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Reliable Sales Forecast with the Jedox AI-Engine

Mitsui increases forecast accuracy with AI and Predictive Analytics

0–1 MAKE IT HAPPEN

Mitsui Chemicals Europe

Client
Mitsui Chemicals Europe GmbH

Region
EMEA

Industry
Chemistry

Department
Controlling, Sales, Production, Purchasing

Application
Planning, Forecasting, Predictive Analytics

System Environment
SAP ERP

Executive Summary
Mitsui Chemicals Europe GmbH upgraded its existing Jedox planning environment with the Jedox AI engine. Their focus is on sales forecasting. The Jedox AI module „Predictive Forecast" supports the 12-month rolling sales forecast with AI-generated predictions. They saw a dramatic increase in forecast accuracy, in some instances to 95 percent after just a few months.

Mitsui Chemicals Europe is part of the global chemical company Mitsui Chemicals Inc. Founded in 1997, the subsidiary of the long-established Japanese company concentrates primarily on the manufacture, sale and marketing of Mitsui Chemicals products in the business fields "Automotive", "Food & Packaging" and "Healthcare".

FP&A at the Next Level of Digital Transformation

As part of Mitsui Chemicals Inc., Mitsui Chemicals Europe has a wide range of product groups in its portfolio. With the existing planning solution based on Microsoft SQL and Access and the typical Excel scenarios, this was too complex. In 2017, the Performance Controlling department, together with Jedox partner HighCoordination, implemented a new planning solution with Jedox that significantly simplified and accelerated sales planning for Mitsui Chemicals Europe. Since the Jedox platform integrates various subplans, Mitsui can quickly adapt to changing market conditions at the push of a button enabling much more agility in planning.

Predictive Analytics in sales forecasting
With a goal of increasing forecast accuracy, the project team now implemented the Jedox AI module "Predictive Forecast" in a pilot project. The module, which is based on the integrated Jedox AIssisted™ Planning solution and includes pre-defined business logic, supports the 12-month rolling sales forecast at Mitsui with AI-generated sales predictions. After just a few months, the accuracy of the forecast in relation to the actual values has seen increases to up to 95 percent for several product groups – and further optimizations are expected by continuously growing the database.

Augmenting FP&A with Predictive Forecasts

In this pilot project, the AI standard model provided by Jedox was implemented, which already delivers initial reports and sales evaluations. At Mitsui, the primary focus was on a higher level of detail, e.g. to obtain forecasts the different product groups and product SKUs, the individual customers, materials and regions.

The major challenge was the large amount of data required for AI-analyses. Jedox recommended a data set that covers at least the three previous years as the foundation. However, initially only 1.5 years of data was available. Mitsui used the Jedox Integrator, the data hub in the Jedox solution, to map additional legacy data in SAP and migrate it to Jedox. Their existing data cubes were also optimized for data quality and performance.

Solution: Building trust
Mitsui uses the sales prediction from the AI engine in parallel to the manual forecast values to support the decisions of their sales planners with the automated comparison. The aim is to strengthen confidence in the AI-generated values and to further automate forecasting on the basis of broad system acceptance.

Results: Precision and transparency in detail
The high level of detail achieved in planning and forecasting was a big win for Mitsui. The powerful Jedox In-memory engine supports agile planning such as splashing of values on the granular level of individual customers and materials or data aggregation across all hierarchy levels at the push of a button.

Partner: HighCoordination GmbH

The BI experts and IT consultants at HighCoordination design and implement integrated business intelligence and controlling systems across all industries and functions. Using the market leader softwares of JEDOX®, QLIK®, MS POWER BI® and TimeXtender® the company's internal value chain processes are significantly improved. With ROKS, the Results-Orientated KPI System, the success-relevant KPIs are generated, processed and visualized with state-of-the-art visualizations according to IBCS® standards. In addition to the integration of SAP®, Microsoft® and other ERP systems HighCoordination offers trueChart, a scalable cross-platform BI tool, which optimizes the visualization of controlling data in IBCS format in individual dashboards.

Benefits

▶ Results Planning and forecasting process simplified and accelerated

▶ Sales forecast accuracy increased to up to 95 percent

▶ More granular, yet highly agile planning and forecasting

Why Jedox?

▶ Powerful planning functionality

▶ Fast implementation of ready-made AI standard modules

▶ AI support for forecasting and performance management

▶ Seamless integration with SAP

▶ Simple administration and further expansion of the solution

Sascha Geng
Director Performance Controlling
Mitsui Chemicals Europe GmbH

"With Jedox AIssisted™ Planning, we can plan at a level of detail that was not possible before. With the AI engine, we can achieve very accurate forecast values and also see a lot of potential for further optimization and automation"

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