



DATA-INFORMED FORECAST FOR SCENARIO PLANNING

Global Packaged Foods Company
Category Scenario Planning Case Study

Prevedere Inc. | An Intelligent Forecasting Company



Understanding Many Potential Outcomes

Prevedere is working with the CFO and Market Insights Team of a leading packaged food 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Historical models of demand for products and categories are no longer valid in the highly dynamic pandemic and resulting economic crisis.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 forecast on potential economic outcomes.

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



THE CHALLENGE

Packaged Foods Challenge

1. Identify geographic leading indicators by product categories for their annual planning
 2. Work with economist to produce the potential impact to these leading drivers
 3. Create forecasts to incorporate into the planning process and inform business leaders
- 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 across 9 categories
2. The company provided their internal industry and market knowledge to incorporate into Prevedere forecast models
3. Prevedere built and tested 3 econometric scenarios by major product categories, then provided forecast to the insights team

THE PROCESS

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

Some highly predictive leading indicators were uncovered

- Healthy Eating Index
- Online Search Activity
- Discretionary Spending
- Average Daily Rainfall
- United States - Consumer Mood Index - Adults 18+
- Life changes: I am eating home cooked meals more often - Adults 18+
- Consumer Mobility Data
- Household Income



21 PRODUCT CATEGORIES

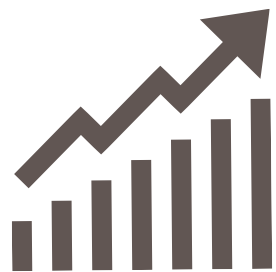


ACROSS 3 CHANNELS

THE RESULT

Baseline, optimistic, and pessimistic models were created for 21 product categories which continually update to provide future guidance

Insights Team saw:



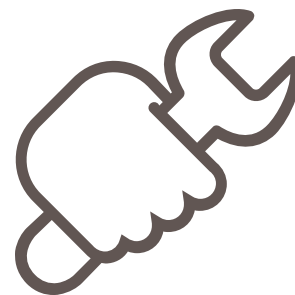
98.5%

Forecast accuracy from back-tested models, providing confidence in the external signals identified



Millions

Global product category excess inventory reduction



70%

shorter time to build economic scenarios



CONCLUSION

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

The Packaged Companies' 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 forecast scenarios with actual leading signals on potential headwinds and tailwinds for their business.

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