ABSTRACT

Customer satisfaction is the ultimate goal of every business. Besides the quality of product, the availability of product is extremely important. Many multinational companies expand into foreign markets. The supply chain function takes a dominant role in achieving the companies' objective. Most of them export to a subsidiary company to expand their market. Lead time always exists when products have been moved from one to another place. The company must have the ability to forecast the demand from customer, especially the demand in the lead time period.

Forecasting is the starting point since it predicts the most important factor in the supply chain, that is customer demand. This paper will present systematic thinking to improve forecast accuracy. The concept is to separate the intervening factors from the historical customer demand. The intervening factors are promotion, seasonality, and trend. When the factors are separated out, we are able to see the pattern of each intervening factor. The base demand can be forecast, then add back the factors to the base demand based on the finding's patterns. Then measure the forecast accuracy and compare it with the as-is forecast mode.