

Module 2

Section B: Understand Demand Management

Term

Agile manufacturing

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Agile supply chain

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Demand forecasting

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Demand management

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Demand management process

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Demand planning

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Postponement

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Resource planning

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The ability to respond quickly to unpredictable changes in customer needs by reconfiguring operations.

The ability to respond quickly to unpredictable changes in customer needs by reconfiguring operations. Syn.: agile supply chain.

1) The function of recognizing all demands for goods and services to support the marketplace. It involves prioritizing demand when supply is lacking. [This] facilitates the planning and use of resources for profitable business results. 2) In marketing, the process of planning, executing, controlling, and monitoring the design, pricing, promotion, and distribution of products and services to bring about transactions that meet organizational and individual needs. Syn.: marketing management. See: demand planning.

Forecasting the demand for a particular good, component, or service.

The process of combining statistical forecasting techniques and judgment to construct demand estimates for products or services (both high and low volume; lumpy and continuous) across the supply chain from the suppliers' raw materials to the consumer's needs. Items can be aggregated by product family, geographical location, product life cycle, and so forth, to determine an estimate of consumer demand for finished products, service parts, and services. Numerous forecasting models are tested and combined with judgment from marketing, sales, distributors, warehousing, service parts, and other functions. Actual sales are compared to forecasts provided by various models and judgments to determine the best integration of techniques and judgment to minimize forecast error. See: demand management.

A process that weighs both customer demand and a firm's output capabilities, and tries to balance the two. Demand management is made up of planning demand, communicating demand, influencing demand, and prioritizing demand.

Capacity planning conducted at the business plan level. The process of establishing, measuring, and adjusting limits or levels of long-range capacity. [This] is normally based on the production plan but may be driven by higher-level plans beyond the time horizon of the production plan (e.g., the business plan). It addresses those resources that take long periods of time to acquire. [Decisions based on this] always require top management approval. Syn.: resource requirements planning. See: capacity planning, long-term planning.

A product design or supply chain strategy that deliberately delays final differentiation of a product (assembly, production, packaging, tagging, etc.) until the latest possible time in the process. This shifts product differentiation closer to the consumer to reduce the anticipatory risk of producing the wrong product. The practice eliminates excess finished goods in the supply chain. This strategy is sometimes referred to as delayed differentiation.

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Resource requirements planning

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