



# Improving Forecasting Accuracy

## Organizational Challenge:

The rising costs associated with the manufacturing and distribution of automotive component parts, coupled with shrinking profit margins, was threatening our client's ability to execute on their strategy to be the most reliable, just-in-time, error-free component supplier to North American auto assembly plants.

To remain competitive, they sought to:

- Validate the hypothesis that increased forecasting accuracy would reduce the need for overtime
- Decrease the variance in sales forecasting accuracy (a gap of 30-50%+)
- Reduce the significant overtime exhibited in ten of their twelve plants

## Project Summary



**INDUSTRY**  
Auto  
Manufacturing



**EMPLOYEES**  
12,000



**OUTCOME**  
Improved profit  
margins

## Performance-Based Solution Components:



Role Excellence Profile (REP) for the Plant Manager and Account Manager



Performance Support Resources

## CLIENT IMPACT

Improved profit margins due to:



Improved forecasting accuracy

within 7% of target



Optimized workforce planning

reduced overtime by 40%



Reduced variance

in sales quota attainment in unit costs across multiple plants