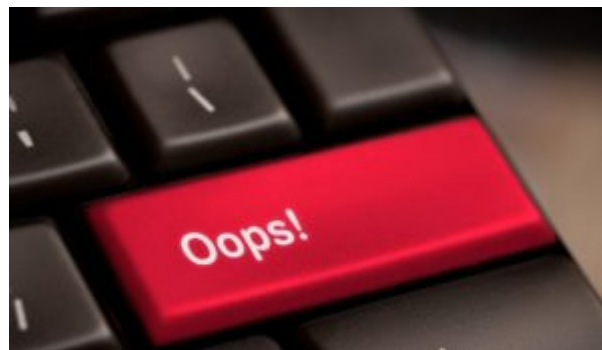


Seasonal Indexes: Are You Asking The Wrong Questions? - Data Profits



Many people are finishing their summer holidays and prepping for the new school year with 'Back to School' shopping. Retail and Wholesale companies are implementing their 2016 fall season and holiday sales plans based on demand planning and hopefully a few seasonal indexes. Surprising to me is the fact that blogs, how to articles, and speaking requests on seasonal indexing are the most popular material we provide. The other odd fact is how many different math methods people use to calculate a seasonal index; not just what data, but the math. Odd only because a seasonal index 'SHOULD' be basic algebra that most of us learned in middle school. Many of the odd methods seem to be more about someone writing a paper and less about getting right product to right location on time. Maybe someone is asking the wrong questions?

[Snakes! Why Did It Have to Be Snakes?](#)



Dr. Henry Walton "Indiana" Jones uttered this famous line in the movie Raiders of the Lost Ark released in 1981. The scene begs the question does 'Indy' think alligators would be better than snakes or maybe lions? Indy is asking the wrong question at the wrong time. Often the business problem that envelops our company will be misdirected by leaders asking the wrong set of questions that fail to address the root problem. The result is a bad solution that delivers the same bad results. Seasonal curves in business are created by events that repeat on a schedule. That schedule can be the first week of every month, a season like spring, a holiday like Thanksgiving or an event like a Super Bowl. They all repeat based on a time schedule.

The reality is too many people ask the wrong questions, forget about bad results as they run to the next season's fire drill; doomed to repeat the same mistakes and bad results over and over. Maybe this is the opportunity to stop asking the wrong question and ask yourself: [Do You Make the Same Seasonal Error Seasonally? Read More](#)

[6 seasonal index mistakes you don't want to make](#)



We all know snow shovels aren't going to sell in the summer and beach towels will flop in December. Most of us can identify general seasonality and spot a really bad seasonal index by applying simple common sense. But do you frontload your key seasons or reduce orders because your replenishment system doesn't quite get the job done?

[Watch SlideShare Video](#)

[Seasonal Indexes Serve Up Lost Sales and Low Service](#)

Seasonal Indexes are a great tool that can be easily used to manage inventory and improve replenishment, allocations and new product releases. Seasonal Indexes used correctly result in sales growth and fewer out-of-stocks. Hello, Captain Obvious. The unfortunate truth is many of you fail to use seasonal indexes where you should today. The small group that does use seasonal indexes often fails to adjust the indexes when calendar events happen in different business fiscal weeks this year compared to the year the index was created. Last, Seasonal Indexes fail when you use the wrong math formula to create the seasonal index or you or your software use the wrong demand sales data to build the seasonal index. The results from these issues are out-of-stocks, lost sales and mis-spent inventory dollars. [Read More.](#)