

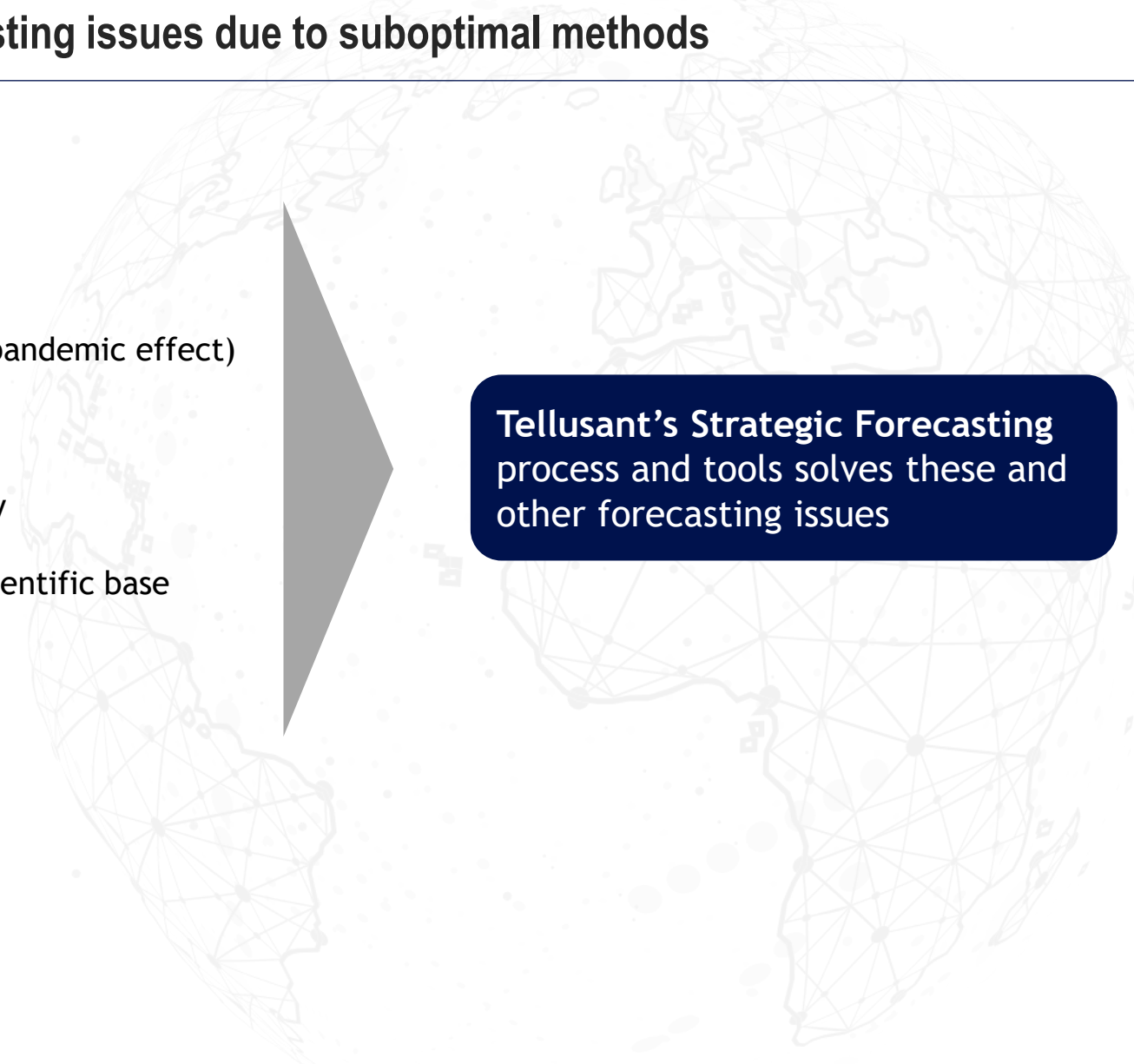


Process & Impact Example

2024

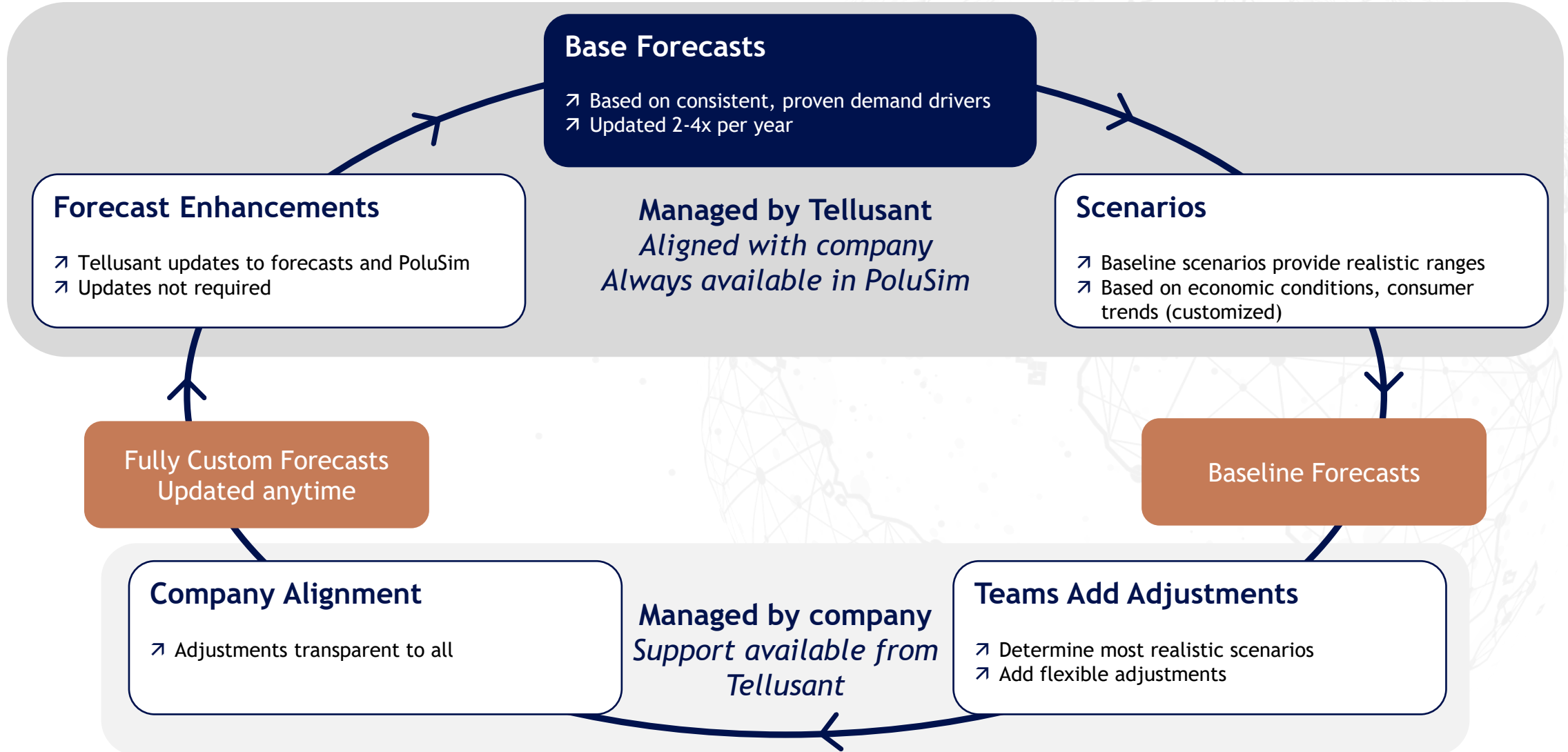
Companies today struggle with many forecasting issues due to suboptimal methods

1. GDP growth predicts next few years
2. Next few years will be like past few years (taking out pandemic effect)
3. Predictions by syndicated data providers
4. Own growth projected without regard to total category
5. Many drivers fine-tuned by a specialist, but without scientific base
6. Inconsistent methods across business units

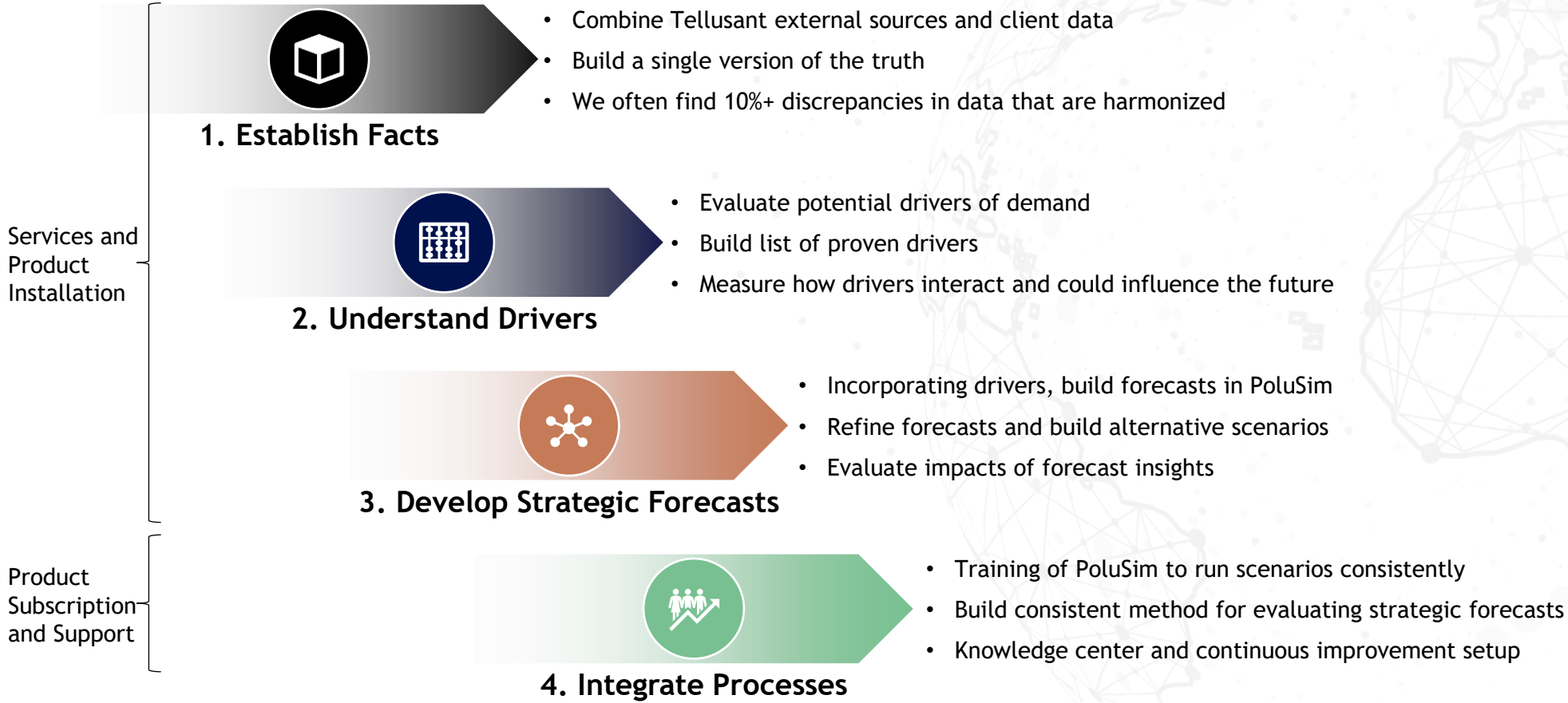


Tellusant's Strategic Forecasting process and tools solves these and other forecasting issues

Five key steps to strategic forecasting with PoluSim



We develop strategic forecasting excellence in 4-phases



PROCESS IN ACTION

Case study client

Fast-moving consumer goods with global operations, USD 20 B in sales

Project overview

Forecasting process was done as a business unit level inconsistently by methods, granularity, and reliability

Client wanted to have forecasts that it could use across organization and global could believe / understand

Long-term goal to build a strong strategic forecasting capability in business driven by CEO

Our rigorous and data-driven process measures demand precisely into the future

- Drivers of consumption span across economic, consumer, and player action driven factors, which vary by time and as markets evolve
- We organize the variables through a Golder Tellis predictive framework:



Golder Tellis Forecasting Model

$$demand = k \cdot (di)^{\beta_1} \cdot (cs)^{\beta_2} \cdot (p)^{\beta_3} \cdot (ms)^{\beta_4} \cdot (mp)^{\beta_5} \cdot e^{\epsilon}$$

Volume Disposable Consumer income Price Marketing spend Market presence (distribution)

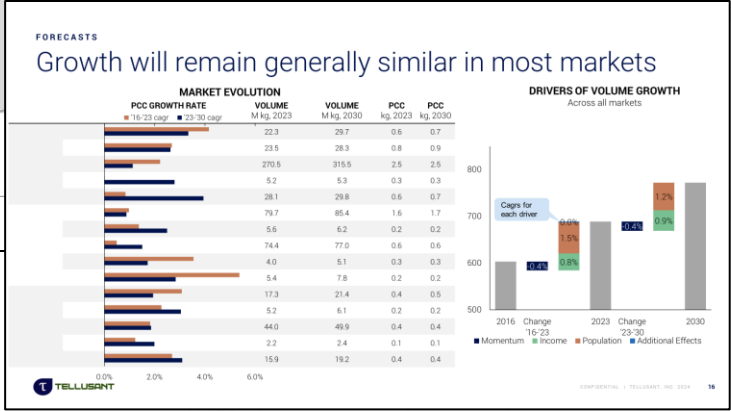
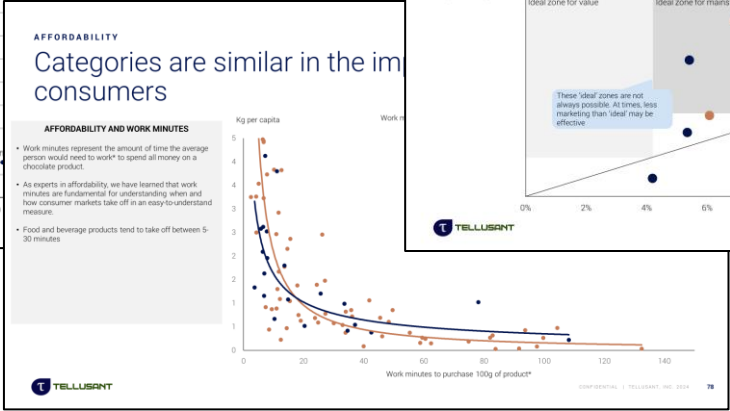
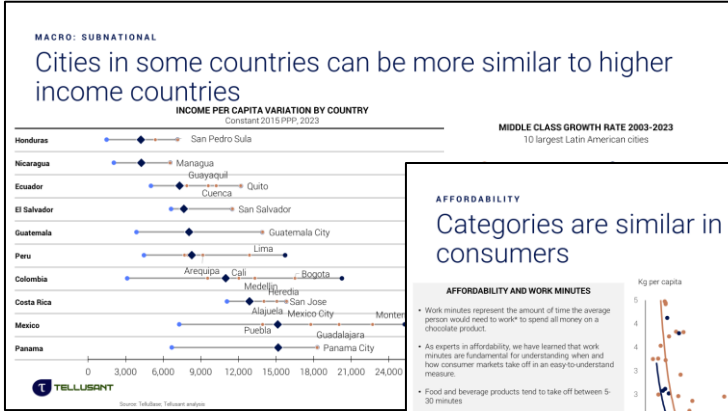
— External — — Internal —

PROCESS IN ACTION
From case-study client

We identified 5 key drivers that explain >95% of demand and a total of 15 relevant drivers

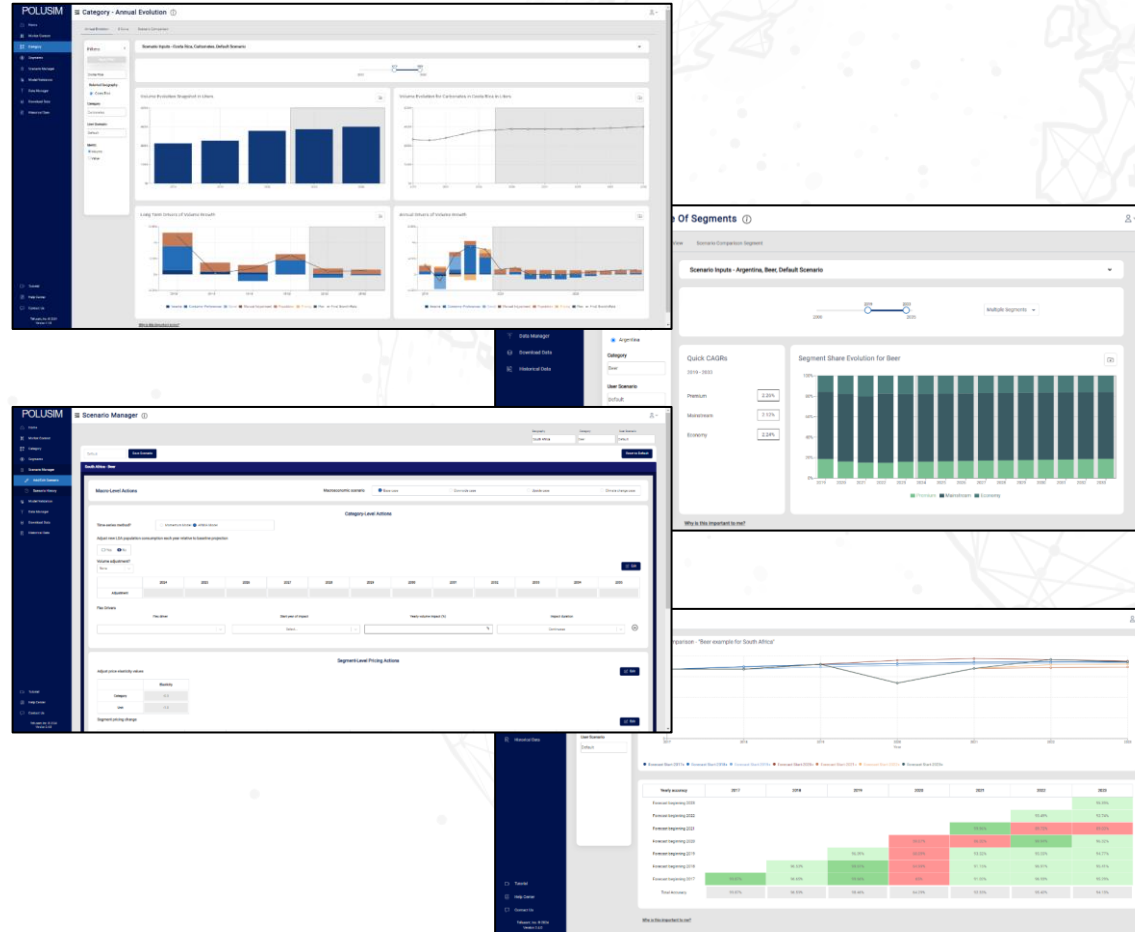
Impact and relevance of drivers is explained and can be used across organization

Using TelluBase, several business units started viewing markets subnationally (by region / city) in terms of drivers and forecasts



PoluSim allows clients to continuously update insights

- Forecasts updated as new information comes in and managed across local, regional, and global teams in an accountable and consistent manner
- Insights tied with templates for use within presentations
- PoluSim serves as a hub for data-driven decision making



PROCESS IN ACTION *From case-study client*

PoluSim provides unlimited flexibility in building scenarios for alternative and unforeseen shifts

Training, installation, and integration process took place over 6 months

PoluSim access provided to 1-2 team members per business unit and headquarter functions

Outcomes increase decision efficiency and lower costs

IMPACT

1. Ability to understand future trends in markets

Know why trends are happening

Explain what is causing trends

Consistent view of key dynamics related to consumer demand

2. Ability to make rational adjustments in forecasts based on market factors and strategic decisions

Tool provides scenario management

Transparency in adjustments increases believability

3. Clear connection to tie forecasts with strategy

Forecasts tie directly with strategic planning, strategy development

Consistency across business units drives comparability and effectiveness for leadership

IMPACT IN ACTION

From case-study client

1. Data accuracy increased significantly. Most sources used had 5-10% inaccuracy that was fixed during effort
2. Time to build forecasts for strategic planning is reduced by 75%
3. Forecast accuracy increased by 50%
4. Additional strategic initiatives launched due to new access to information and insights within PoluSim



TELLUSANT

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