

DATA-INFORMED FORECAST FOR INDUSTRIAL PACKAGING

Industrial Packaging Company
Sales Forecast by City

Prevedere Inc. | An Intelligent Forecasting Company



Understanding Key External Drivers by Product and Region

Prevedere worked with corporate and divisional finance to uncover key demand drivers by product line and geographies



THE PROBLEM

The global industrial packaging industry is facing some headwinds in steel drums and plastics, and tailwinds for paper and cardboard. This shifting demand creates uncertainty and missed forecasts resulting in excess cost and lost revenue as a result.

Without an accurate plan, the ability to allocate resources and optimize working capital is at tremendous risk. Industrial packaging is more volatile than ever before.



THE CHALLENGE

Industrial Packaging Challenge

1. Identify geographic leading indicators for their steel, plastic, paper, and cardboard businesses
2. Work with economist to produce the potential impact to these leading drivers
3. Create forecasts to incorporate into the planning process and inform the strategic plan
 - maximize visibility in future headwinds
 - optimize manufacturing and inventory
 - plan for success





THE STRATEGY

Partner with Prevedere to build forecast

1. Prevedere's global data and AI/ML solution identified leading indicators in days
2. The finance and business leadership teams provided their industry and market insights to incorporate into Prevedere forecast models
3. Prevedere built and tested forecast and econometric scenarios then provided executive insights to the executive leadership team
4. Integrated the forecast into the sales, operations, and planning processes for monthly review

THE PROCESS

**Billions of calculations, millions of potential signals,
and thousands of models built and tested**

Some highly predictive leading indicators were uncovered

- Chemical Manufacturing
- Essential Business Opens and Business Closures
- Economic Policy Uncertainty by Country
- Imports - Major Global Economies
- Crude Oil Prices: West Texas Intermediate (WTI)
- Online Shopping
- Retail Sales
- Agriculture Indices



THE RESULT

Forecast models were created for each business unit and region and they continually update to provide future guidance

Company saw:



98.4%

Average 12-month
forecast accuracy across
product lines and country



75%

Reduction in time
to hunt and gather
global external data



Millions

In excess inventory
reduction and mitigation
of potential lost sales

THE PATH FORWARD

This company now leverages Prevedere's solution to inform all planning and forecasting across the organization.

Prevedere built an **online smart dashboard** that continually updates with new external data and alerts when the econometric models indicate upcoming risk or market opportunity versus plan.

Monthly **Sales and Operational Planning** meetings now include the Prevedere forecast by business region to ensure a fact-based baseline is always considered in the final forecast.

Prevedere has also become a valuable partner to the Executive team and our Economists provide a **quarterly update** on the macro and micro-economic outlook.





CONCLUSION

A data-driven strategy allows for timely and highly valuable insight during unprecedented times

Business leaders now create more accurate forecasts for future results by leveraging Prevedere.

This company took the opportunity to partner with Prevedere to provide data-driven external insights into the planning process.

In just a few weeks, the regional leadership team was armed with forecasts that enabled them to increase revenue and decrease cost across their company.

A business meeting scene on a wooden table. A person's hands are visible, one holding a tablet and the other gesturing. In the foreground, a hand holds a pen over a document titled "Comparison of Competitors" which features line and bar charts. Several sticky notes are scattered on the table.

FOR MORE INFORMATION:

www.Prevedere.com
inquiries@prevedere.com
(888) 686-7746