DATA-INFORMED FORECAST FOR BUSINESS REGIONS
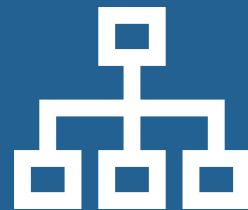
Global Chemical Corporation
Strategic Planning Case Study

Prevedere Inc. | An Intelligent Forecasting Company

Understanding Many Potential Outcomes

Prevedere is working with Business Unit Leadership Teams and Corporate Finance to create forecast 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Historical models of demand for products and categories are no longer valid in the highly dynamic pandemic and resulting economic crisis. Finance and business leaders need to create a more accurate forecast to minimize the impact on profits and extend cash runway.

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

THE CHALLENGE

Chemical Company Challenge

1. Identify product and geographic leading indicators for their business units
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 forecast

1. Prevedere's global data and AI/ML solution identified leading indicators in days
2. The company 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 Leadership Teams

THE PROCESS

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

Some highly predictive leading indicators were uncovered

- Purchasing Managers Index
- Manufacturers' New Orders for Automotive Industries
- Cass Freight Shipments
- Economic Policy Uncertainty by Country
- Imports - Major Global Economies
- Crude Oil Prices: West Texas Intermediate (WTI)
- Residential and Commercial Construction

THE RESULT

Forecast models were created for global divisions which continually update to provide future guidance

Company saw:
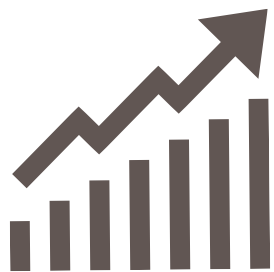
95.2%

Average 12-month forecast accuracy across divisions and regions

60%

Reduction in time to hunt & gather global external data

$8M

$8 million in excess inventory reduction in one division alone

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 leadership team was armed with forecasts that enabled them to increase revenue and decrease cost across their company.

FOR MORE INFORMATION:

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