



# SALES FORECASTING

## The Client Challenge

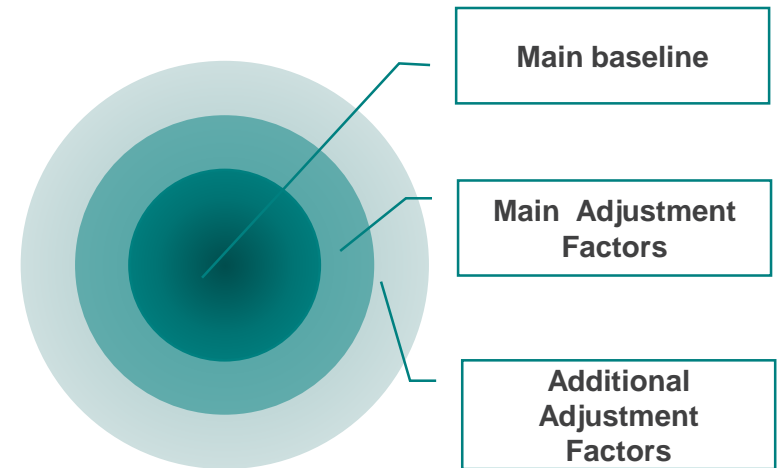
Our client, a major European car distributor, was experiencing difficulties to match demand and supply of vehicles on a regular basis. The management needed a tool to confidently forecast its sales, drive improvements in inventory management and introduce a numbers-based decision making process.

## The GemSeek Approach

We mobilized a team of data scientists and market researchers to build a forward-looking model focused on the coming 12 months. The model combined multiple data collection methods and forecast the vehicle sales of the client on a monthly basis. We managed to achieve high granularity, reporting on segment, sub-segment, model and model-year level.

## The Deliverables

The model predicted actual sales with 95% accuracy and it became one of the most widespread tools used by the client's management across a variety of functions within the organization. Demand and supply discrepancies became a thing of the past and as a result inventory stock levels are now efficient and match the actual needs of the distributor.



**Main baseline** – based on historical growth and “organic” unknown factors and it’s formed by using ARIMA modeling

**Main drivers adjustment layer** – actual model sales are tested against some major internal drivers using Multiple regression (price, ATL, discounts)

**Additional Adjustment Factors** – a deep dive analyses on some non-typical factors e.g., new MY launches, aggressive competition campaigns, etc.