![QueBIT logo]

A Better Way to Plan for an Uncertain Future

A leading manufacturer and distributor of branded food products with nationwide operations has a dozen production facilities and creates products under its own brands along with grocer and wholesaler white labels.

The Challenge:

The COVID-19 pandemic shutdown imposed rapid and dramatic changes to the client's business, requiring an equally swift response.

The Solution:

QueBIT delivered a solution, built on IBM Planning Analytics, that enabled the business to identify its best assumptions and deliver a financial plan based on those assumptions.

The Benefit:

Improved accuracy and efficiency allowed the client to make business decisions with more confidence and to improve operations accordingly.

The Client

A leading manufacturer and distributor of branded food products with nationwide operations has a dozen production facilities and creates products under its own brands along with grocer and wholesaler white labels. It sells through multiple channels, including convenience stores, groceries, and wholesalers.

The Challenge

The COVID-19 pandemic shutdown imposed rapid and dramatic changes to the client's business, requiring an equally swift response. Consumers' purchasing and eating habits shifted rapidly, causing gaps in the client's operations, and creating a large variance from its existing plan and financial performance. The client quickly adjusted operations to cope, but needed assistance creating a meaningful financial plan, given the uncertainties around COVID-19, reopening scenarios, and changing business drivers.

The Solution

The QueBIT solution, which was built on IBM Planning Analytics, enabled the client to achieve two things that were not possible before the implementation. First, the solution identified correlations between historical sales and external factors such as inflation, Consumer Price Index (CPI), Gross Domestic Product (GDP), and commodity prices. This process which was built on IBM Planning Analytics and enhanced using QueBIT's Euclid Studio tool, validated some prior assumptions by the business, while invalidating others. Second, the solution made it possible for the client to create numerous scenarios around reopening and consumer behaviors, including calculations of the resulting impact to business performance (volume and mix by channel). The future is still dynamic, and the QueBIT solution allows the business to identify its best assumptions and the resulting financial plan based on those assumptions.

The Implementation

The implementation was a collaborative effort between key client stakeholders and QueBIT's expert analysts and data scientists. Entering the engagement, the client had numerous assumptions about its business drivers, but no measured correlations between sales and these causal factors. Through a series of iterative sessions, the solution mathematically models the impact of external factors on the client's sales. Additionally, the client now has a mathematically based model to predict demand by channel and product category. Past demand plans had been based on gut feel and tradition, while plans moving forward are based on a scientific process that still allow for stakeholder adjustments.

> *"It turned out that our business performance is far less dependent on economic factors than we thought—which means we're in control of our growth as we look to the future."*
>
> *VP of Finance*

Solution/Results

Improved accuracy and efficiency allowed the client to make business decisions with more confidence and to improve operations accordingly.

This solution gave five users shared access to a model that incorporated dozens of external causal factors and millions of 3rd party market share records.

Client now has the ability to create driver-based demand forecast scenarios, giving them a more responsive, accurate view of the upcoming **18 months**.

The QueBIT process was able to identify the true mathematical drivers of their business, allowing the client to focus on what matters as they move forward.

The demand forecast is now **12% more** accurate at the sales channel and product category level. This improved accuracy has allowed the client to make business decisions with more confidence and to improve operations accordingly.

"With the forecasts we have now, we can make decisions confidently. That's so important with the uncertainties we all face today."
VP of Finance

Products Used

- **IBM Planning Analytics**
- **QueBIT Euclid Studio**

What's Next?

The next step for the client is to expand the predictive modeling footprint and inform operational decisions at the production and capacity planning levels. Phase 2 will move from modeling at a product category level down to a SKU level. This will include modeling for new and seasonal SKUs based on bootstrap models, demand cloning, and allocation rules. Greater visibility of demand at the SKU level will enable more efficient and profitable decisions at every level of the organization.

About QueBIT

QueBIT enables organizations to achieve a business-focused integration of Financial and Operational Planning and Analysis, extended with Artificial Intelligence (AI) and Machine Learning (ML). This area of expertise is known as Extended Planning and Analysis (xP&A). The goal of every xP&A transformation is to infuse more intelligent and agile decision making throughout the business, resulting in Revenue and Profit maximization, while increasing competitive advantages. QueBIT's collaborative, incremental and business-driven approach is driven by over twenty years of experience in delivering successful xP&A solutions to hundreds of mid-market and large companies across all industry sectors and lines of business. For more information on how your organization can **Analyze, Plan and Achieve** your own xP&A journey, please check us out at www.quebit.com.