Business Forecasting

For a Global Logistics Company

SUMMARY

The following case study highlights the design and delivery of an automated business-integrated solution, which was purposed to generate an accurate forecast of the business through each product category, destination location, and product item (limited) for 24 months.

THE CASE

The global logistics company, was operating through functional offices spread across Asia. It used to ship sundry categories of products to locations all over the world. Their core concern revolved around the dynamic demand that emerged out of the difference in seasonality and economic factors of these distributed locations.

THE CONTEXT

Global supply chain networks are usually complicated. Vendors in the logistics segment can relate to the pains of a highly unpredictable need for resources throughout the year. While a shrewd estimate spun out of sheer experience within the industry comes to aid of many, the insights actually located in silos and the entire enterprise can't benefit from this unstructured information. A majority of the players in the industry lack a robust and reliable estimation software to indicate the imminent volume of business.

THE PROBLEM(S)

We understood that the core problems to be addressed with our solution are:

- The product categories were too diversified.
- The demand volume was extremely dynamic & dependent on global socio-economic trends, seasonality and other factors.

THE APPROACH

We planned to develop a set of advanced forecasting models to accommodate and consider each product category for each destination country for the next 24 months, taking care of internal and external drivers.

THE SOLUTION

1. Developed an automated forecasting model that was equipped with the provisions scenario building with assumptions on external factors – like exchange rate fluctuations.
2. Create an automated process capable of updating regular forecasts across the models.
3. Develop an interactive dashboard for the executives to view live forecasts and performance reports, and share in a desired format when required.

We have leveraged our DemandPlanner platform to develop the complete solution including the dashboard.

RESULTS

The automated system application was tested for functional accuracy (under ideal conditions) week after week, to determine the accuracy of generated reports and forecasts. The observed accuracy ranged from 85%-95% for majority of the products and locations. The client was enabled with a hassle-free, automated business forecasting solution