

# DATA-INFORMED FORECAST FOR GLOBAL PLANNING

A large container ship is sailing on the ocean, carrying many colorful shipping containers. A tugboat is visible in the foreground, moving alongside the ship. The sky is clear and blue.

**Leading Logistics Company  
Case Study**

*Prevedere Inc. | An Intelligent Forecasting Company*



# Understanding Many Potential Outcomes

Prevedere is working with the Market Insights Team of a leading logistics company to create multiple forecast scenarios for 2021 planning

# THE PROBLEM

Historical models of demand for products and categories are no longer valid in the highly dynamic pandemic and resulting economic crisis. Market Insights team members continue to have their day job, and must now create multiple forecasts on potential economic outcomes.

***Without an agile plan, the ability to allocate resources and optimize working capital is at tremendous risk.***



# THE CHALLENGE

## Logistic Company Challenge

1. Identify logistics demand leading indicators by geographic routes
  2. Work with economist to produce the potential impact to these leading drivers
  3. Create forecasts to incorporate into the planning process and inform leadership
- maximize visibility in future headwinds
  - reduce risk
  - plan for success





# THE STRATEGY

## **Partner with Prevedere to build scenario forecast**

1. Prevedere's global data and AI/ML solution identified leading indicators in a few days by geography
2. The company provided their internal industry and market knowledge to incorporate into Prevedere forecast models
3. Prevedere built and tested forecast by major port pairs, then provided forecast to the Insights team monthly



# THE PROCESS

**Champion:** Global Head of Strategy

**Team members:** Global Insights and FP&A

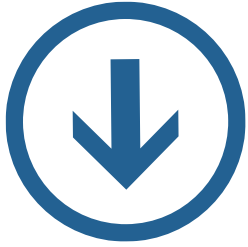
**Billions of calculations, millions of potential signals,  
and thousands of models built and tested**

Some highly predictive leading indicators were uncovered

- Economic Policy Uncertainty by Major Country
- Global Trade Balances
- Consumer Demand
- Automotive and Automotive Parts Demand
- Brent Crude Oil Prices
- Consumer Spending: Durable Goods

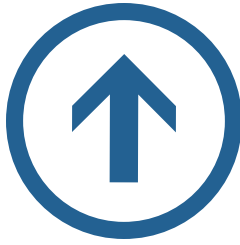


# USE CASES



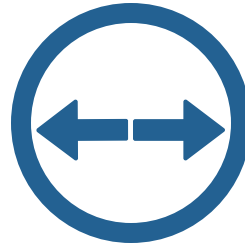
## Top Down Planning

- Annual/Quarterly target setting
- Scenario forecasting
- Working capital forecasting
- Indirect cash flow forecasting
- Competitive actions and implications



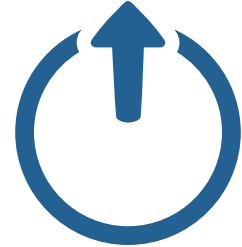
## Bottoms Up Planning

- Product-level forecasting
- Market- or country-level forecasting
- Direct cash flow forecasting



## Functional Specific Planning

- Financial forecasting
- Sales forecasting
- Marketing planning
- Demand forecasting
- Inventory optimization
- Strategic planning



## External Reporting

- Market guidance
- Investor guidance
- Board guidance

# THE RESULT

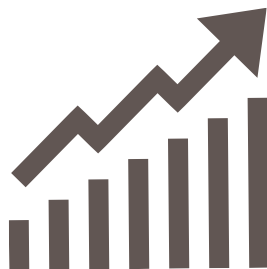
Forecast models were created for global monthly container volume and port pairs which continually update to provide future guidance.

*Insights Team saw:*



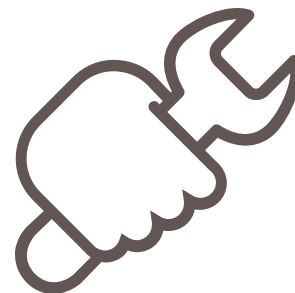
**4**

Weeks to build  
forecasts for major  
business areas



**>97%**

Forecast accuracy, providing  
confidence in the external  
signals identified



**70%**

Shorter time to  
update monthly  
forecast





# CONCLUSION

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

The logistic company's Market Insights team needed to create multiple scenario forecasts for future results, on top of navigating their changing way to work.

The team took the opportunity to partner with Prevedere to provide data-driven insights into the planning process.

In just a few weeks, the team can now provide multiple forecasts with actual leading signals on potential headwinds and tailwinds for their business.

These forecast are used by leadership, sales, marketing, and supply chain for planning. Models are updated and reviewed each week as the economy unfolds.

A business meeting scene on a wooden table. In the background, 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". The document features a line graph and a bar chart. Several sticky notes (teal, pink, orange) are placed on the document. A clipboard with a silver clip is also visible. The scene is brightly lit, likely from a window on the right.

**FOR MORE  
INFORMATION:**

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