

S&OP DEMAND FORECASTING

PAUL WEBB

SUPPLY CHAIN MANAGER

04/01/08

AGENDA

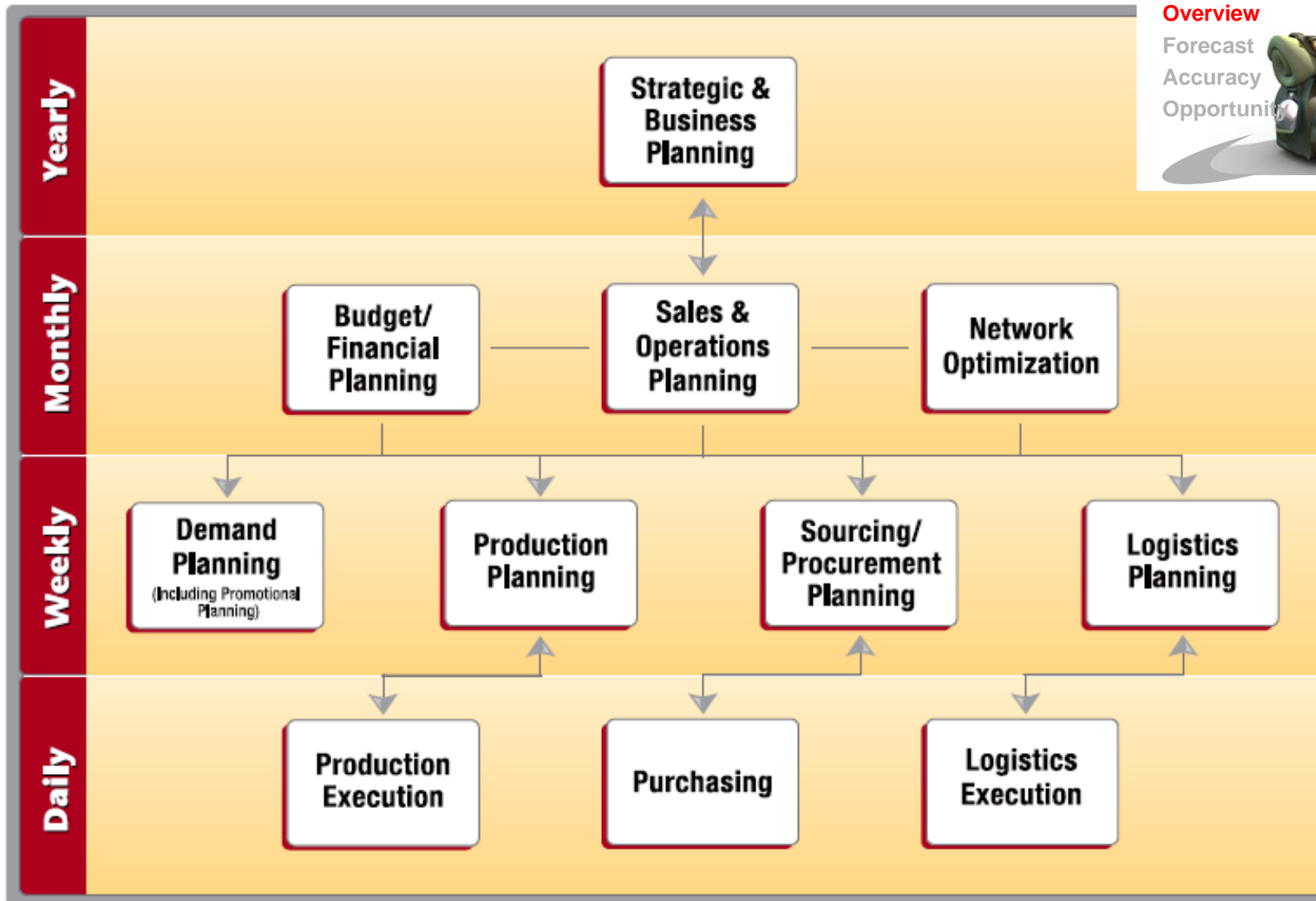
HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.

- **S&OP Overview**
 - *Application To CHEP*
- **Volume Forecasting**
 - *Existing Demand*
 - *New Business Demand*
- **Accuracy Improvements**
 - *Location*
 - *Aggregate*
- **Opportunity**
 - *Top / Bottom Disconnect*



THE BASICS

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.



Overview

Forecast
Accuracy
Opportunity



APPLICATION TO CHEP

SINGLE SKU; 4MTH HORIZON

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.

everyday.

- **Network Optimization**
 - *New Supply Locations*
- **Demand Planning**
 - *New Business Drives, Customer On-Boarding*
- **Production Planning**
 - *Sort Capacity, Repair Capacity, New Pallet Production (3.5%)*
- **Sourcing Planning**
 - *International, Domestic Lumber*
- **Logistics Planning**
 - *Supply Methods, Appointments,*
 - *Relocations, Transportation*

Overview

Forecast

Accuracy

Opportunity



- ***Existing Demand***

- *Variance identified*
- *Statistical forecasts are tuned*
- *Select locations reviewed with Account Managers*

Overview

Forecast

Accuracy

Opportunity



- ***New Business Demand***

- *Included as location non-specific*
- *1st load initiates the forecast on new locations*

VOLUME FORECASTING

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.

- 10,000 Active customer locations (emitter)
- 5,000 Active returning locations (distributor)

Overview

Forecast

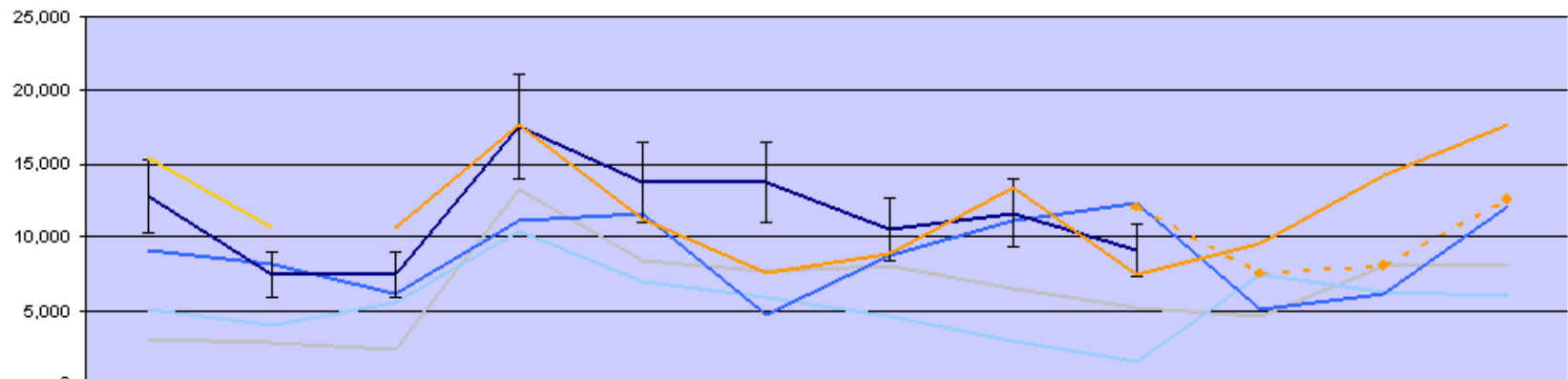
Accuracy

Opportunity



Sector: Customer Tier:
 Sales Manager:

Affiliation: ZIRKL Sub-Affiliation: ZIRKL GLID: 6100178685 Name: Zirkle Fruit Company City: SELAH State: WA



	001-Jul	002-Aug	003-Sep	004-Oct	005-Nov	006-Dec	007-Jan	008-Feb	009-Mar	010-Apr	011-May	012-Jun
— FY05 Actual	3040	2698	2356	13300	8436	7752	7980	6384	5130	4598	7980	7980
— FY06 Actual	5016	3990	5586	10488	6916	5928	4522	2964	1520	7524	6232	6042
— FY07 Actual	9082	8094	6156	11210	11628	4788	8740	11210	12296	5054	6118	12084
— FY08 Actual	12768	7448	7448	17556	13718	13680	10564	11628	9044			
— FY08 Base Fest			10607	17755	11246	7567	8911	13445	7470	9626	14197	17575
— FY08 Field Input									12000	7500	8000	12500

ACCURACY IMPROVEMENTS

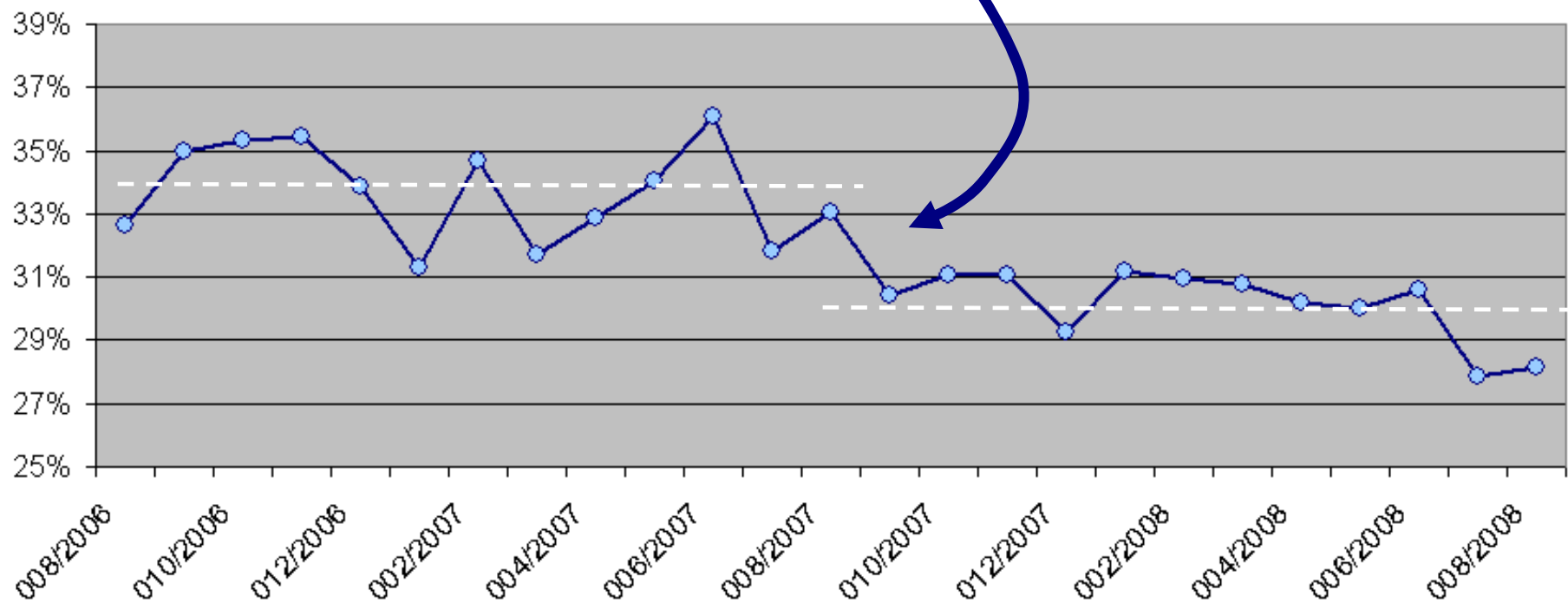
CHEP US LOCATION MAPE%

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.

Sales Managers included in Forecast Process

- *1 Million pallet reduction in error*

Overview
Forecast
Accuracy
Opportunity



ACCURACY IMPROVEMENTS

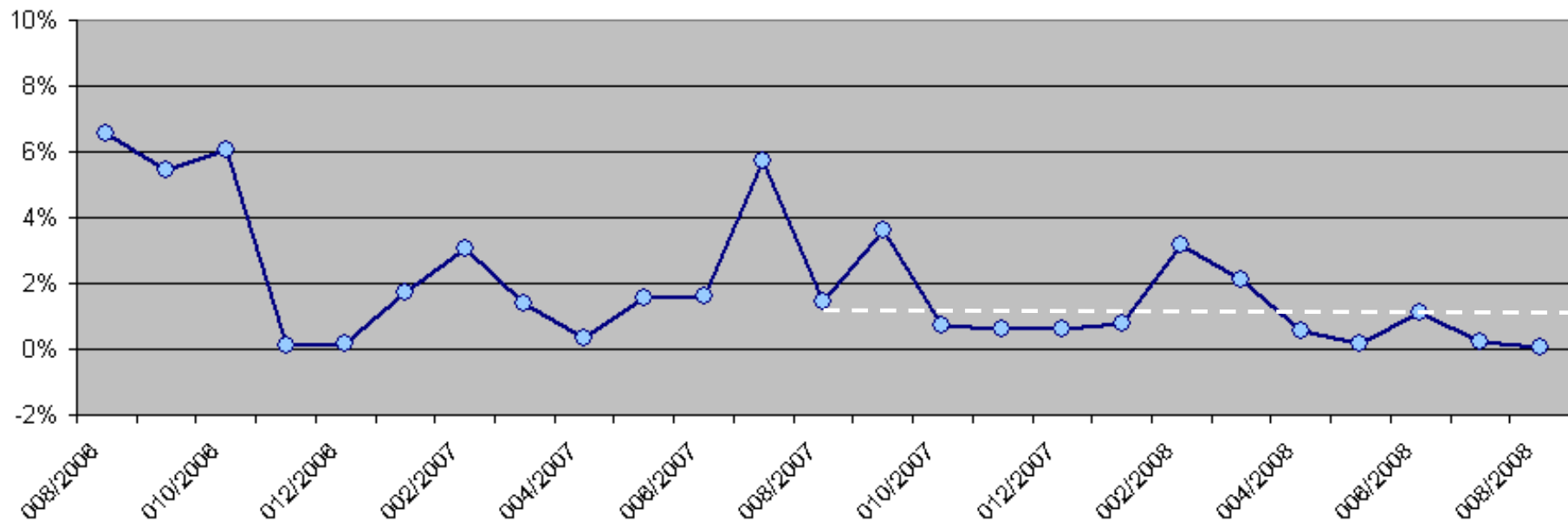
CHEP US AGGREGATE MAPE%

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.

National Accuracy

- *9 of 11 months at >99% accuracy*

Overview
Forecast
Accuracy
Opportunity



REVENUE vs VOLUME GROWTH

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.

Overview

Forecast

Accuracy

Opportunity



Brambles reports strong growth in operating profit and solid sales growth.

Dear Colleagues,

Brambles' performance in the six months to 31 December 2007 was very good indeed, particularly given the generally weaker global retail environment.

Comparable operating profit increased by 19% (12% in constant currency) to US\$501 million and sales were up 13% (6% in constant currency) to US\$2.1 billion.

Highlights

- Sales up 13% to US\$2.1 billion
- Comparable operating profit up 19% to US\$501 million



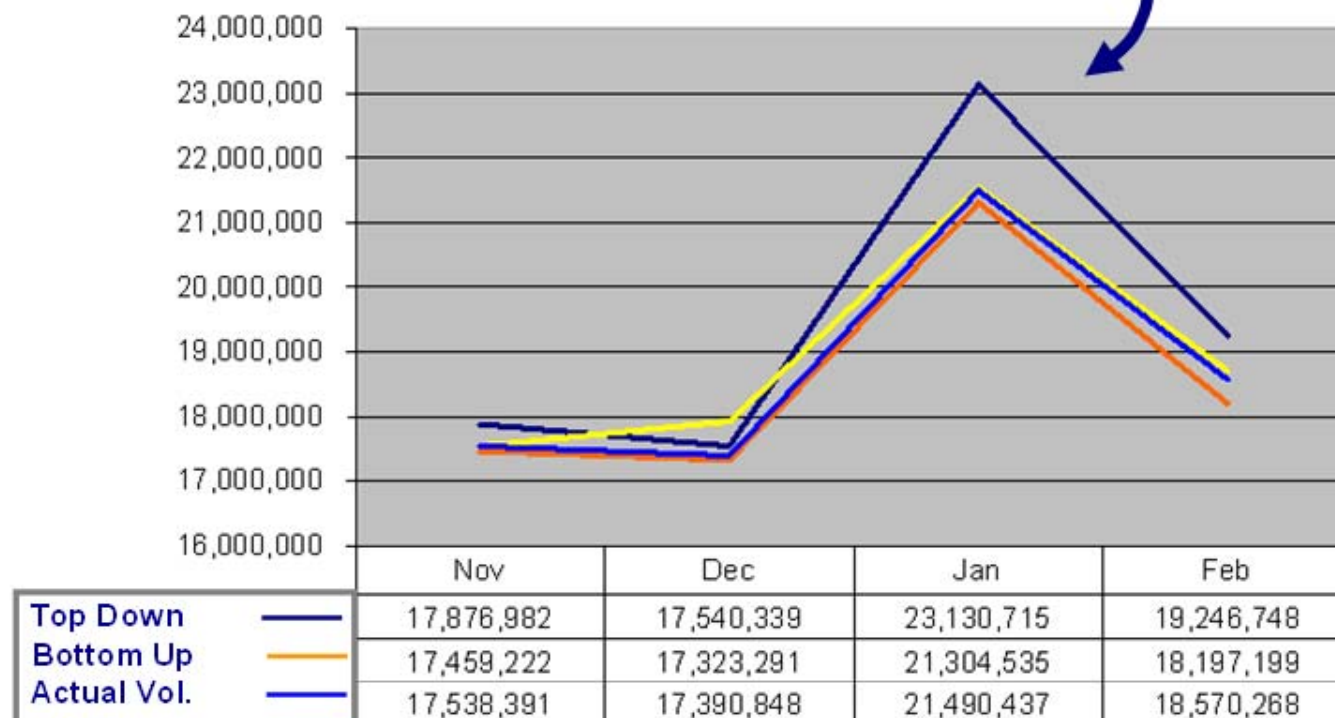
TOP / BOTTOM DISCONNECT

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.

Overview
Forecast
Accuracy
Opportunity



Top down pressure is included as location non-specific new business plugs



OPPORTUNITY

HANDLING THE WORLD'S
MOST IMPORTANT PRODUCTS.
everyday.



Overview

Forecast

Accuracy

Opportunity



- ***Accuracy improvements at the location level have led to a reliance on New Business Plugs to bridge to Revenue Forecasts***
- ***The leap to “One Number” is usually made up of multiple smaller leaps***