember to **save the export file to a LOCAL drive** or network so that it's available to programs (like Excel) outside of agrē.



## Filling in the Inventory Forecast Worksheet

In a spreadsheet program like Microsoft Excel, add your product forecast values to the **last column: Inventory Forecast**.



don't change data in other columns – agrē needs that information to import the spreadsheet and allocate your forecasts correctly

**Caution** If the data in other columns is changed, or any rows/columns are removed or added, the file may not import correctly.

The Inventory Forecast **must be a numeric value**. If the column contains invalid characters (for example, any text characters or letters), you will receive an error message when trying to import the file.

Depending on the options you select when you are importing the forecasts, the **Inventory Forecast** value can have more than one meaning, but it **must mean the same thing** for all products on the same worksheet.

**The Inventory Forecast value you enter on the spreadsheet can mean:**

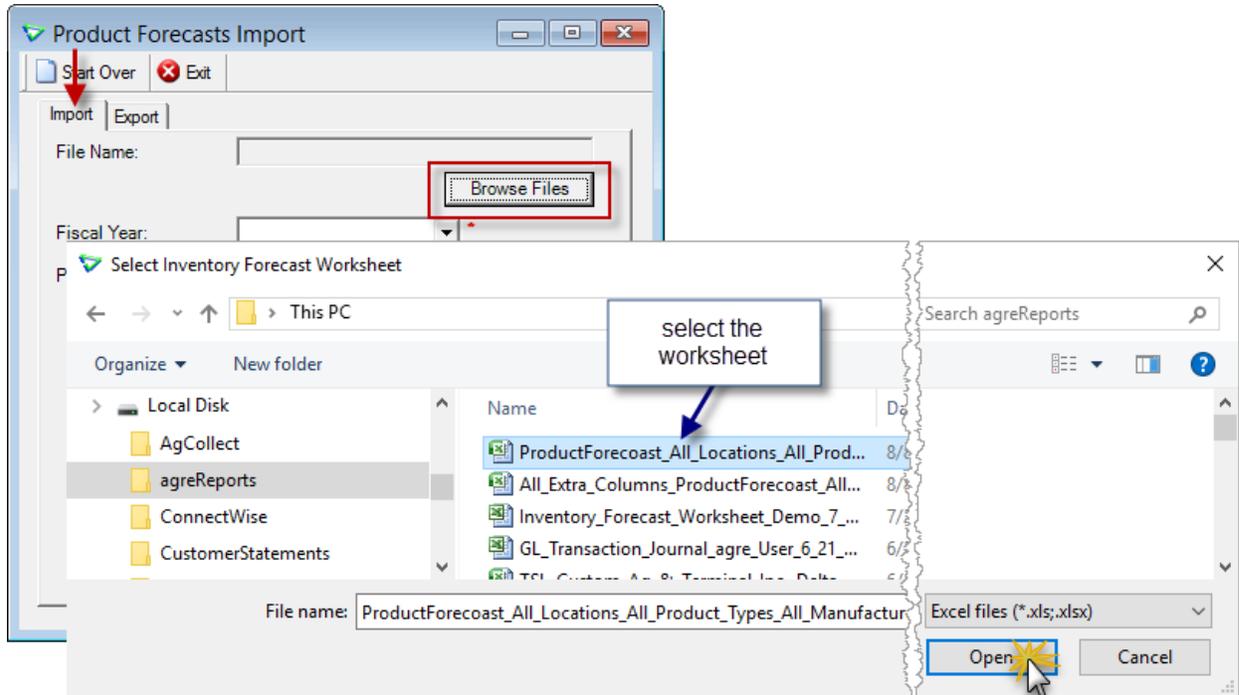
- the total forecasted amount for a single period
- the amount forecasted for *each* of multiple periods
- the total forecasted amount for multiple periods (to be distributed evenly between them)

Once the forecasted values have been entered, save the spreadsheet. The forecasts can now be imported into agrē.

## Product Forecast Import

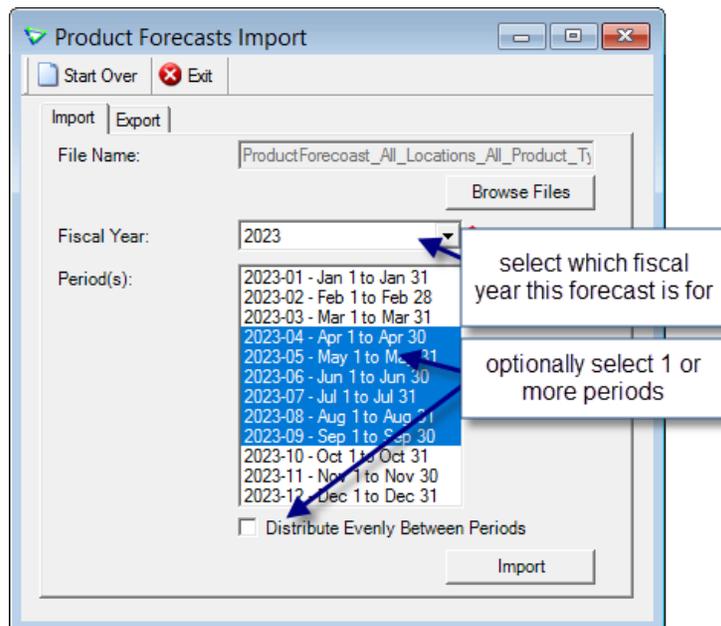
When the worksheet is complete head back to agrē to import it.

Click **Browse Files**, navigate to where the worksheet is saved, and **open** it.



Inventory > Manage > Product Forecasts Import > Import tab

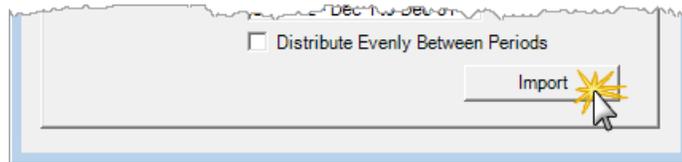
Select the **Fiscal Year** and the **Period(s)** will display automatically.



If the forecast worksheet contains values just for certain **Period(s)**, select just those periods.

- if a **single period** is selected: the Inventory Forecast value will be used for the one selected period
- if **multiple periods** are selected, you have the option to distribute the Inventory Forecast value evenly into the selected periods
  - if **Distribute Evenly Between Periods** is **not checked** (this is the default), the same Inventory Forecast value will be used for *each* of the selected periods
  - if **Distribute Evenly Between Periods** is **checked**, the Inventory Forecast value will be divided by the number of periods selected, and that value will be used as the forecast for each period

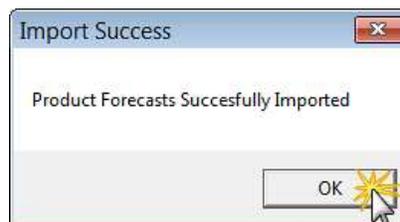
Click **Import** to bring the values from the worksheet into agrē.



agrē warns you that any values you have entered manually already are about to be overwritten by the values imported from the spreadsheet. Select **Yes** to continue.

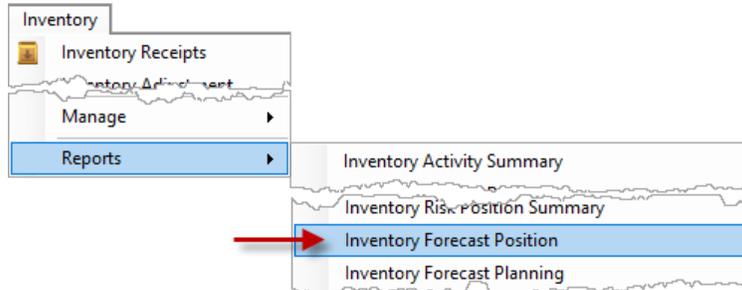


Click **OK** to acknowledge the import is complete.



# Inventory Forecast Position Reporting

The **Inventory Forecast Position** report shows the inventory forecast position of your inventory.



## Criteria Form:

A screenshot of the 'Inventory Forecast Position' criteria form. The form has a title bar with 'Inventory Forecast Position' and standard window controls. Below the title bar are buttons for 'Preview', 'Start Over', and 'Exit'. The form contains several input fields: 'Location' (dropdown menu with 'Edmonton' selected), 'Forecast Range Start' (dropdown menu with 'Jan 01, 2024' selected), and 'Forecast Range End' (dropdown menu with 'Dec 31, 2024' selected). Below these is a 'Select Products' section with a dropdown menu containing '<Single Product: Start Typing or use Find>' and a 'Find' button. Underneath are four more dropdown menus: 'Product Type', 'Characteristics', 'Product Group', and 'Manufacturer'. At the bottom of this section are 'More Options' and 'UPC' buttons. Below the product selection section is a list of checkboxes: 'Only show potential shortfalls' (unchecked), 'Suppress Neutral Products' (checked), 'Also Show Products Below Minimum' (unchecked), 'Show Forecast Remaining Breakdown' (unchecked), 'Itemize Prepaid Commitments' (unchecked), 'Roll Locations to Customer Home Location' (unchecked), 'Include Manufactured' (checked), and 'Allow Negative Forecast Remaining' (unchecked).

A location and a forecast date range must be selected. Using the Select Products **More Options** multi-find control makes it possible to select only the specific products you want see.

Check **Only show potential shortfalls** to limit the data to only products that have a potential shortfall at the given location. If multiple locations are being shown, then if there is a shortfall at any location show the rows for all applicable locations. A shortfall is when (Qty on hand + On Order – Committed) is less than zero.

Check **Suppress Neutral Products** to hide any products where related activity is 0 (i.e. on hand quantity, on order quantity, committed quantity, forecast remaining are all zero and there is no minimum level violation). This checkbox is disabled when the 'Only Show Potential Shortfalls' checkbox is checked.

**Show Forecast Remaining Breakdown** is an option to show the details of how the forecast remaining quantity has been calculated.

If **Roll Locations to Customer Home Location** is checked, the committed amount is based on the customer home location (not the WO line location) and the sales in range are also based on the customer home location (not the LOT/Invoice line location).

If **Allow Negative Forecast Remaining** is checked, **Forecast Remaining** can be negative. (if *not* checked, forecast remaining values will not be less than 0.00)

## Report samples:

The inventory forecast position report shows you the same information as the inventory position report *plus* the forecast information. From left to right you see the quantity on hand, quantity ordered, and quantity committed, which equates to the quantity available. The forecast remaining is calculated by the inventory forecast (which has been entered) less the sales in the given range (for this report "sales" includes unbilled Loadout tickets) and less quantity committed. In the event that the forecast remaining is negative (which means that more was sold than forecasted) it is set to 0.

The forecast position is calculated by taken the quantity available and subtract the forecast remaining. If the forecast position is negative it is highlighted in red and shows that there is a possible shortage of inventory.

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### Inventory Forecast Position

**Edmonton**

Forecast Range from Jan 01, 2016 to Dec 31, 2016  
Product Name is ACHIEVE - Achieve Liquid Gold

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**Chemicals**

Product	Quantity Forecasted	Quantity On Hand	Quantity Ordered	Quantity Committed	Quantity Available	Forecast Remaining	Forecast Position
<a href="#">Achieve Liquid Gold (ACHIEVE) - Case</a>	20,000.0	-1,914.6153*	3,322.5	28.0	1,379.8847	7,442.543	-6,062.6583
						Forecast Remaining = Total Forecast:	20,000.0
						Less Sales in Range:	12,529.457
						Less Quantity Committed:	28.0

click to open Details report

The **Details** report shows the breakdown of Inventory on Hand, Committed Inventory, Ordered Inventory, Inventory on Hold as well as the Quantity Forecasted and the breakdown of the Forecast Remaining.

		<b>Inventory Forecast Position Detail</b>		
		<b>Edmonton</b>		
<hr/>				
ACHIEVE - Achieve Liquid Gold (CS)				
<b>Edmonton</b>		Quantity Forecasted	20,000.0	
		Less Sales in Range:	12,529.457	
		Less Quantity Committed:	28.0	
		Forecast Remaining:	7,442.543	
<b>Inventory on Hand</b>				
<b>Document</b>	<b>Reference</b>	<b>Date</b>	<b>Name</b>	<b>Quantity Remaining</b>
Inventory Receipt	UFA Jan 2013	Jan 17, 2013	UFA	0.40
Inventory Adjustment	MC0035	Jun 16, 2014		2.00
Inventory Receipt	IR141024a	Oct 24, 2014	Abraham's Ag Supply	1.00
Inventory Receipt	IR-1231	Mar 11, 2015	Parkill's Ag Supply	10.00
Inventory Receipt	IR177238-42	Mar 11, 2015	Parkill's Ag Supply	2.00
Inventory Receipt	REFERENCE	Jul 07, 2016	Abraham's Ag Supply	-1,746.5153
Inventory Receipt	REFERENCE	Jul 07, 2016	Abraham's Ag Supply	-35.00
Inventory Receipt	REFERENCE	Jul 07, 2016	Abraham's Ag Supply	-39.50
AR Invoice	INV01367	Jul 13, 2016		-3.00