

6 Key Forecasts in Retail CPG

These **interconnected, dependent, consequential relationships** answer the million-dollar question: **Will we make our number?** Understanding how they interact gives you a more **holistic view** of your **business**.



POS Forecast

- Projected sales at the shelf
- Depends on retailer plans & alignment
- Informs order forecast



Order Forecast

- Estimated quantity retailer will order
- Depends on POS forecast
- Informs demand forecast



Demand Forecast

- Expected need to support unconstrained demand
- Depends on order forecast
- Informs supply forecast



Supply Forecast

- Anticipated raw materials or components needed to support demand
- May be constrained
- Depends on demand forecast and capacity
- Informs capacity and shipment forecasts



Operational Capacity Forecast

- Prediction of production, labor, transportation and warehouse space needs
- Depends on all prior projections and actual capacity
- Informs shipment forecast and most operations and logistics plans



Shipment Forecast

- Expected shipment quantities
- Usually not true reflection of demand (because of capacity and other constraints)
- Answers the question “Will we meet our financial goals this year?”



Watch for constraints.