

Analytics Use Case - Sales forecasting

Business scenario:

- Inefficient inventory management leading to excess inventory holding cost
- Inefficient working capital management
- Sales fluctuation resulting in over production or stock out

The bottom line of the problem scenario :

- The sales need to be forecasted for objective production and inventory planning
- The regional and product mix of sales need to be figured out

Our approach:

- Sourcing the data from the ERP system
- Running statistical algorithms to identify the seasonality in fluctuation
- Running hypothesis testing to understand the behavior of sales trend

Our deliverables:

- An interactive report with forecasted sales.
- The forecasting had been modeled with exponential smoothing, to take care of the fluctuations
- The key metrics associated with forecasting had been shared. For example, the overall trend, minimum, maximum, the confidence interval

