Microsoft

Demand planning

Anders Girke – Principal Product Manager at Microsoft

Business Applications

Business objectives of planning

Right-size inventory fit demand-capacity

Increase customer satisfaction

Improve business decision making

Supply Chain portfolio
Leading the way to autonomous ERP

Dynamics 365 Supply Chain Management

Design	Plan	Procure	Produce	Deliver	Operate
Product Information Management	Demand Planning	Procurement	Manufacturing Operations Management for discrete, process and lean	Sales Order Management	Enterprise Asset Management
Engineering Change Management	Supply Planning	Vendor Collaboration	Manufacturing Execution	Pricing & Rebates	Sensor Data Intelligence
Product Lifecycle Management	Inventory Visibility	Vendor Management		Warehouse Management	Field Service Management
	Inventory Management	Sourcing		Transportation Management	

Cost Management, Cost Accounting, Global Inventory Accounting, Landed Cost

Finance ⟷ **Supply Chain** ⟷ **Commerce** ⟷ **Human Resources** ⟷ **Project Operations**

Business Performance Planning, Business Performance Analytics, Business Performance Insights

E2E Business Processes	Common Data and Analytics Foundation	Modular and Extensible

Copilot

Demand planning Process

Demand planning steps

Input • Historical demand • Past forecasts • Master data (product, locations, hierarchies,...)	**Data pre-processing** Adjusted signals	**Forecast generation** Baseline forecast	**Adjust, validate & aggregate** Demand plan	**Consensus review, approve & publish** • Consensus Demand plan (Output as forecast model for MRP)

IT Landscape

One common Demand plan

D365 SCM

AX2012
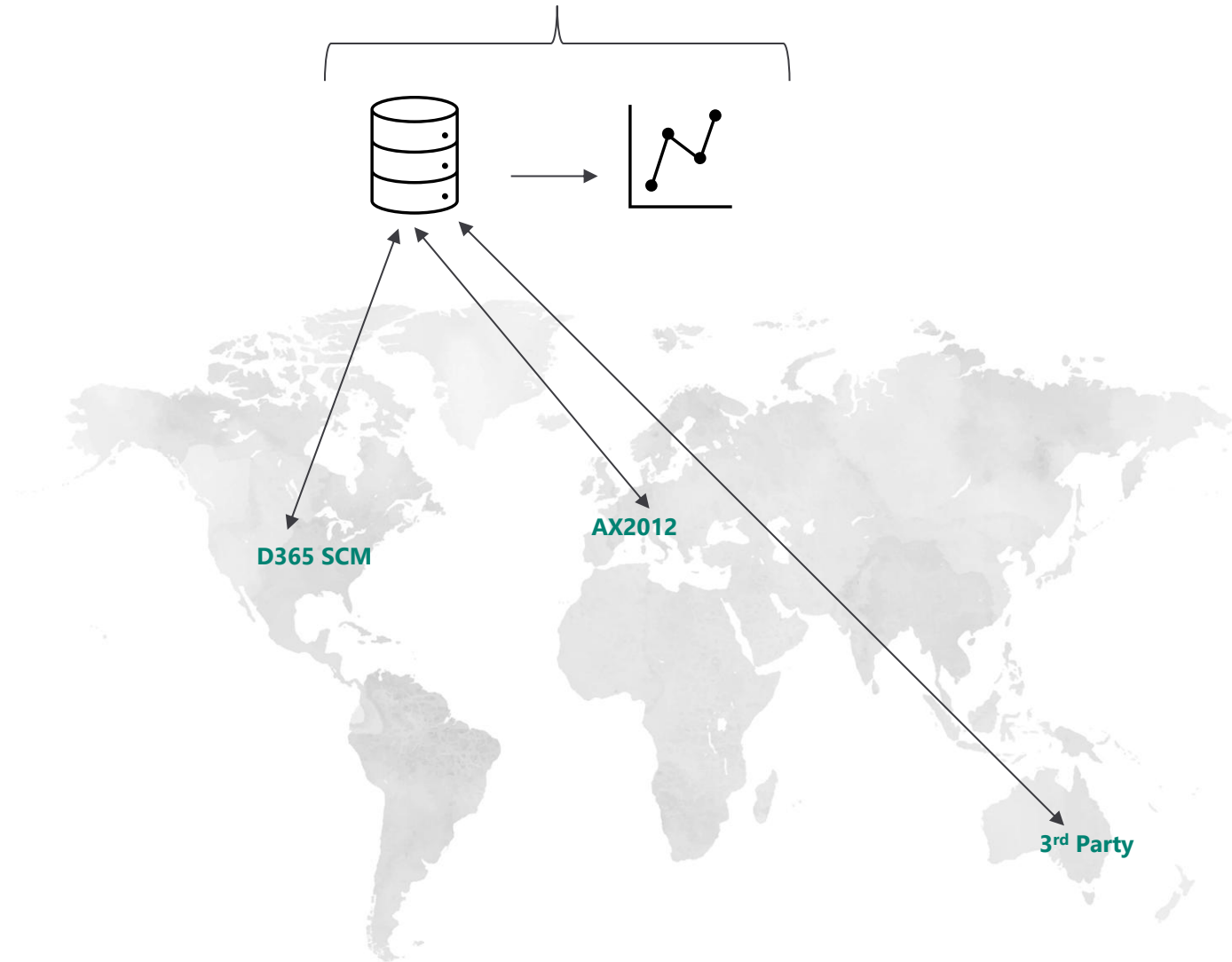
3rd Party

Data integration and transformation

Run a fully connected demand and supply planning cycle within Dynamics 365 Supply Chain Management

Import data from multiple sources like Excel, Azure Data Lakes, or 3rd party ERPs using Power Query connectors

Consolidate and transform data with user friendly workflows
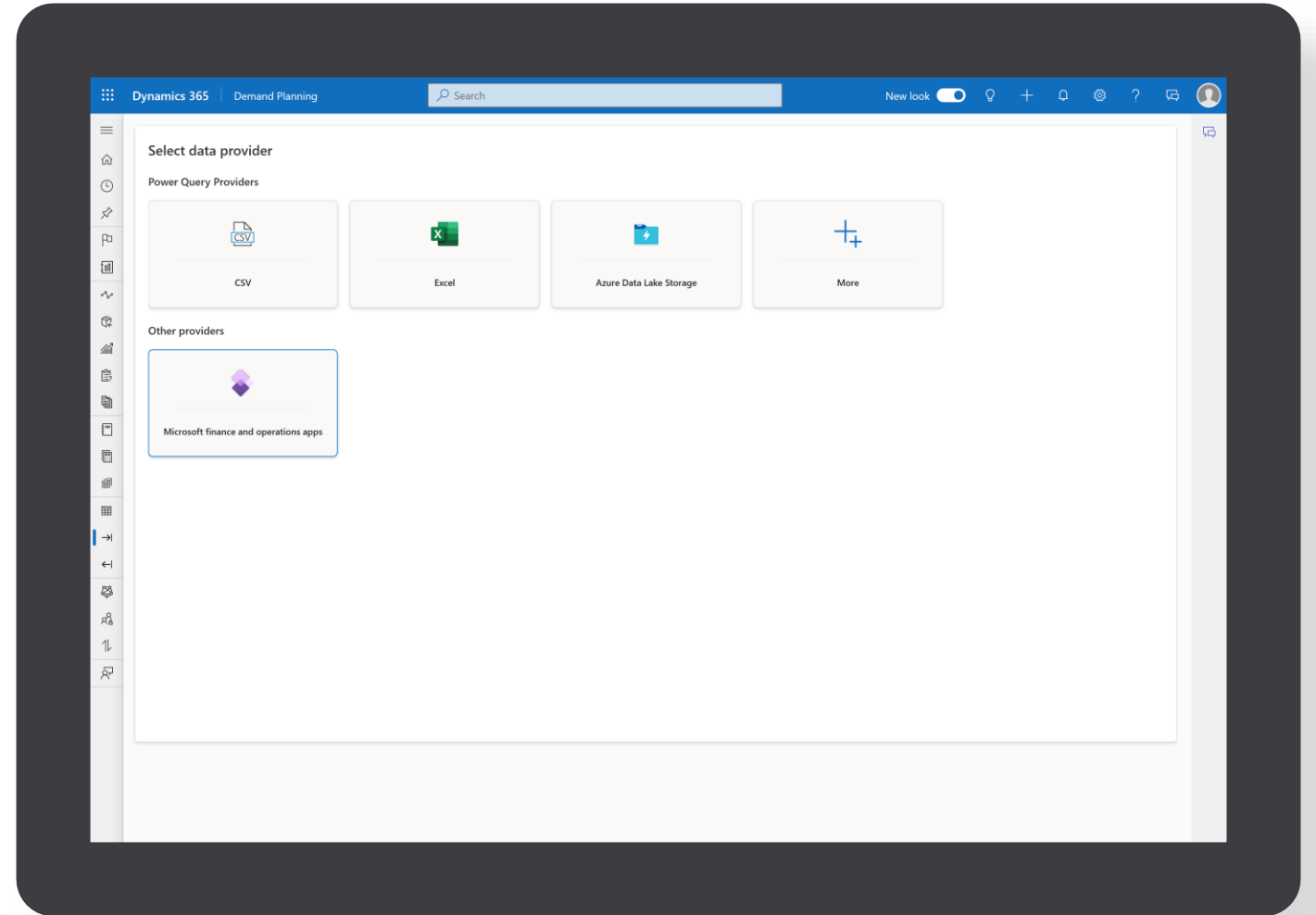
Out-of-Box Data integration to Dynamics 365 F&SCM

OOB entities and Tables exist and pre-mapping exists

Using DMF import/export projects so you can manage data integration

Support customization in both Dynamics 365 F&SCM and Demand planning with a No code experiance

D365 SCM - EMEA - Saved
Import Data Profile

Summary   **Configure Provider**   Run Schedule   Jobs

+ Add   ⊘ Edit   ⊖ Delete

Source	Target	Synchronize	Delete data
Historical Sales Demand Entity	Historical Demand	◉	○
Demand planning picking list journal entries	Historical Demand	◉	○
Distinct products or product variants	Product	◉	○
Demand planning warehouses	Warehouse Location	◉	○
Demand planning sites	Site Location	◉	○
Demand planning customer accounts	Customer Accounts	◉	○
Legal entities	Legal Entity	◉	○

Demo

Import of Data
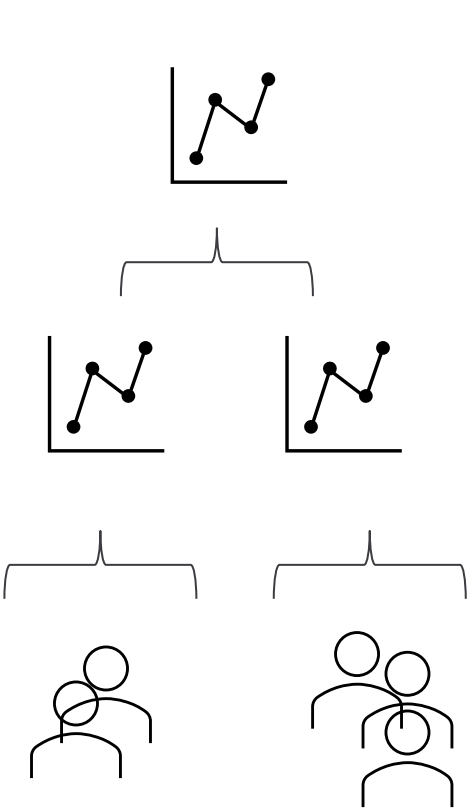
Export Demand plan to Dynamics 365 F&SCM
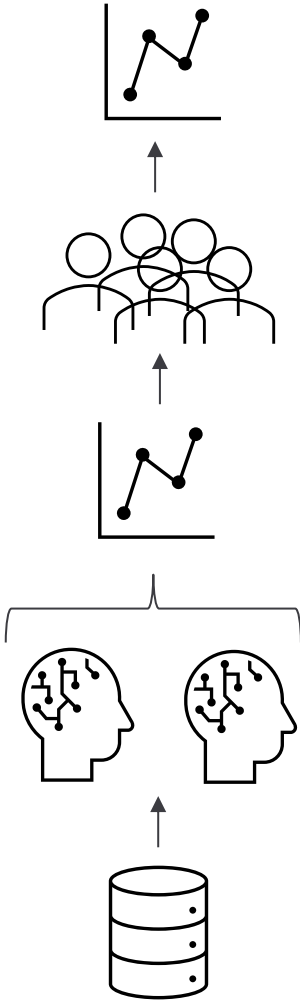
Demand Planning
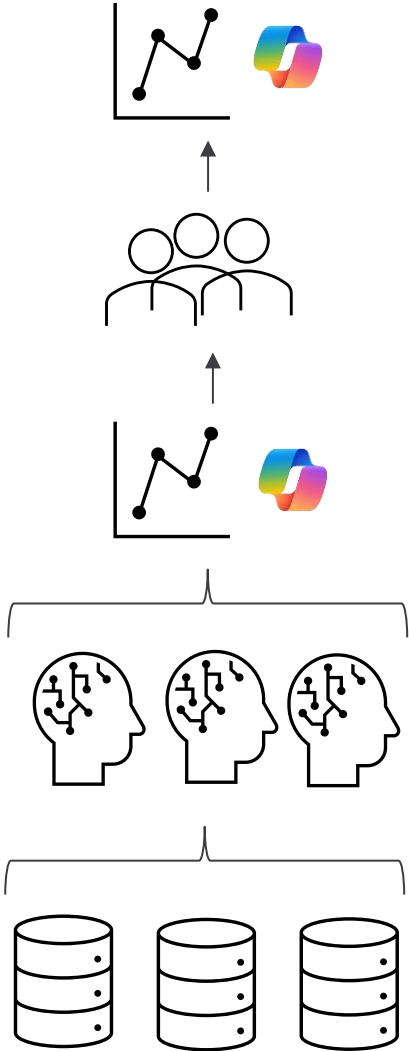
WAVE 1 – 2025 FEATURE PLAN

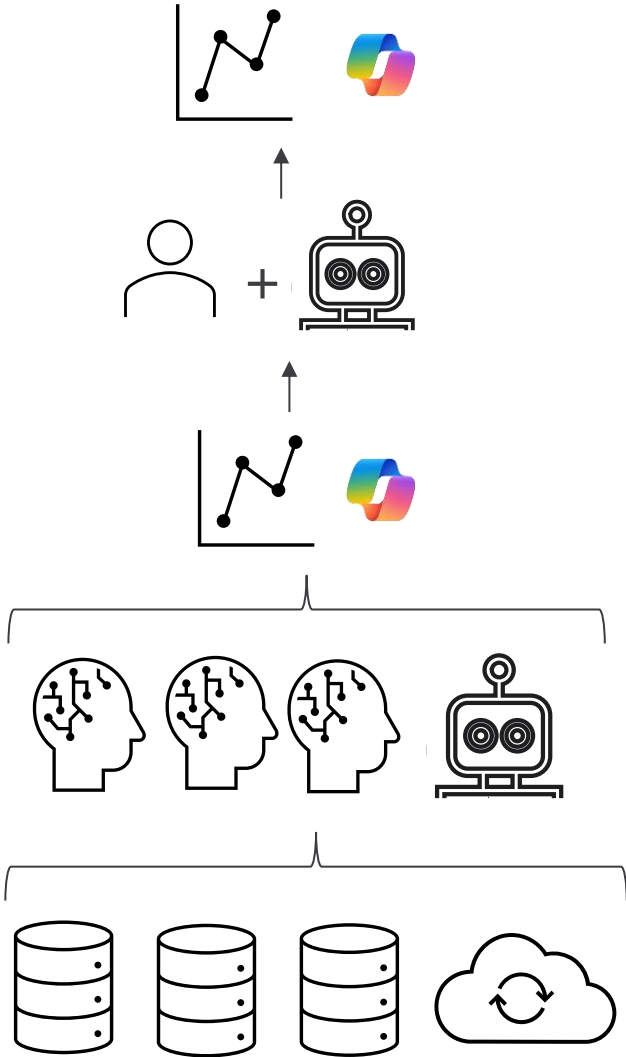# Forecasting

Low Accuracy

Good Accuracy

High Accuracy

High Accuracy & Speed
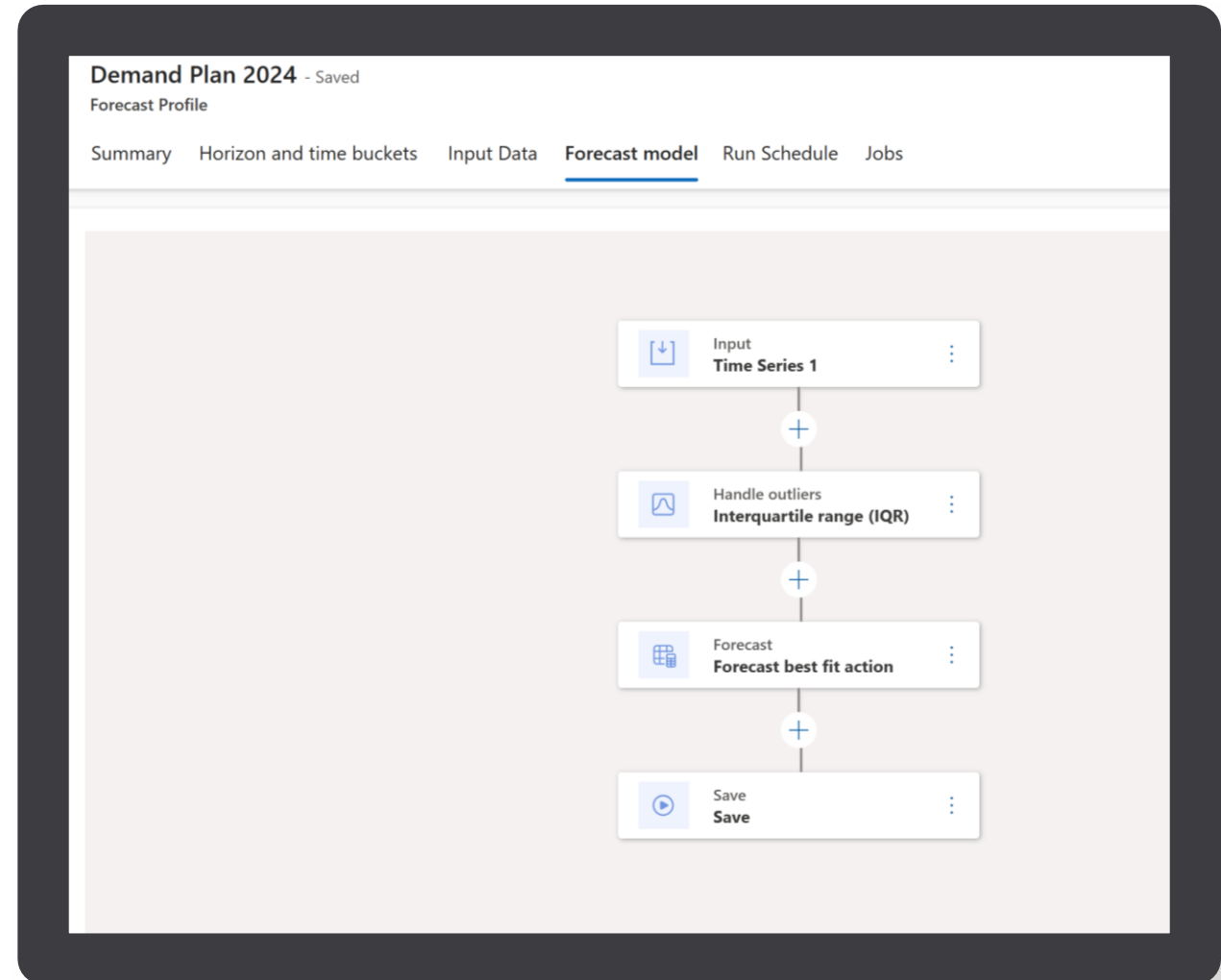
Digital and AI transformation

Forecast

Create multiple forecast profiles to model different scenarios

Pick and choose from available algorithms or automate best-fit analysis.

Automate outlier detection and removal and incorporate demand seasonality

Predict demand for new products seamlessly with phase-in-phase-out features
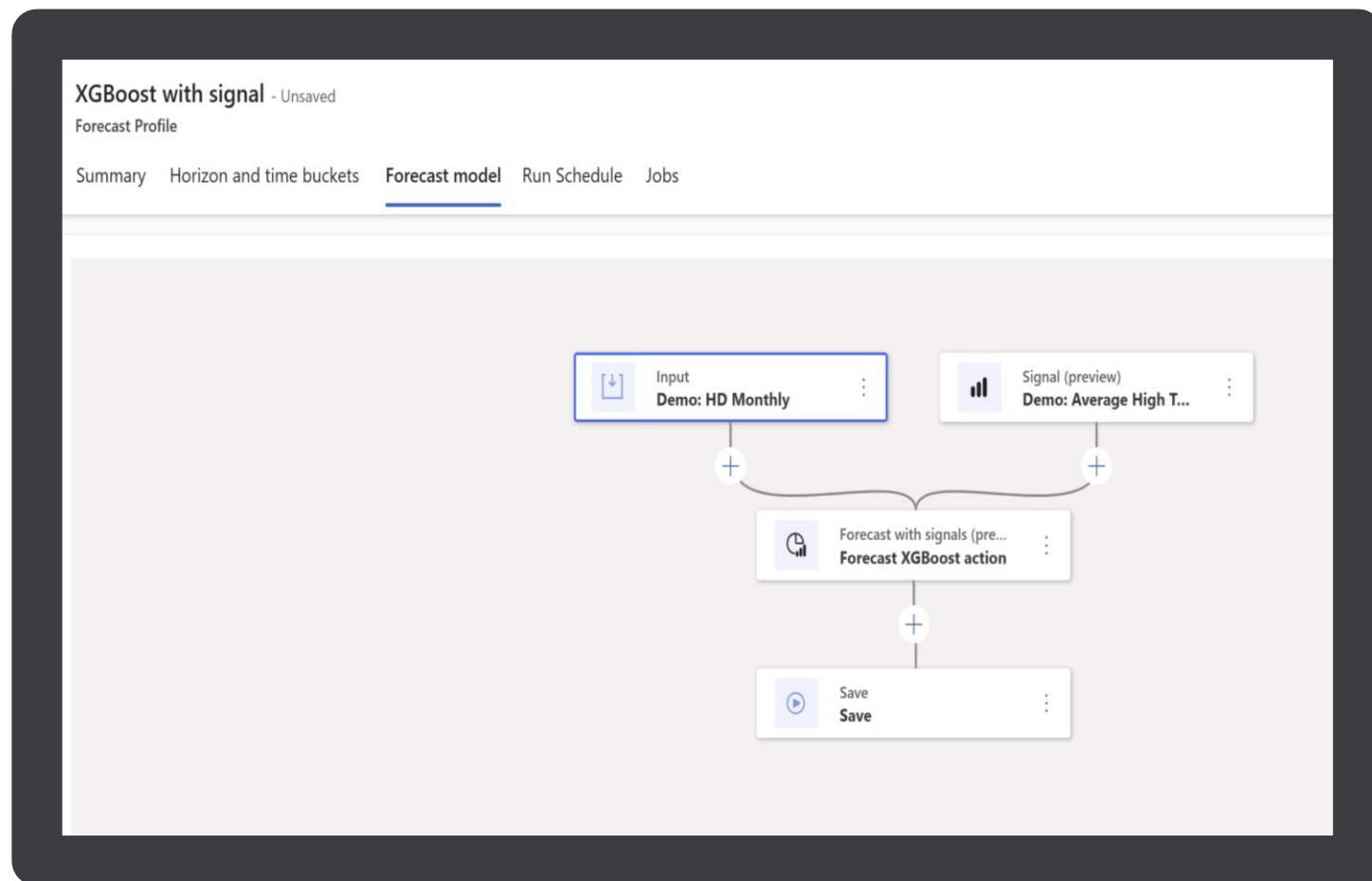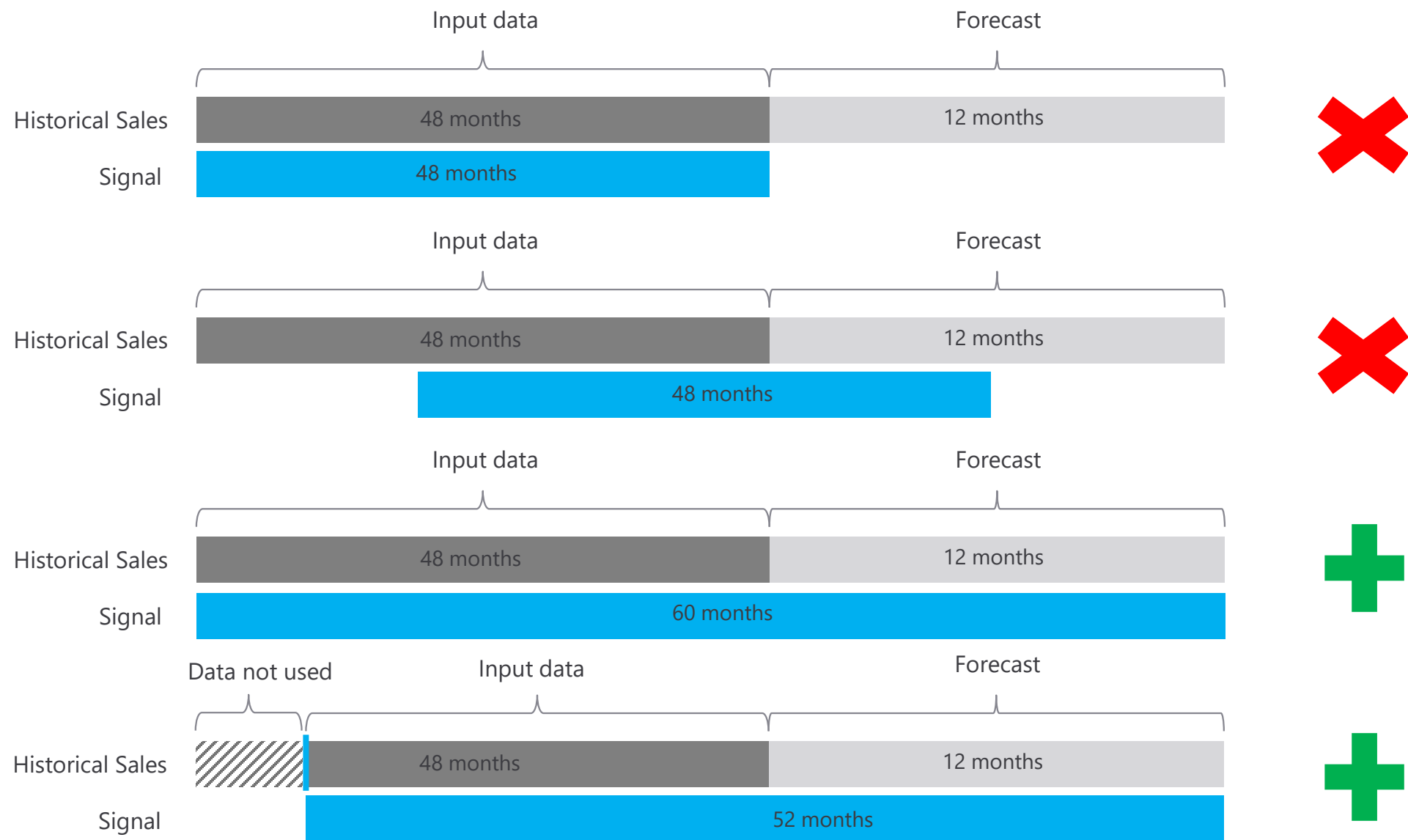
Forecast with Signals (Preview)

Forecast using Historical sales and with a signal (external/internal etc. Inflation, Weather data or Price history)

Import external signal using flexible import data provider

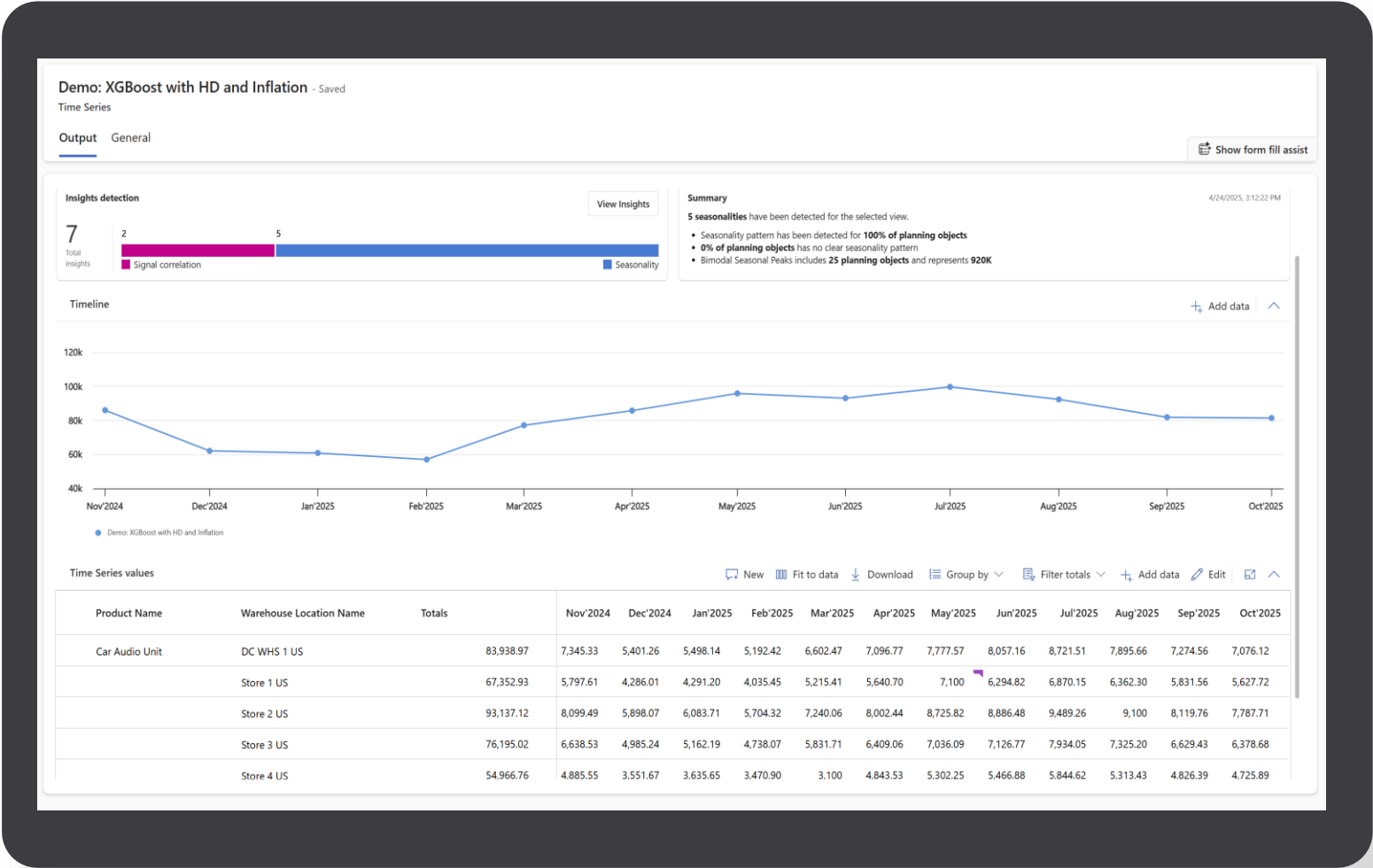Higher accuracy in forecasting

Forecast with Signals (Preview)

Demo

Forecasting

Collaboration on the Plan
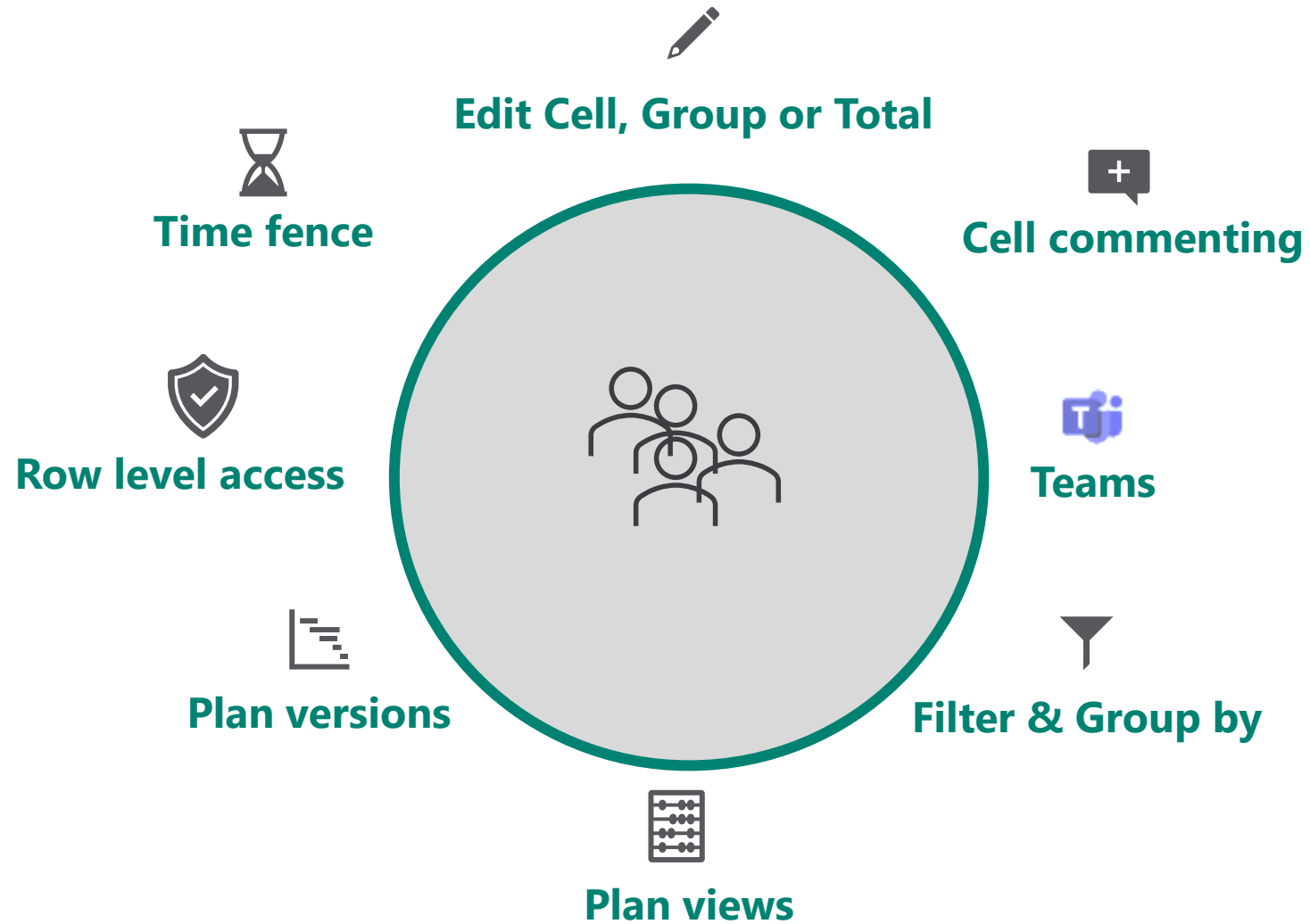
Edits and Versions

Edit plan on any aggregated level (Total, Dimension) . A proportional disaggregation is done by system

Track changes made to forecasts over time, ensuring transparency and traceability

Save versions of the plan as progresss to Consensus is made. Compare versions
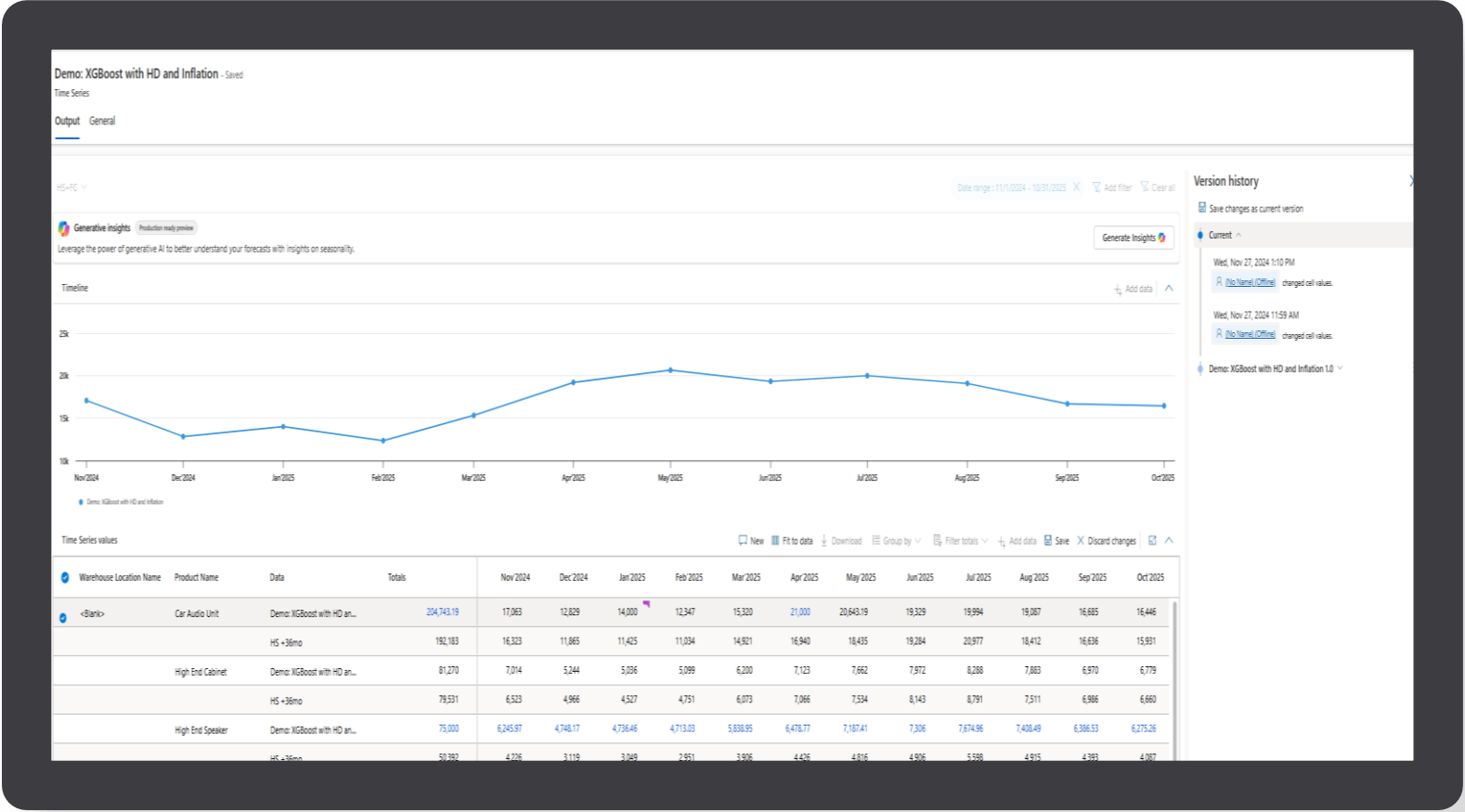
Collaboration

Foster collaboration with the embedded Teams experience

Communicate on plan details by using commenting capabilities on cell or plan level

Use conditional formatting to communicate areas of interest
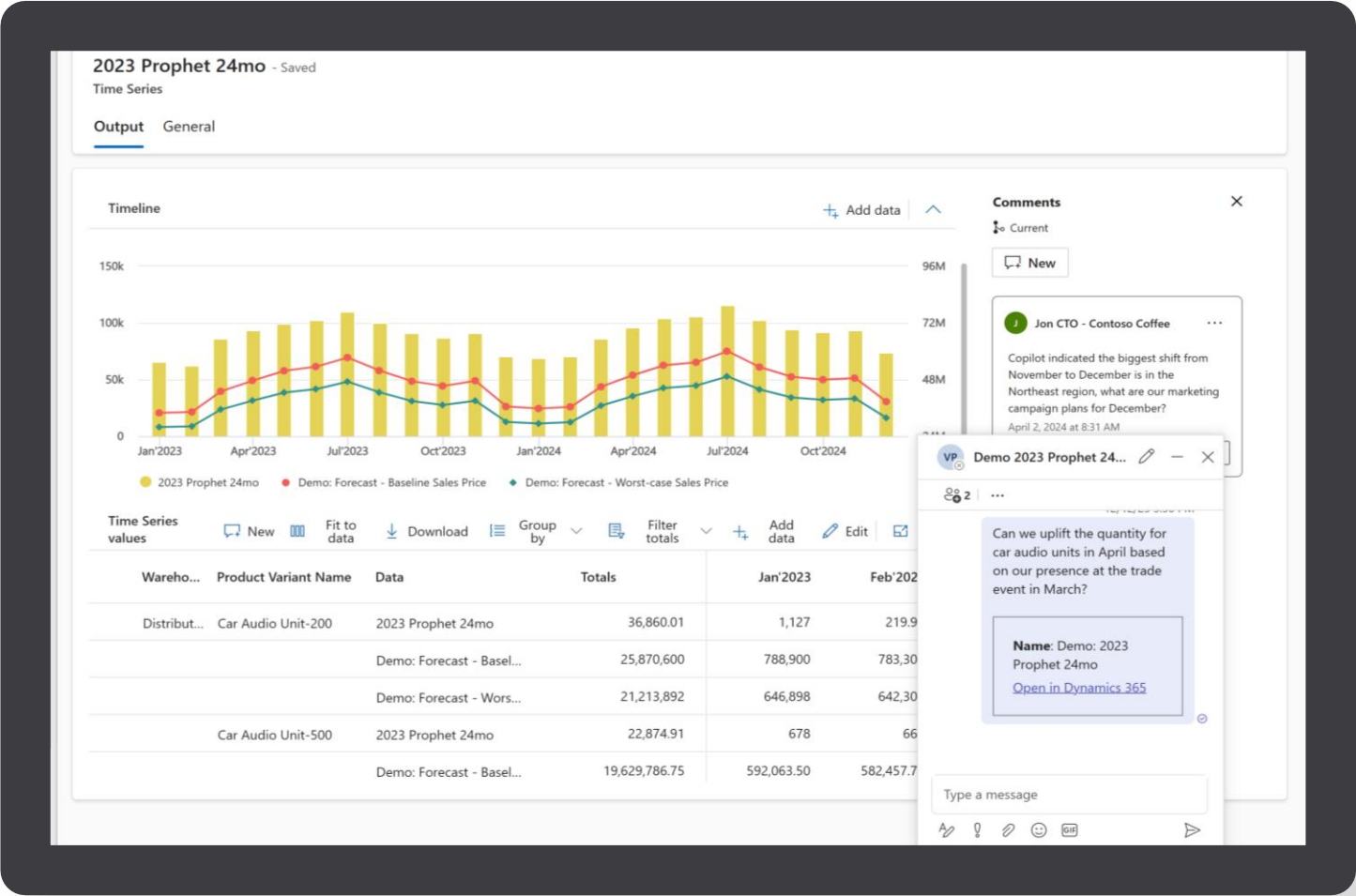
Security & administration

Assign roles to users (Contributor or Manager)

Control individual users access to data in the plan. Edit or View access

Setup time fence to avoid changes to approved planned periods
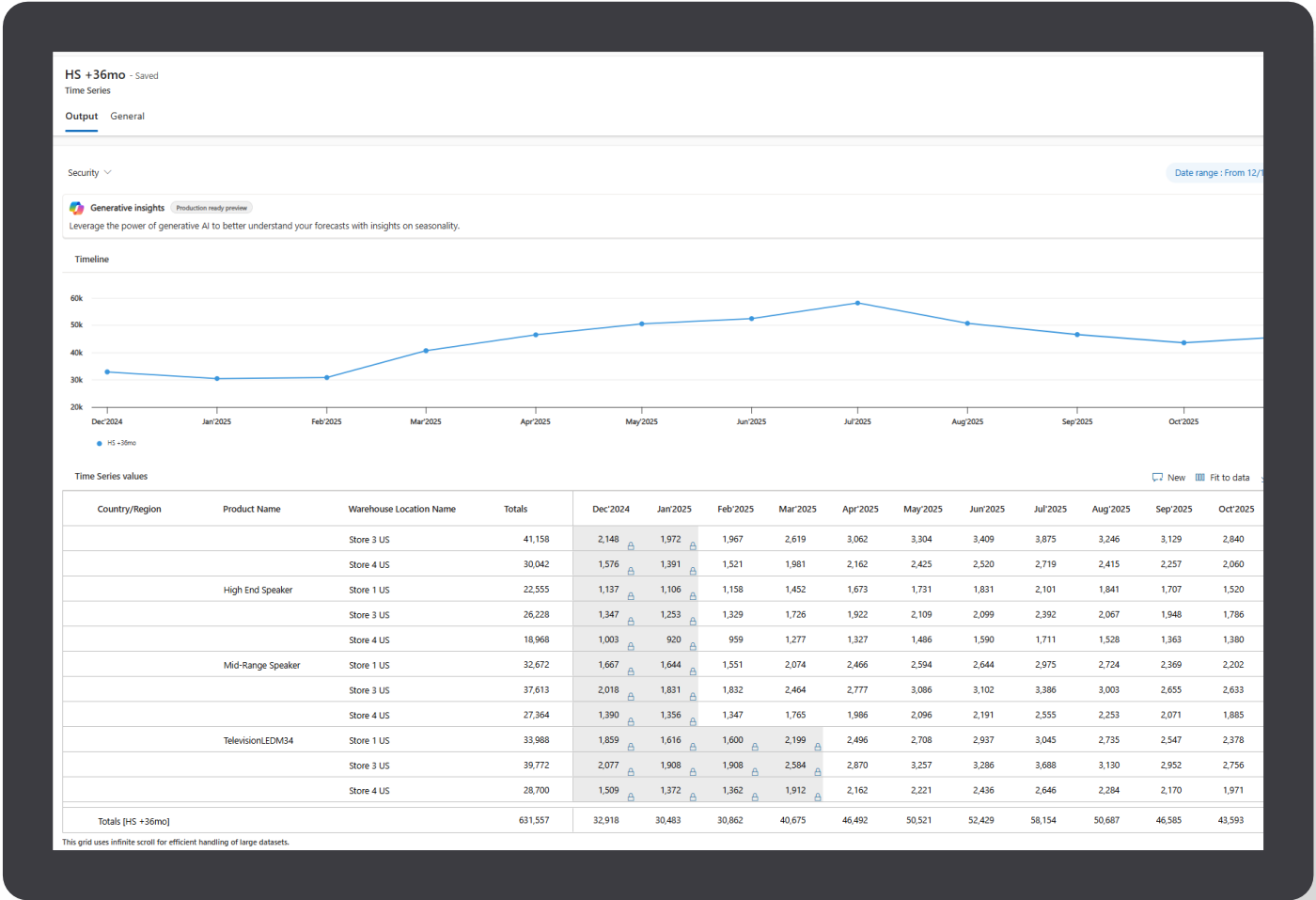
Demo

Collaboration on the Plan
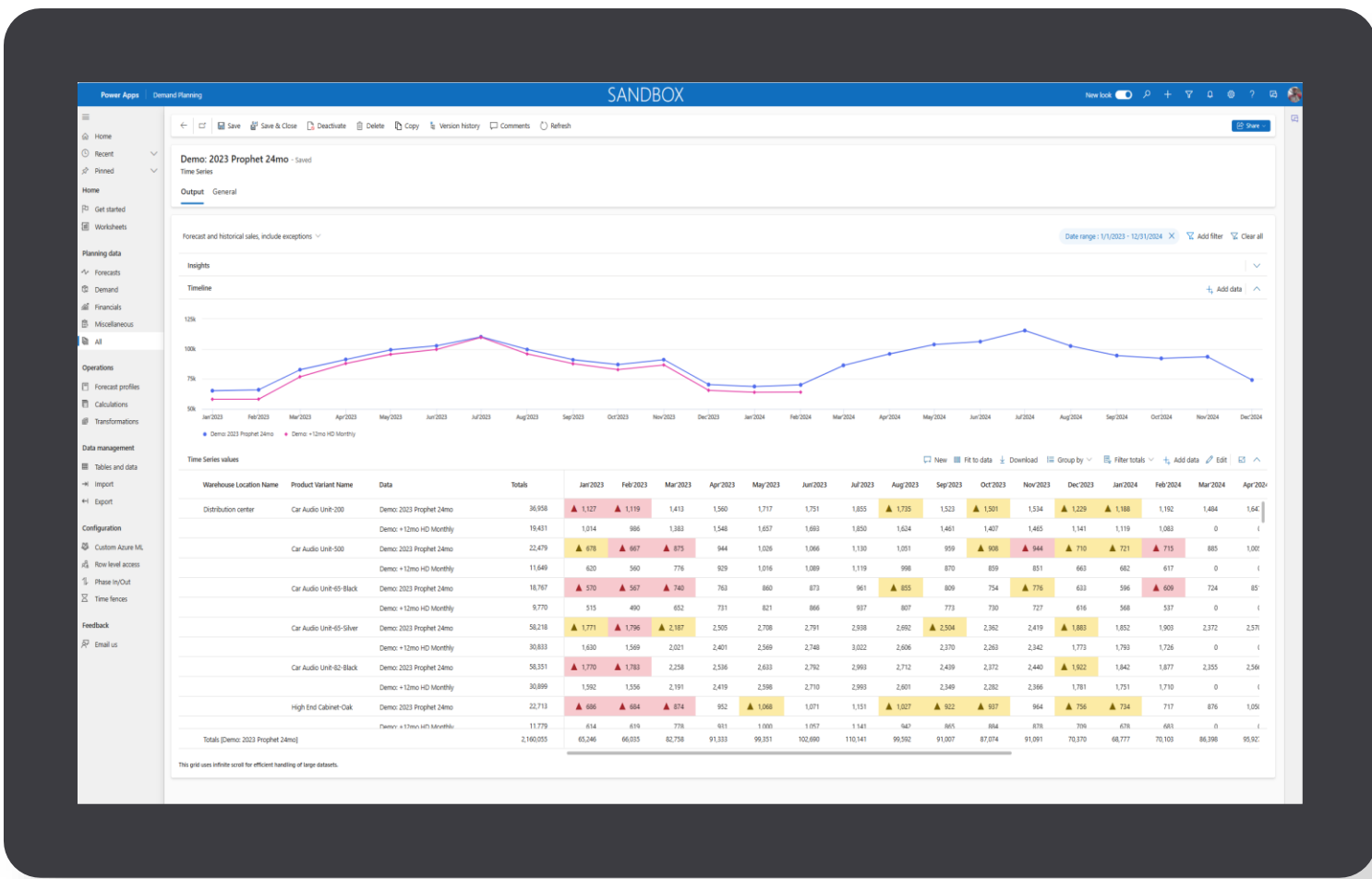
Analyze with cursor Copilot

Analyze demand plans and sales data with predefined questions

Apply filters and Row level security to narrow search

Find Shifts, Trends, Anomalies or Deviations across dimensions

Overview history of adjustments and comments to a single cell
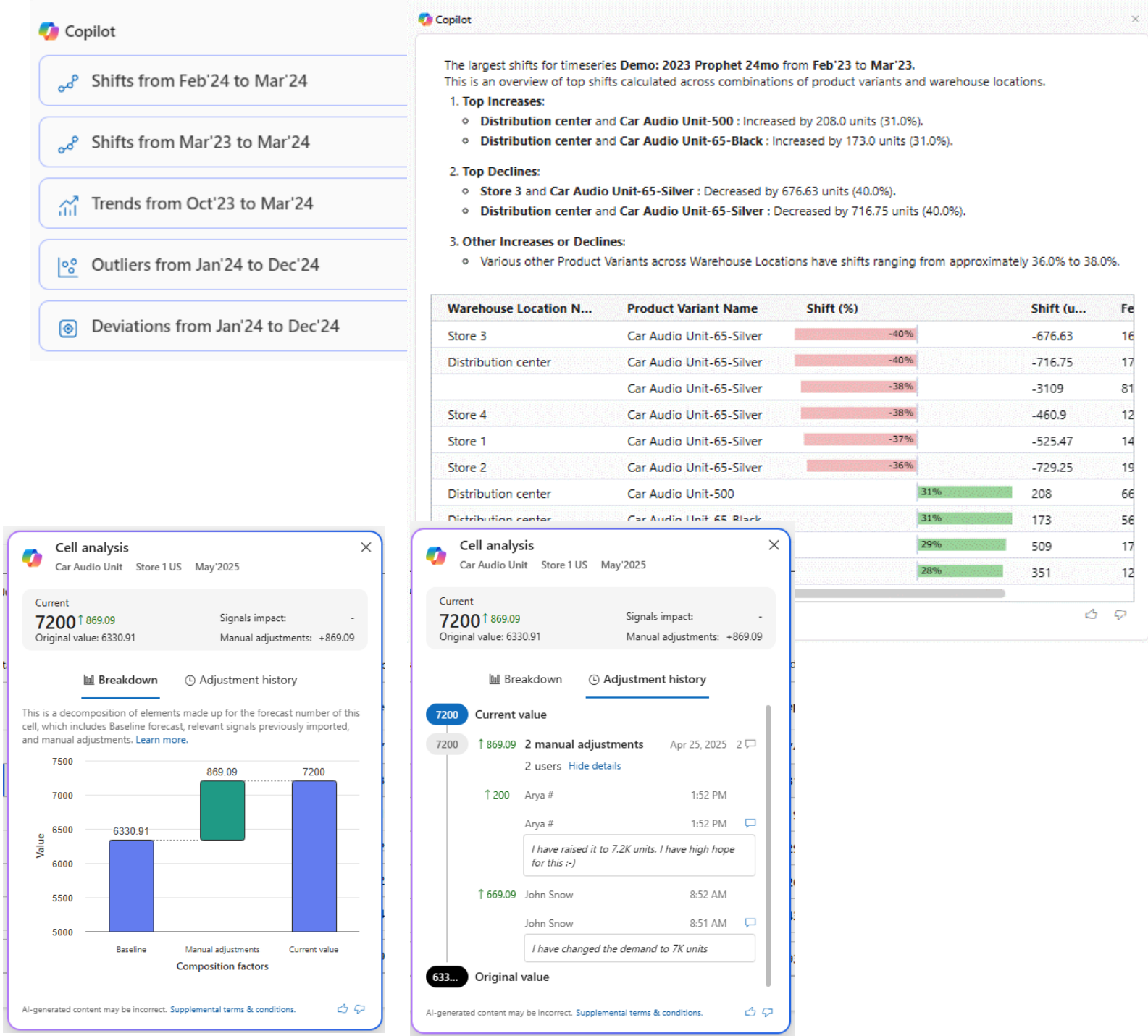
AI Generative Insights (Preview)

Analyze large data sets with AI generative insights

Cluster similar data into groups for the calculated metrics (Seasonality, Signal correlation)

Gain insights into seizing of each cluster
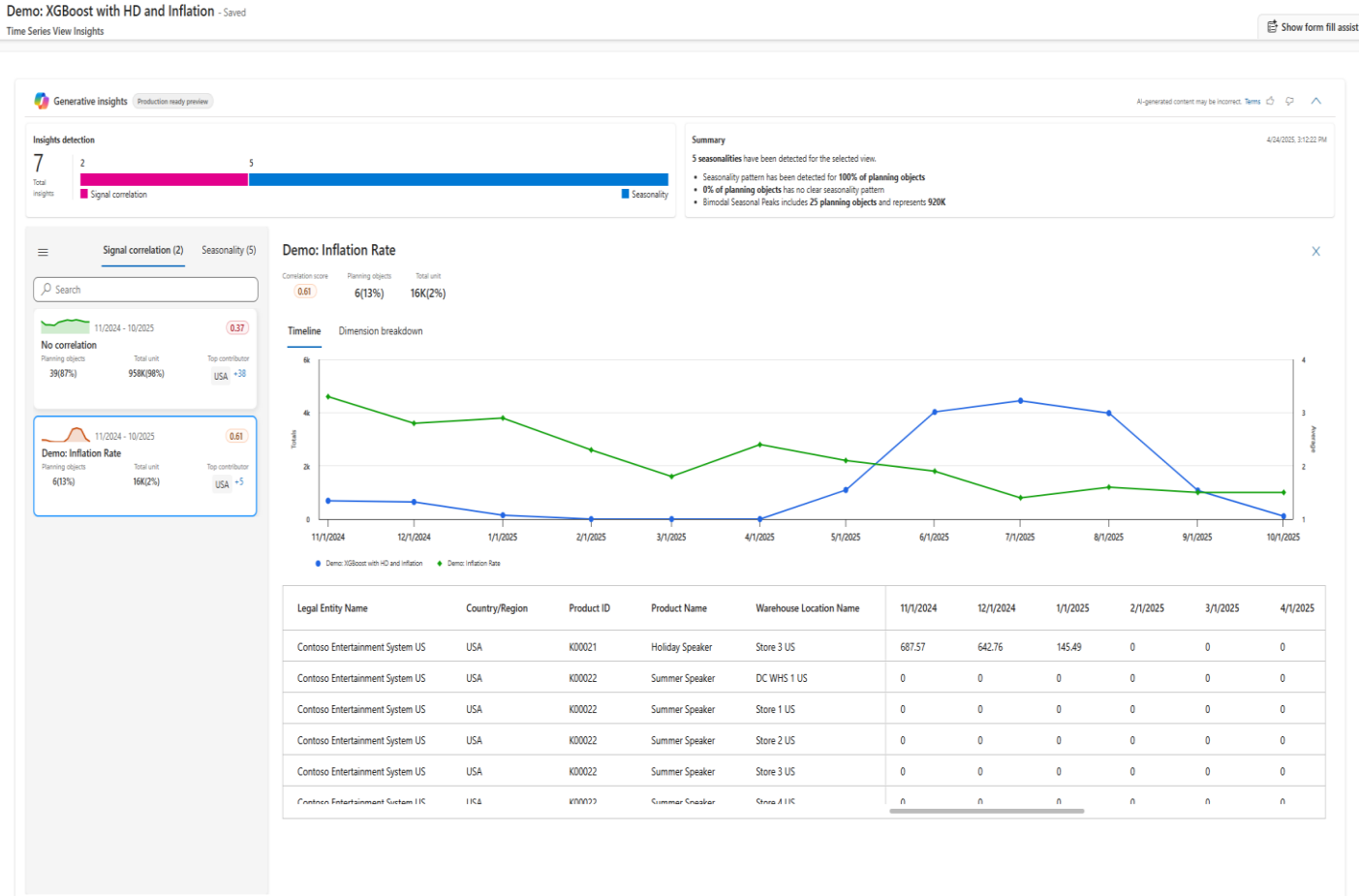
Demo

Copilot & Generative Insights

Additional Use cases

Forecast Sales & Returns separately

🏪 -> 📦 & 📦 -> 🏪

In Retail and CPG, returns can be substantial, ranging from 40-60%

Forecast returns more precise using historical return data and correlation to sales and its forecast

Allows you to see distinguish patterns in Returns (Seasonal, Trends etc.)

Roughcut capacity – "Sales Pickers"

Utilize the wide range of calculation actions to perform desired calculation.

Calculations are performed on matching dimensions

Timeline

Sep'2025
- Forecast by WHS   36,422
- Roughcut Pickers   6

● Forecast by WHS   ◆ Roughcut Pickers

Time Series values

💬 New   ▥ Fit to data   ↓ Download   ⊟ Group by ⌄   ▽ Filter totals ⌄   ⊹ Add data   ✎ Edit

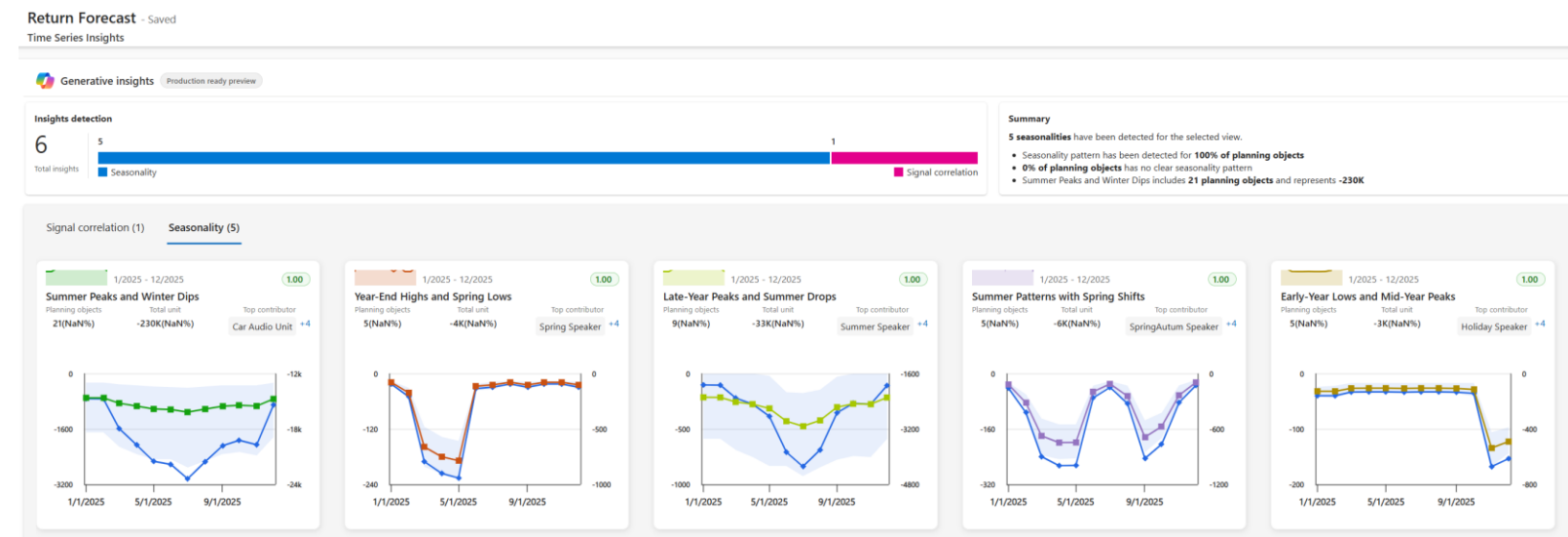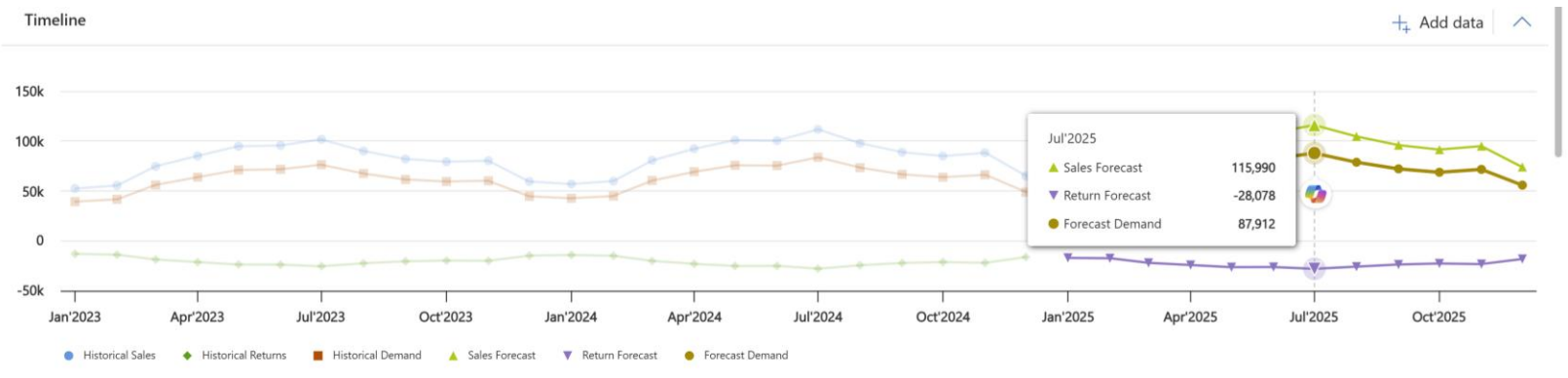| Warehouse Location Name	Data	Totals	Jan'2025	Feb'2025	Mar'2025	Apr'2025	May'2025	Jun'2025	Jul'2025	Aug'2025	Sep'2025	Oct'2025	Nov'2025	Dec'2025
DC WHS 1 US	Forecast by WHS	236,736	13,156	13,169	18,608	21,454	23,129	24,044	25,455	22,050	20,220	19,520	20,665	15,266
	Roughcut Hours/Month	2,688	224	224	224	224	224	224	224	224	224	224	224	224
	Roughcut pick per hour	360	30	30	30	30	30	30	30	30	30	30	30	30
	Roughcut Pickers	35	2	2	3	3	3	4	4	3	3	3	3	2
Store 1 US	Forecast by WHS	186,829	10,338	10,434	14,519	16,960	18,344	18,291	20,077	17,720	16,202	15,254	16,606	12,084
	Roughcut Hours/Month	2,016	168	168	168	168	168	168	168	168	168	168	168	168
	Roughcut pick per hour	360	30	30	30	30	30	30	30	30	30	30	30	30
	Roughcut Pickers	37	2	2	3	3	4	4	4	4	3	3	3	2
Totals [Forecast by WHS]		423,565	23,494	23,603	33,127	38,414	41,473	42,335	45,532	39,770	36,422	34,774	37,271	27,350

Dynamic Safety Stock calculation

Calculate a safety stock based on forecast deviations

Ensure that Trends and seasonality is included

Calculations are performed on matching dimensions and selecting most specific value

Customer stories

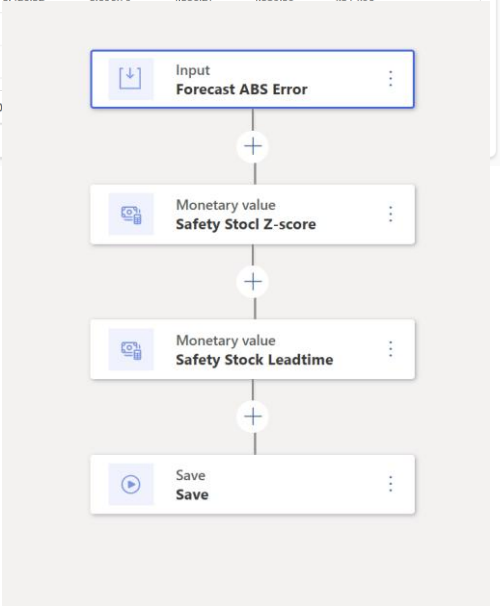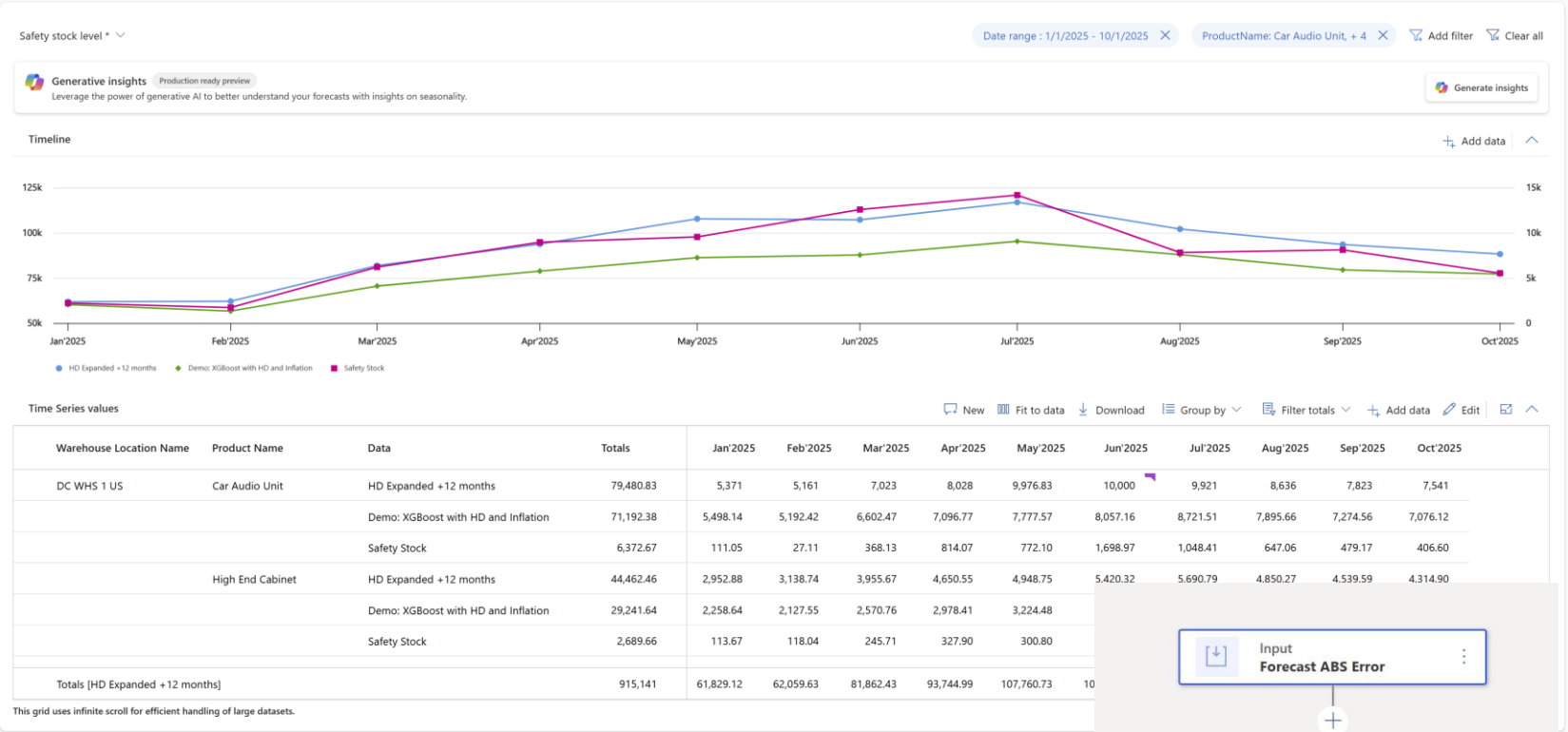"The demand planning capabilities in Dynamics 365 are helping us make the right decisions to lower wastage, avoid unnecessary deliveries, and be cybersafe. It's a game-changer for us because it uses AI for predictive analysis ... to predict our future."

Neha Batra, Head of Business Solutions, Domino's Pizza UK & Ireland Ltd.

"Thanks to Microsoft's ongoing efforts and continuous feature updates, the demand planner gains valuable insights automatically, streamlining their workflow. Additionally, the platform enables advanced collaboration, consolidating the entire forecast management process into a single, unified platform."

--Marcello Bernardi, IT Manager at Venchi

"Here at Lifetime Products, Inc., we are excited to leverage Demand Planning in Dynamics 365 Supply Chain Management to consolidate and streamline our forecasting process. With its AI-empowered Best-fit forecast model selection and detection of seasonality, we can improve our forecast accuracy from 70% to 85% companywide. It will allow us to consolidate spreadsheets into one universal approach, streamlining complex forecasting calculations."

-Sinahi Lopez, Global I.T. Functional Manager, Lifetime Products

"We wanted to rethink supply chain management and demand planning. With Microsoft Dynamics 365 Supply Chain Management and Demand planning, we have done just that."

Holger Kreisel, Head of Enterprise Resource Planning, Poloplast

Customer:
Domino's Pizza UK & Ireland Ltd.

Industry:
Retailers

Size:
Corporate (10,000+ employees)

Country:
United Kingdom/Ireland

Products and services:
Microsoft Dynamics 365
Microsoft Dynamics 365 Finance
Microsoft Dynamics 365 Supply Chain
Management

[Read full story here](#)

"The demand planning capabilities in Dynamics 365 are helping us make the right decisions to lower wastage, avoid unnecessary deliveries, and be cybersafe. It's a game-changer for us because it uses AI for predictive analysis ... to predict our future."

—Neha Batra, Head of Business Solutions, Domino's Pizza UK & Ireland Ltd.

Situation:

In its mission to deliver a better future through food people love, Domino's was encumbered by a manual demand planning process. The company wanted to find a better way to predict demand, simplify its operations, and make faster, data-driven decisions.

Solution:

With the demand planning capabilities in Microsoft Dynamics 365, planners have ditched the spreadsheets and gained access to external signals, historical sales data, and inventory information, ensuring precise delivery of fresh ingredients to the right stores at the right time.

Impact:

Replacing spreadsheets with low-code and no-code forecasting and demand models has enhanced inventory management, given quick access to sales data, reduced costs, and boosted franchisee partner confidence in delivering a great customer experience.

Poloplast reimagines forecasting with demand planning in Dynamics 365 Supply Chain Management

Customer: Poloplast

Industry: Discrete Manufacturing

Size: 50-999 employees

Country: Austria

Partner: BE-terna

Publish date: March 2024

[Read the full story here](#)

Challenge: Austrian pipe manufacturer Poloplast was among the first Microsoft customers to participate in a private preview of the new demand planning capabilities in Dynamics 365 Supply Chain Management.

Solution: The business used the capabilities to replace an unappealing forecasting process and improve collaboration and insights between business units.

Impact: Today, Poloplast has made the forecasting process more user-friendly and collaborative, extended its outlook from three months to one and a half years, and reduced external storage costs significantly due to more precise purchasing.

Products: Dynamics 365 Supply Chain Management

Roles & Licenses

Roles and Licenses

Dynamics 365 Supply Chain Management Premium

Contributor

- View & edit Planning data
- Create comments
- View & create worksheets
- RLS rules apply
- Time fence rules may apply
- Cursor Copilot

Manager

- Create tables & relations
- Import & export data
- Create transformation
- Create forecasts
- Create calculations
- View & edit Planning data
- Create comments
- View & create worksheets
- Define RLS rules
- Define Time fence rules
- Define Phase In/Out rules
- Copilot
- Generative insights

Dynamics 365 Supply Chain Management

Contributor/Manager

- View Planning data
- Create comments
- View worksheets
- RLS rules apply
- Cursor Copilot

Dynamics 365 Supply Chain Management Premium

Optimize your licensing mix to ensure users have access to the right capabilities

Advanced planning capabilities built into your solution

- Demand planning capabilities – 10 seat minimum
- Additional capacity and storage entitlements

Dynamics 365 Supply Chain Management

Scalable, composable, secure, and streamlined solution for an intelligent supply chain.

$210.00

User/month

Dynamics 365 Supply Chain Management Premium

Enhance supply chain adaptability and performance with advanced planning, analytics, and insights.

$300.00

User/month

Supply Chain Management Pricing

	Dynamics 365 Supply Chain Management	Dynamics 365 Supply Chain Management Premium
+ Core supply chain management	●	●
– Demand planning	◆	●
Read-only access, cell commenting	●	●
Full access – create, edit, analyze, publish		●
+ AI and machine learning	●	●
– Capacity and storage		●
Higher entitlements		●

Roadmap

Roadmap for Demand Planning 2025-2026+

	2025 W1	2025 W2	2026+

Enhance forecasting calculation
- Support Signal in forecast calculation
- Auto-detect seasonality for all models
- Time Freeze
- Select All operator in policies

Generative insights and clustering for signal correlation (Public Preview)
- Cluster data based on detected metrics
  - Seasonality
  - Correlation to Signal

Copilot analyzes forecasts data and provide explainability on cell level
- Adjustments
- Comments

Enhance forecasting calculation
- Support for multiple *Signals* in a forecast calculation
- New forecast model (Dice berry)
- Improved support for products with **Low data** and **Sparse data** compositions
  - Naïve
  - Croston

Generative insights and clustering for signal correlation (GA)
- Cluster data based on detected metrics
  - *Trend*

Copilot analyzes forecasts data and provide explainability on cell level
- Signal impact - decomposition

Demand planning Agent
- Create forecast based on a set of goals and maintain it.

Improved insights to forecasted data
- Create new views for the planners
- Better insights to Best fit model selection

Events & Promotion planning
- Support converting Events into a signal and plan for impact based on historical impact
- Plan promotions and predict impact based on historical impact

Signal Agent
- Monitor deviations in signals and take correctional actions

Allocations (assortment planning)
- Forecast on product level. Allocate from products to product variants by stores using a data-driven key or manual pre-defined allocation key

**Supply and demand balancing with inventory projection**
- Additional OOB data entities mapped to Demand planning
- New calculation action to project inventory level, highlighting expected stock-outs.
- Simulate supply chain changes on aggregated levels to prevent stock-outs
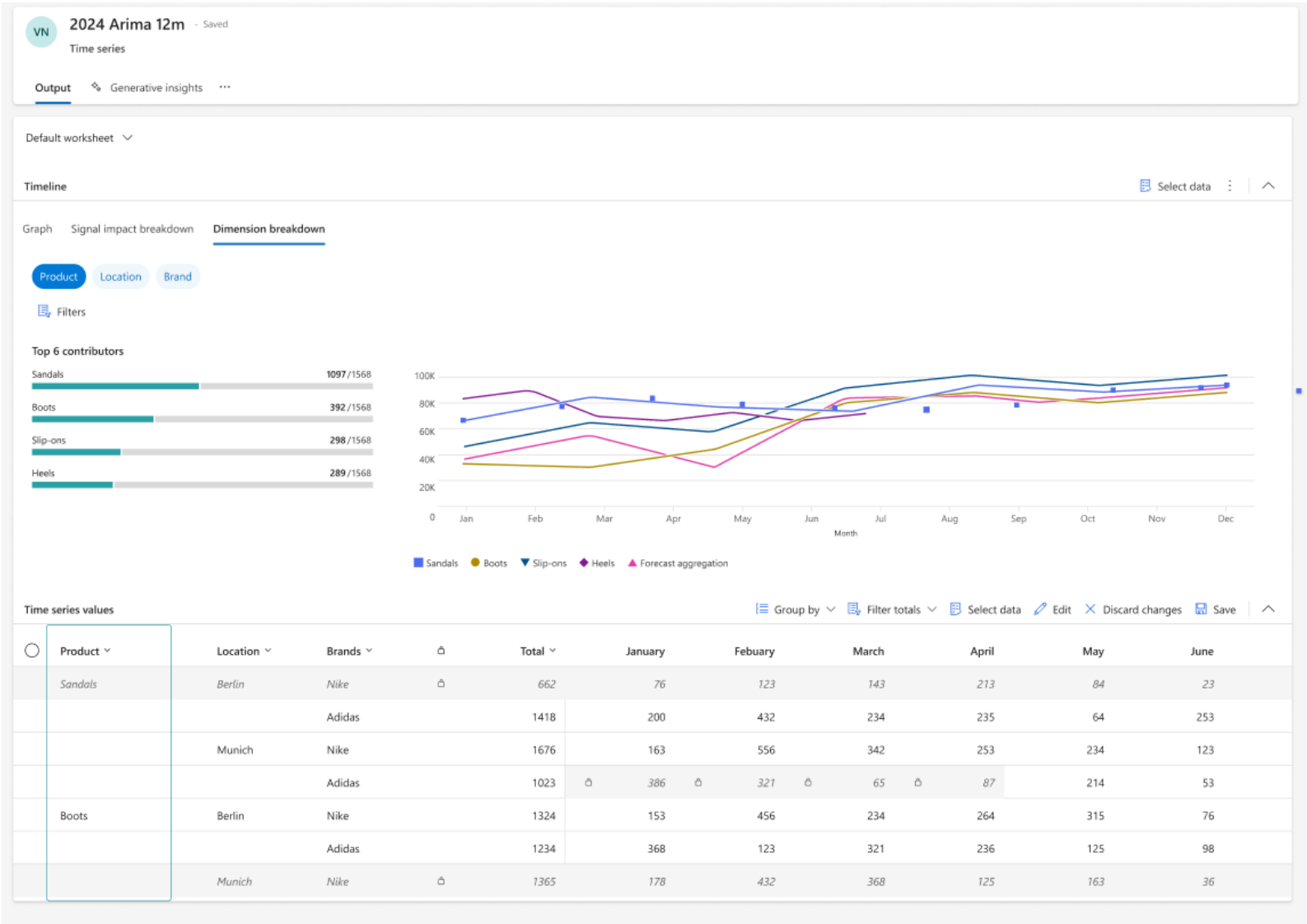
Core capabilities
- Real-time calculation dual direction in grid
- Support time aggregation in grid

Roadmap: Decomposed view on a Forecast
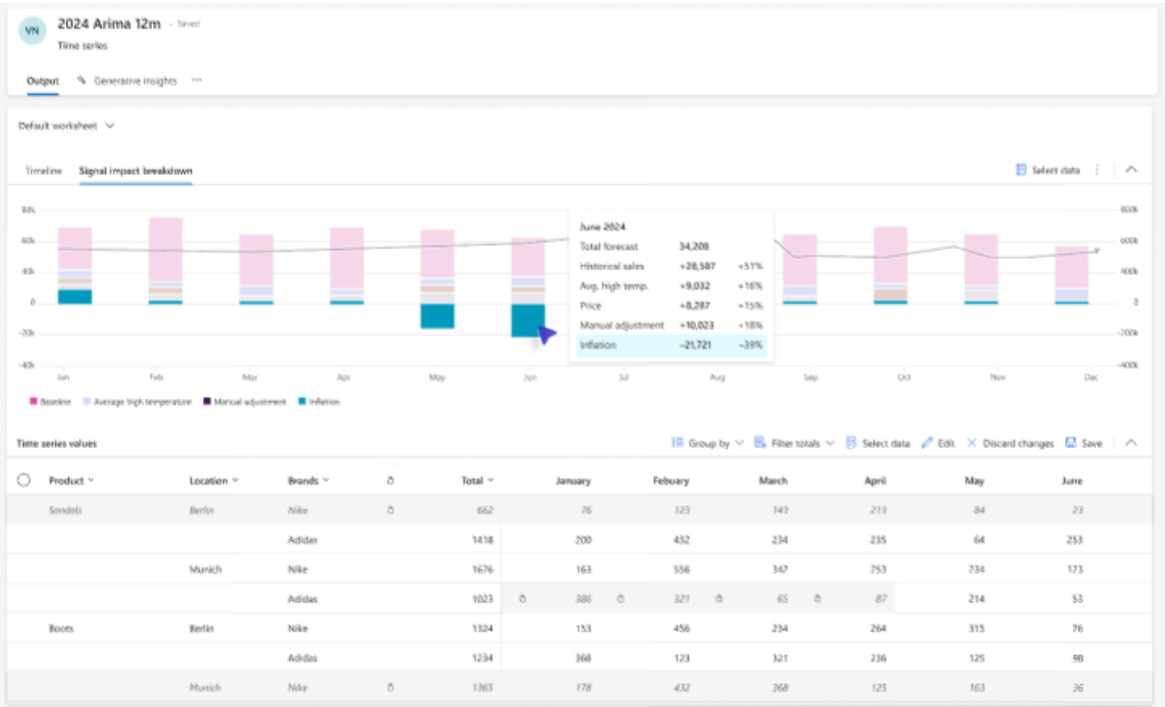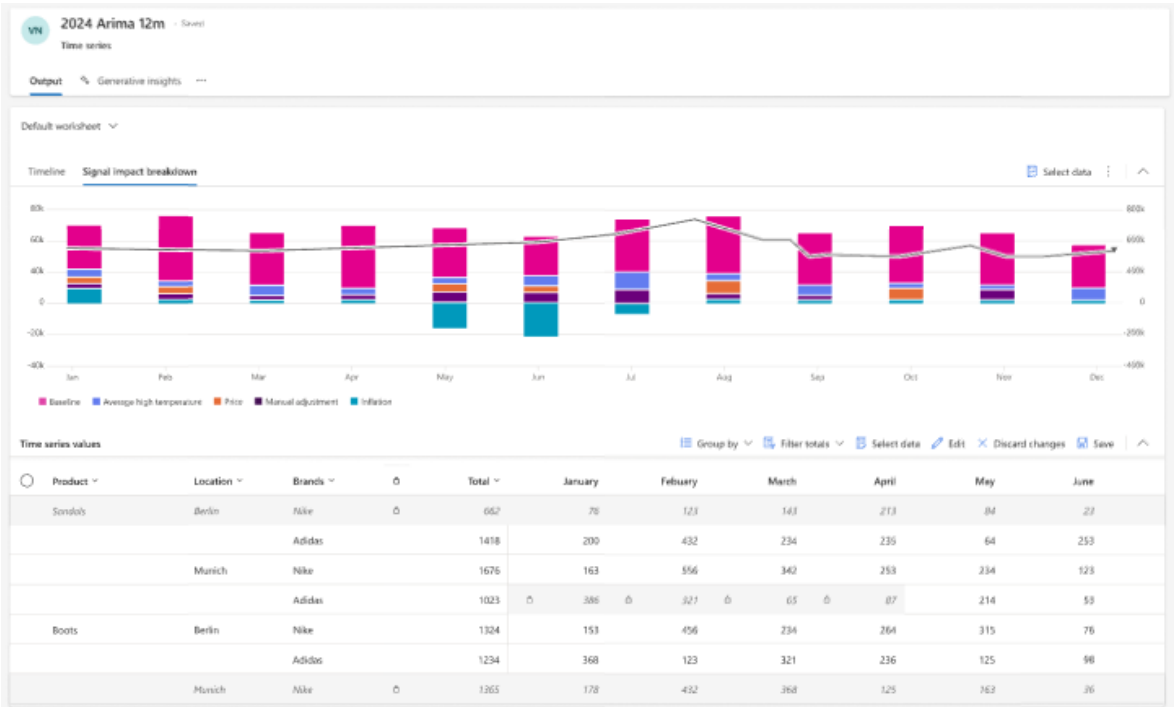
Roadmap: Aggregated view on Dimensions

Roadmap: Highlight Manual adjustments
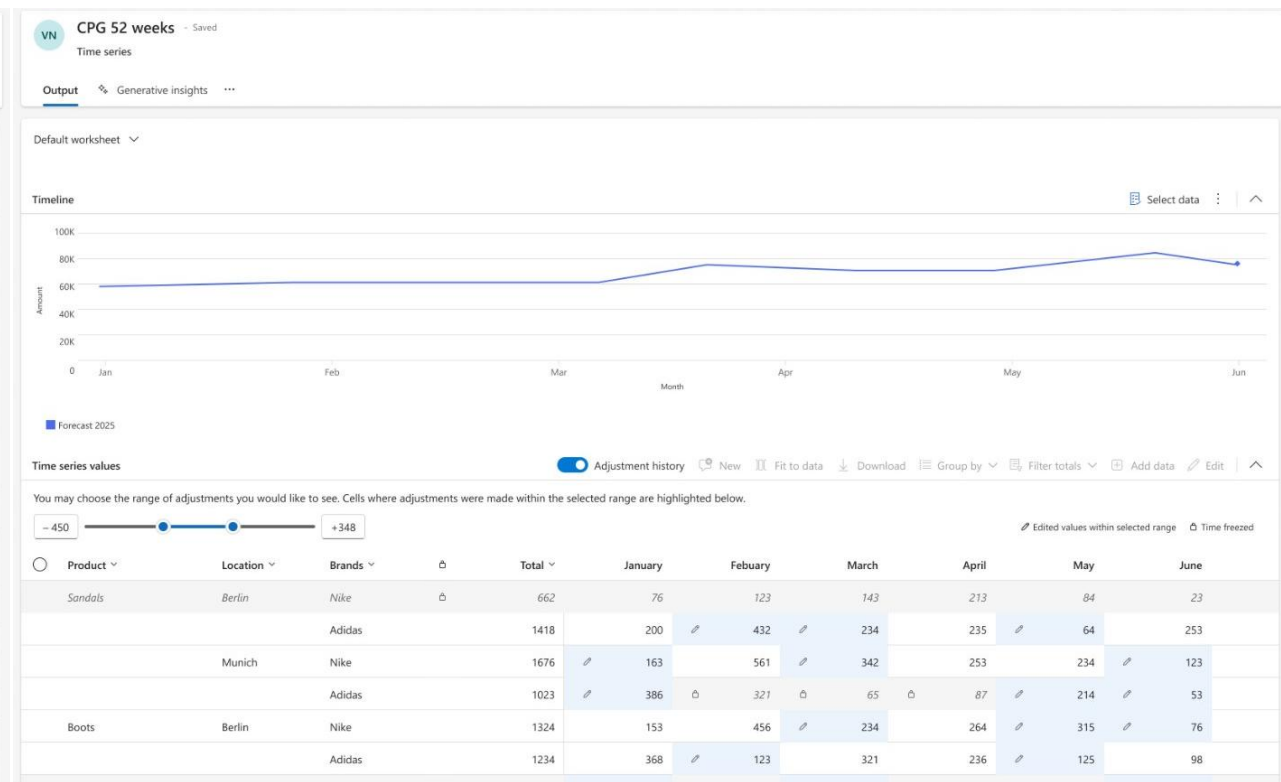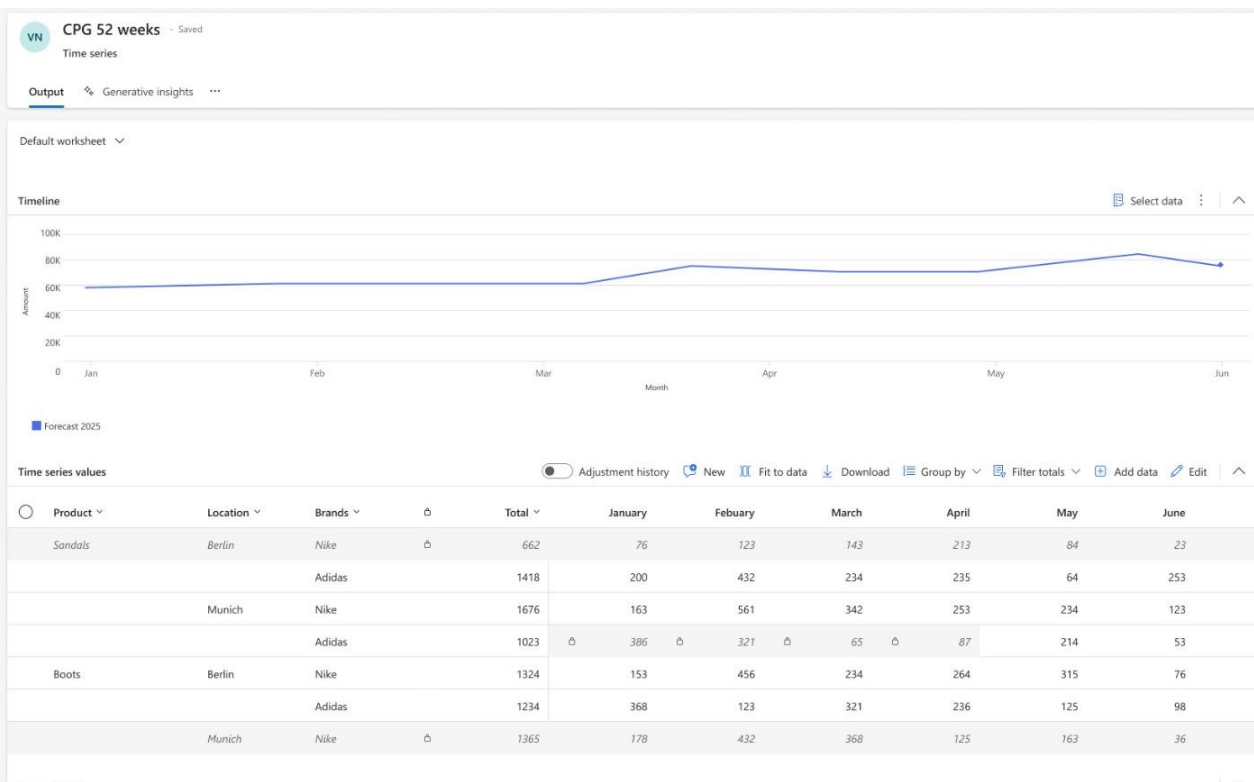
Roadmap: Forecast model selection

Bestfit forecast 12mo Job Run - Saved
Forecast Job Run

Summary   Forecast Model   **Explainability**

Overall accuracy

Accuracy ⓘ

87%
All forecast

0   100

Calculation models ⓘ

Best fit

33%	31%	36%

■ Arima ■ Prophet ■ ETS

Dimension level accuracy

You may choose dimensions and values to view you would like view forecast accuracy for selected elements.

Dimension 1
[Product ▽]

Values
[12 selected ▽]

Dimension 2
[Location ▽]

Values
[3 selected ▽]

Accuracy ⓘ

77%
Dimension level

0   100

Calculation models ⓘ

Best fit

24%	36%	40% $188K

■ Arima ■ Prophet ■ ETS

[Product] [Location]

Sandals – Munich	92%
Sandals – Berlin	85%
Slip-ons – Munich	84%
Heels – Berlin	82%

Detailed level accuracy

Modal	MAPE ⓘ	Legal entity name	Country / region	Product ID	Product name	Warehouse location
ARIMA	1.98%	CONTOSO ENTERTAINMAIN US	USA	K0012	Sandals	Store 1 US
ARIMA	2.34%	CONTOSO ENTERTAINMAIN US	USA	K0023	Boots	Store 4 US
ETS	1.34%	CONTOSO ENTERTAINMAIN US	USA	K0113	Slip-ons	Store 1 US
PROPHET	2.34%	CONTOSO ENTERTAINMAIN US	USA	K0002	Heels	Store 3 US
PROPHET	2.34%	CONTOSO ENTERTAINMAIN US	USA	K0016	Heels 2x	Store 2 US

Roadmap: Event & Promotion planning
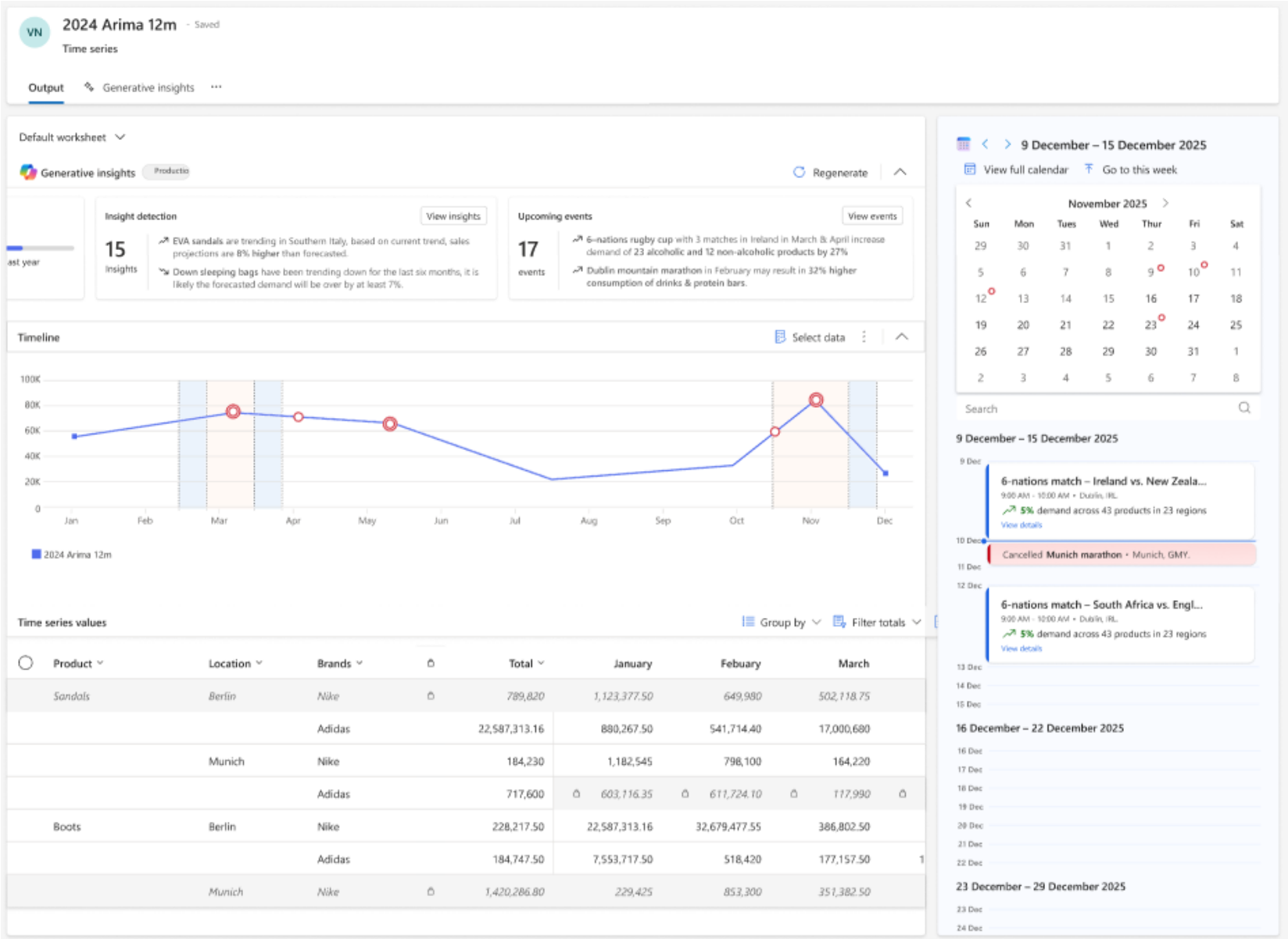
Demand Planning

Demand Planning

Microsoft Dynamics 365

Yammer group (Viva engage)

Tech Talk

Documentation

Q&A

Microsoft Dynamics 365

Thank you