

Probabilistic Demand Scenario Planning Format

1. Document Information

Project / Product	Widget ABC	Prepared by	Jane Smith
Period Covered	Q3 2024 - Q2 2025	Date	2024-06-05

2. Scenario Assumptions

- Historical sales variability is considered for probabilistic modeling.
- Market launch of competitor product expected in Q4 2024.
- Seasonal demand peaks in Q1 each year.
- No significant supply chain disruptions anticipated.

3. Demand Scenarios

Scenario	Description	Probability (%)	Quarterly Demand Forecast
Optimistic	High adoption, market growth exceeds 10%	20	Q3: 5,500 Q4: 6,200 Q1: 7,000 Q2: 6,500
Base Case	Steady growth as per historical trend	55	Q3: 4,800 Q4: 5,200 Q1: 6,000 Q2: 5,400
Pessimistic	Lower adoption due to market competition	25	Q3: 4,200 Q4: 4,500 Q1: 5,200 Q2: 4,800

4. Aggregate Probabilistic Demand

Quarter	Expected Demand (Weighted Average)	90% Confidence Interval
Q3 2024	4,820	4,200 – 5,500
Q4 2024	5,234	4,500 – 6,200
Q1 2025	6,050	5,200 – 7,000
Q2 2025	5,484	4,800 – 6,500

5. Key Risks & Mitigation

- **Risk:** Competitor launches earlier than expected.

- Mitigation:** Prepare marketing response and flexible inventory allocation.
- **Risk:** Unexpected demand surges.
Mitigation: Establish contingency with key suppliers.
- **Risk:** Supply disruptions.
Mitigation: Dual sourcing and safety stock increase.

Important Notes

- Probabilistic scenarios provide a range of outcomes, assisting in more resilient planning.
- Assumptions should be reviewed and updated regularly as new information emerges.
- Probability allocation to scenarios must be based on data and cross-functional consensus.
- Use this document as a dynamic planning tool and update forecast with actuals periodically.