

6 Seasonal Product Mistakes You are Probably Making and How to Fix - Data Profits

[Data Profits](#) > [Blog](#) > [Resources](#) > [Newsletters](#) > 6 Seasonal Product Mistakes You are Probably Making and How to Fix

- Standard
- December 1, 2015

Have you noticed the number of stores with Easter products still on the shelf? The irony is the result of demand planning and replenishment systems that do not understand seasonal events. Easter last year was in late April and this year in March. Inventory systems bought late and planned the inventory around a different time of year, April and a different weather set spring.

Seasonal Inventory is the second most asked about question when I speak at inventory management events. As online have driven down life cycles, many inventory systems cannot easily adjust to shorter cycles and seasonal adjustments. Seasonal products can make or break a sales operation. Does your replenishment system fail because of seasonality?

Read more about what to do and not to do when it comes to seasonal indexes.

6 Seasonal Index Mistakes You Don't Want to Make



We all know what sells in one season may not sell in another, but are you frontloading key seasons or reducing orders because your Replenishment System doesn't get the job done? Common seasonality issues cause retailers big headaches yet seasonal index problems can be solved.

It's key to remember what a seasonal index is. Some software solutions to replenishment problems can lose you in a discussion that merely describes seasonality math, not how it needs to be applied or even what numbers must be used to do that math. A seasonal index is multiplicative and a market force is additive against the base forecast...but then I have gotten ahead of myself.

Promotions and clearance:

Your demand forecasting or replenishment system doesn't separate off-price sales from regular-price sales. This causes your system to see false seasonality due to ads or overstock markdowns. If you don't repeat the promotion, you will over-buy.

Lost Sales:

The demand forecast does not include lost sales in the calculation. This lowers the seasonal index or moves the sales to different weeks.

Moving holidays:

Your [Seasonal Indexes](#) rely on sales occurring in the same week every year. When Easter shifts several weeks from year to year, the index becomes averaged over several years or tries to match last year. Either way, you end up with product coming in too early or too late.

Changing weather patterns:

Snow shovels and ice melt only sell when it starts to snow. If your system is relying on last year's sales, you may miss the early snowstorm or load up for snow that never comes.

Forecast smoothing:

Some demand forecasting systems try to smooth forecasts into pretty seasonal curves. Smoothing takes some of the in-season sales and redistributes them to out-of-season weeks. This becomes especially troublesome for micro-season items that sell for only a few weeks every year. You end up with too much on hand out of season and not enough on hand during the selling season.

Seasonal indexes applied too broadly:

The same seasonal index is applied to many locations and products. Unfortunately, this leaves Texas and Wisconsin stores with snow shovels at the same time.

Snow Shovels in Texas is a Bad Idea:

Fixing even one of these issues could increase your GMROI, lower your average inventory and make your customers happier. Unfortunately, many demand forecasting systems make correcting these issues difficult. At Data Profits we can help you fix your seasonal indexes without all the headaches. Our iKIS system has a user-friendly interface, easy-to-read graphs and customizable forecast alerts for easier demand forecasting. If you are ready to "Tighten the Links in Your Chain™", [contact us](#) today!

Learn More

6 Seasonal Index Mistakes You Don't Want to Make



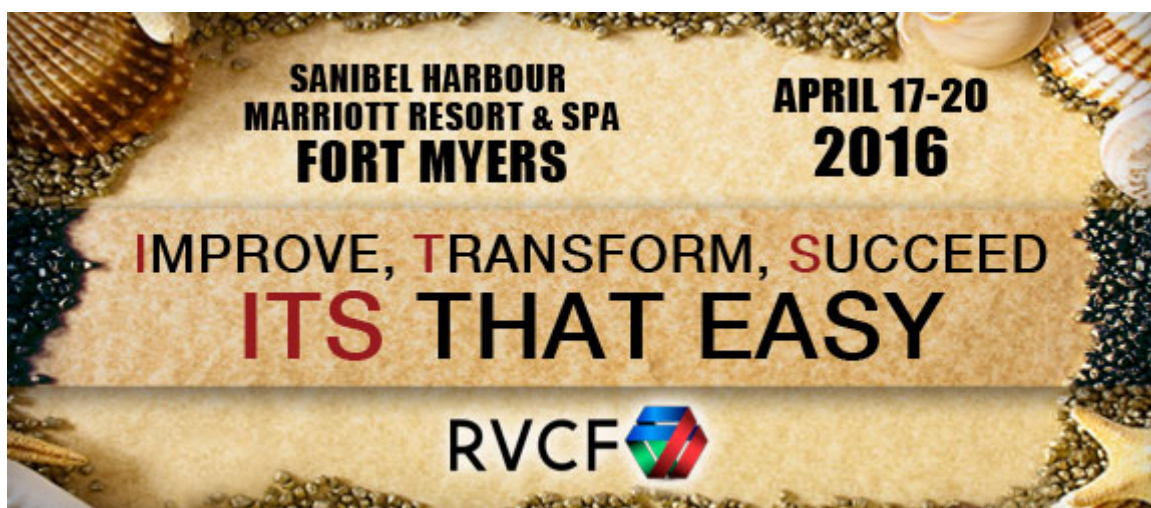
Click image to view slideshare

Is your replenishment system failing to get the job done because of seasonality issues? [View our slideshare](#) to see more common seasonal index mistakes and how to avoid them.

Our CEO Stuart Dunkin presents at RVCF Spring Conference April 19th. Forecasting, Replenishment and Lead Time Mistakes Even Smart People Make

Why does your inventory explode with overstock at the wrong time and then a month later the shelf is empty. While some might claim the vendor is at fault, is it really a vendor issue or signs of deeper issues within your supply chain methodology? Today, people will often interchange demand planning and demand forecasting as if they are the same thing. Do you know someone who does the same thing each month and then wonders why the results stay the same? Crazy, right?!?!, **who does that!** What if you were to learn where key components of your planning and replenishment strategies were at odds with each other and creating lost revenue. Then with that information, what if you could connect the vendor into your planning and replenishment in a manner that connects the critical pieces of your supply chain.

I hope you will join me and several of your retail, wholesale and supplier friends for my presentation at RVCF's Spring 2016 conference in Fort Worth Florida. Learn some new ideas and find out why some things just aren't working anymore and what you can do to be making it better.



I am pleased to participate in the **RVCF 2016 Spring Conference** at the [Marriott Sanibel Harbour](#) in Ft. Myers, FL, April 17th – 20th and to share with you an opportunity to attend at a **discounted registration rate**. Visit the

[RVCF Site to register](#) and/or view the [agenda](#). Use the **promo code seashell416** at checkout to receive **\$500.00 off the cost to attend.** ***RVCF Members, please log in to the site to receive your member discount.*

Why Data Profits Software...

“Data Profits iKIS was developed after years of inventory consulting with over 200 customers. Working with C level executives at many retail and wholesale establishments, we developed our unique and highly configurable BI dashboard, collaboration, and analysis software platform which provides demand forecasting, replenishment, lead time forecasting, optimization, and order management.”.

All content provided on this blog is for informational purposes only. The owner of this blog makes no representations as to the accuracy or completeness of any information on this site or found by following any link on this site. The owner will not be liable for any errors or omissions in this information nor for the availability of this information. The owner will not be liable for any losses, injuries, or damages from the display or use of this information. This policy is subject to change at anytime.

Share this post on:

