



DATA-INFORMED FORECAST FOR SCENARIO PLANNING

**Food and Beverage Industry
Scenario Planning Case Study**

Prevedere Inc. | An Intelligent Forecasting Company



Understanding Many Potential Outcomes

Prevedere is working with the Market Insights team of a leading food and beverage 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Historical models of demand for products and categories are no longer valid in the highly dynamic pandemic and resulting economic crisis.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 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

Food & Beverage Challenge

1. Identify food and beverage geographic leading indicators by product for their business
2. Work with economist to produce the potential impact to these leading drivers
3. Create forecasts to incorporate into the planning process and inform investors
 - maximize visibility in future headwinds
 - reduce risk
 - plan for success





THE STRATEGY

Partner with Prevedere to build scenario forecasts

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 three econometric scenarios by major product categories, then provided forecast to the Insights team monthly

THE PROCESS

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

Some highly predictive leading indicators were uncovered

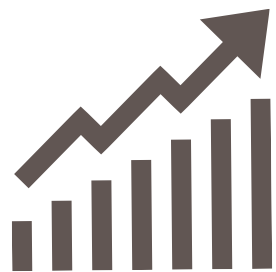
- Healthy Eating Index
- Online Search Activity
- Discretionary Spending
- Average Daily Rainfall
- United States - Consumer Mood Index - Adults 18+
- Life changes: I am eating home cooked meals more often - Adults 18+



THE RESULT

Baseline, optimistic, and pessimistic models were created for North American Division which continually update to provide future guidance

Insights Team saw:



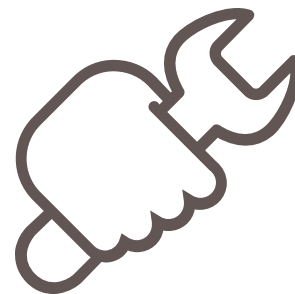
97.5%

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



50%

Reduction in time to hunt & gather external data



70%

shorter time to build economic scenarios



CONCLUSION

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

The Food & Beverage 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 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 gesturing while holding a tablet. 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 attached to the document. A clipboard with a silver clip is also visible.

**FOR MORE
INFORMATION:**

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