Deloitte.

In association with **Anaplan**

Intelligent forecasting

External data and machine learning to predict what lies ahead

Traditional forecasting → Intelligent forecasting

Past

Looks at only internal data

Requires manual input

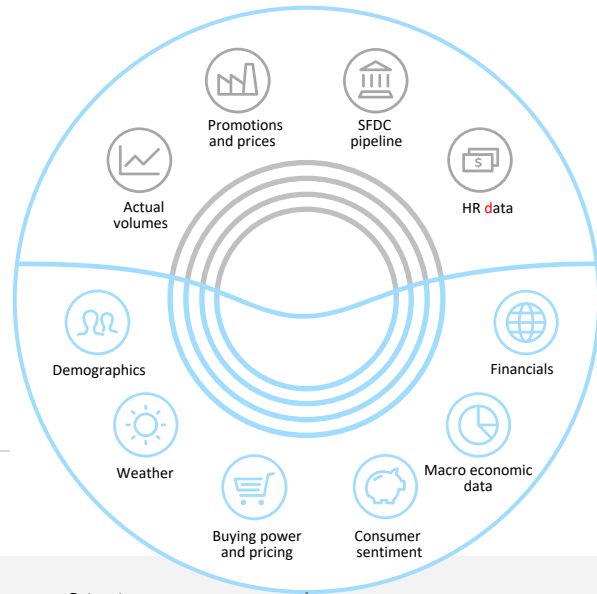- Gives inaccurate outlook
- Very time consuming
- Static outcomes

Future

Considers internal and external data

Baselines are defined by algorithms

- Objective economic view
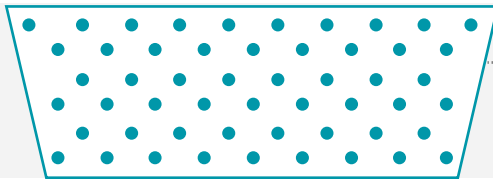- Repeatable at scale
- Allows dynamic scenario planning

Organizations have a major blind spot when they don't account for external factors, which influence up to 85% of business performance*

* Harvard Business Review

External data types

- Promotions and prices
- SFDC pipeline
- HR data
- Actual volumes
- Financials
- Demographics
- Macro economic data
- Weather
- Consumer sentiment
- Buying power and pricing

Predictive intelligent forecasting in four steps

I

Collect
data from more then 3,500 external sources

Data sets

Access to a unique and large set of global external data across different macro economical categories
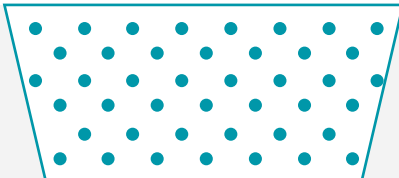
More than **3 million indicators**

Identify leading indicators

Leading indicator is explaining business performance with a nine months lead

II

Discover
the correlating indicators

Leading indicators with optimal correlations with one to 18 month lead times
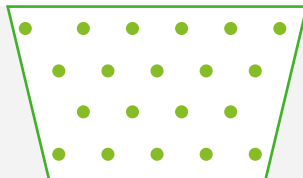
Approximately **500 indicators**

Identify leading indicators

True to time — 9 months

External indicators with 9-month lag

III

Validate
business relevance of indicators

Data categorised into layers of economic signals to fit your industry, geography, and business case
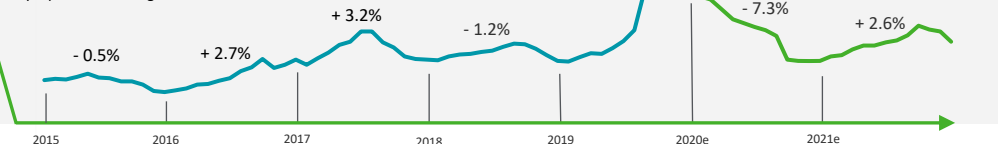
Approximately **10-25 indicators**

Establish economic baseline

— Business performance
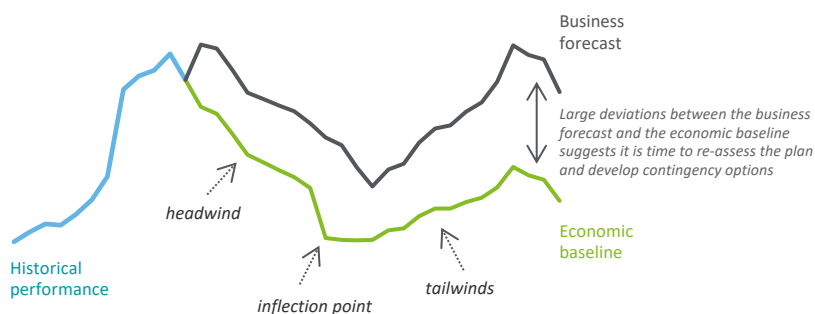— External indicators

IV

Predict
using machine learning algorithms and leading indicators

Leading indicators signal what lies ahead for your business and are a key input to an intelligent forecast.

- 0.5%   + 2.7%   + 3.2%   - 1.2%   + 4.8%   - 7.3%   + 2.6%

— Historical performance
— Economic predicted baseline

2015   2016   2017   2018   2019   2020e   2021e

You can be more proactive and deliver more predictable results when you have a clearer view of what lies ahead

Historical performance

headwind

inflection point

tailwinds

Business forecast

Large deviations between the business forecast and the economic baseline suggests it is time to re-assess the plan and develop contingency options

Economic baseline

Headwinds coming?

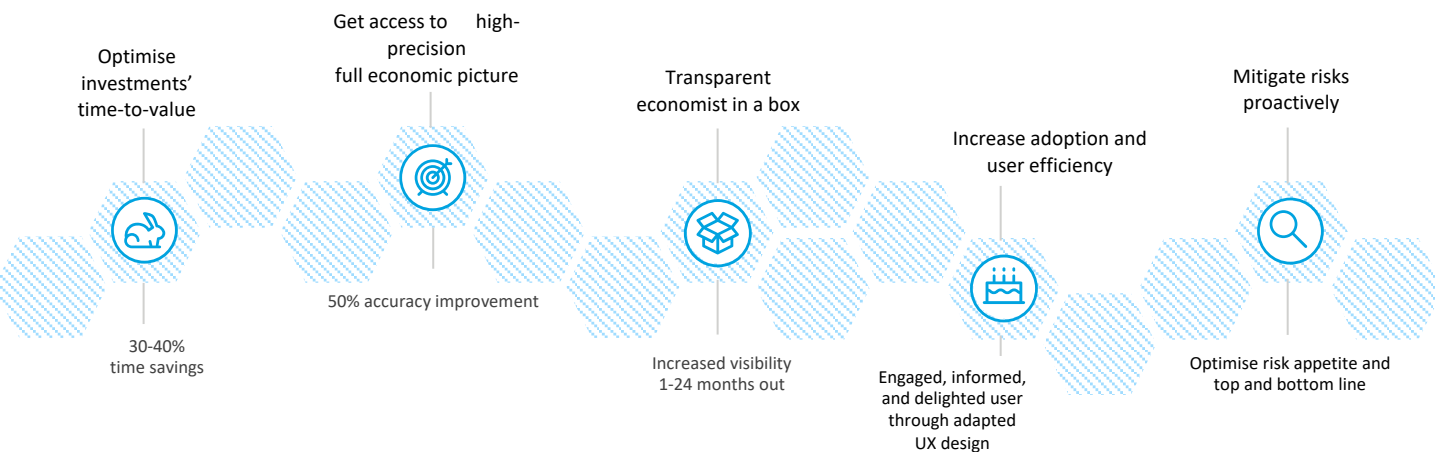Take steps to protect profitability, for example:
- Use pricing and promotions to bolster sales
- Optimise supply chain and reduce inventory
- Incentivise channel partners

Tailwinds ahead?

Invest to capitalize on growth opportunities, for example:
- Increased sales or demand
- Ramp up production to meet demand
- Get channel partners ready

Predictive intelligent forecasting drives real business value

Optimise investments' time-to-value

30-40% time savings

Get access to high-precision full economic picture

50% accuracy improvement

Transparent economist in a box

Increased visibility 1-24 months out

Increase adoption and user efficiency

Engaged, informed, and delighted user through adapted UX design

Mitigate risks proactively

Optimise risk appetite and top and bottom line

Seeing is believing

The power and potential for predictive intelligent forecasting come to life in a Proof of Value

What you need to get started

- Clear business case
- Historical data (5 – 7 years)
- Executive sponsorship
- Internal champion or change agent
- 4-6 weeks time

Trend|EX

Powered by **Prevedere**

Deloitte Trend|EX is an accelerator that lowers the hurdle to intelligent forecasting

- Run scenarios and analyse impact of events
- Flag risks and opportunities and take action
- Understand sensitivity of leading indicators
- Manage events and analyse impact
- Interface with any planning and forecasting tools or visualisation solutions

Get in touch

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