



Sharpen Forecasting to Strengthen Your Supply Chain.

flexport.



5 Steps to Gain Value from Forecasting

Forecasting can guide vital supply chain strategies that help businesses calibrate demand as closely as possible, while trimming the risks of stockouts or lingering inventory.

For some businesses, though, it's a good idea that is not always put into practice. The more complex a supply chain, the more logistics managers are juggling input from many different sources. With such a setup, forecasting—or at least doing so accurately—becomes challenging. Those that manage supply chains via a technology platform have an easier go. But regardless, when organizations focus on forecasting, they're able to strengthen multiple intersections across the supply chain.

Forecasting Helps Realize Valuable Benefits:

When companies develop solid projections, they can position their businesses to take advantage of supply chain efficiencies and build overall resilience.

- Meet customer demand more precisely, even during spikes.
- Improve planning with suppliers, manufacturers, and labor resources.
- Ensure shipping capacity for on-time delivery.
- Manage landed costs with contingencies for volatility.
- Avoid spot-market costs due to last-minute shipments.
- Tailor trade-offs between costs and working capital as needed.
- Optimize the cash-conversion cycle.
- Strengthen partnerships with freight forwarders and other supply chain partners.



To learn more about how technology can power your forecasting, [watch this video](#).
Or, speak with [one of our experts](#).



5 Steps for Forecasting

Following is a quick checklist to help build a reliable forecasting practice.

1. **Collect and use your data.**

Determine performance measures, like stockouts or days in inventory, to structure analysis of historical peak periods and consumer behavior. Scan for past disruptions and compare trends. Flexport's technology platform provides layers of shipment data that can reveal deep insights down to the SKU level.

2. **Connect with suppliers.**

Pinpoint realistic cargo ready dates and departure dates from suppliers to build in as much predictability as possible.

3. **Create an initial forecast.**

Incorporate current industry trends with historical data, along with forward-looking strategy, like new product launches, go-to-market dates, and marketing events. Then, review drafts with in-house stakeholders or other partners. Refine projections as a team.

4. **Experiment with your model.**

Identify several plausible scenarios to move from "What ifs" to "Plan Bs." Prioritize the most viable strategy and play with the numbers. The more specific you can be, the greater your degree of control.

5. **Observe, analyze, and adjust.**

As you obtain more data from decisions based on forecasting, continue to refine. Make changes to address root causes of any variances to improve landed costs and the bottom line.

Remember to share forecasts with your freight forwarder. By understanding details like specific shipment volume and critical milestone dates, your forwarder can help secure capacity when you need it—and may be able to negotiate costs more effectively on your behalf.





Flexport is the modern freight forwarder. Companies use Flexport to move freight, clear customs, and make smarter decisions about their supply chain - all on one digital platform powered by a unique combination of technology, logistics infrastructure and expertise. Today Flexport connects almost 10,000 clients and suppliers across 116 countries, including established global brands as well as emerging innovators. Flexport offers a full range of services, including ocean, air, truck and rail freight, drayage and cartage, warehousing, customs and trade advisory, financing, and insurance.

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