DATA-INFORMED FORECAST FOR SCENARIO PLANNING

Leading Technology Company
Scenario Planning Case Study

Prevedere Inc. | An Intelligent Forecasting Company

Understanding Many Potential Outcomes

Prevedere is working with the leadership team to create multiple scenarios for planning in 2021

THE PROBLEM

Historical models of demand for products and categories are no longer valid in the highly dynamic pandemic and resulting economic crisis. Finance continues to have their day job, but 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.
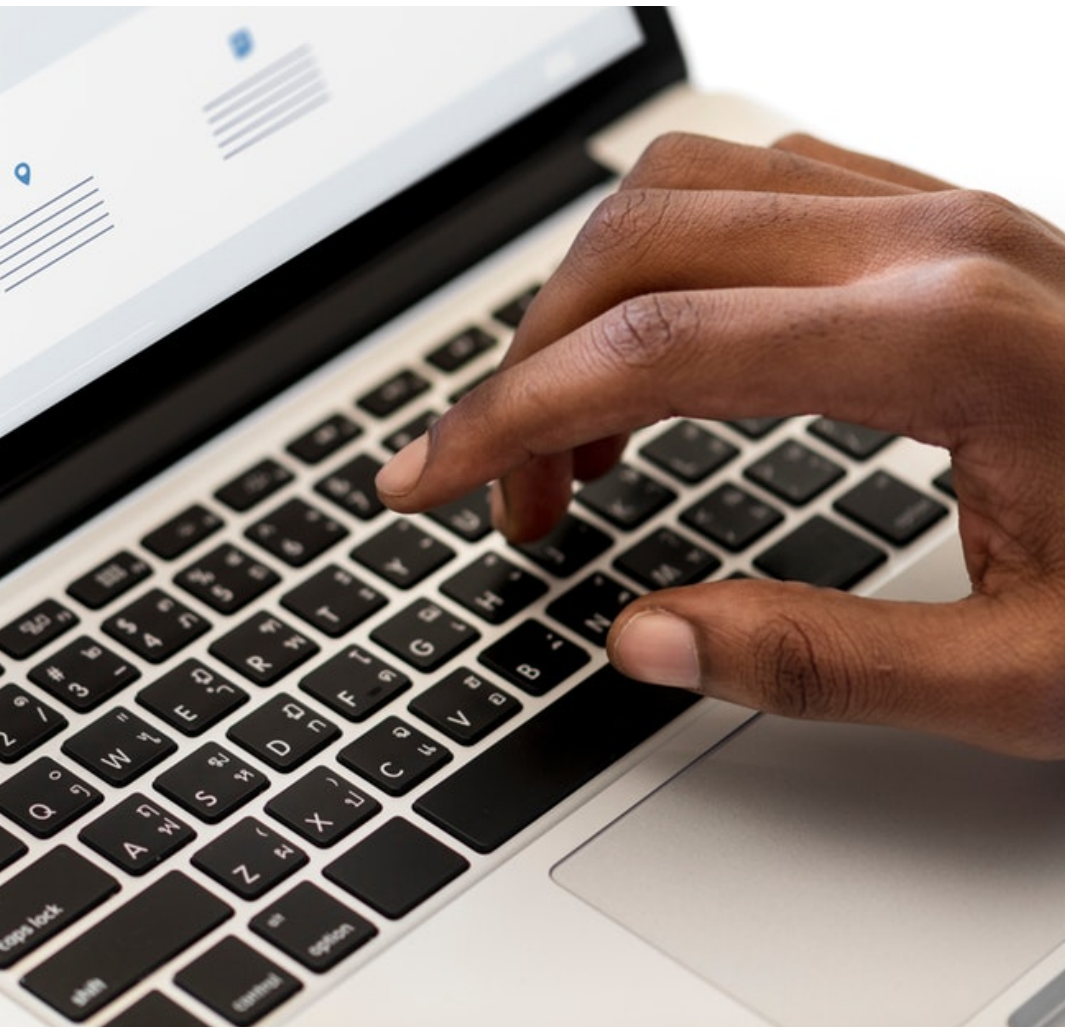
THE CHALLENGE

Company Challenge

1. Identify product and geographic leading indicators 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

The company decided to partner with Prevedere to build scenario forecasts

1. Prevedere's global data and AI/ML solution identified leading indicators in days
2. The company provided industry and market insights to incorporate into Prevedere forecast models
3. Prevedere built and tested three econometric scenarios then provided executive insights to the Leadership Team

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 Information Technology Industries
- Cass Freight Shipments
- Online Search Activity
- Imports Computer Parts and Accessories

THE RESULT

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

Resulting in:

97.7%
Forecast accuracy from Prevedere models for North America

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 company needed to create multiple scenario forecasts for future results, on top of navigating their changing way to work.

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

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

FOR MORE INFORMATION:

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