

EY Intelligent Forecasting and Scenario Modeling Solution

Using AI to increase planning speed and accuracy

Your digital world. Realized.



Disruption is straining companies' ability to plan

If ongoing technological disruption and periods of uncertainty have taught companies anything, it's that they need to be far more connected, integrated and agile than they've ever been. They need to be able to use data to quickly and accurately forecast how various external dynamics could impact the business so the company can plan an effective response. However, in most companies, forecasting capabilities aren't up to the task:

- ▶ Heavy use of spreadsheets to collect forecast data drawn from a limited number of internal sources
- ▶ Dozens or even hundreds of analysts providing forecast assumptions, often influenced by various biases
- ▶ Time-consuming, data-intensive processes to change forecast assumptions for scenario modeling

Better forecasts, better plans

The EY Intelligent Forecasting and Scenario Modeling Solution helps enable companies to quickly create accurate forecasts and develop scenario models so they can adapt and respond to business disruption and develop an informed recovery strategy. The solution empowers companies to:

- ▶ Improve forecast accuracy and timeliness
- ▶ Rapidly change assumptions
- ▶ Remove human bias from the forecast
- ▶ Incorporate a wide, diverse range of internal and external data sources for a more holistic view of the business
- ▶ Gain visibility into causes of forecast variances
- ▶ Make faster, more timely and more informed business decisions

A new artificial intelligence (AI)-powered approach to forecasting and planning

The EY Intelligent Forecasting and Scenario Modeling Solution is an AI forecasting engine, which leverages machine learning to address a wide range of business planning needs and challenges across an enterprise.

Powered by innovative Microsoft technologies, the solution permits organizations in any industry to create highly accurate and largely automated financial, demand and other forecasts in a fraction of the time it takes now.

It also allows organizations to model a very large number of scenarios reflecting changes in key market and economic indicators so they can more effectively plan for and manage through uncertainty.

EY Intelligent Forecasting and Scenario Modeling can either be configured to work with an organization's existing systems or delivered by EY professionals as a service.

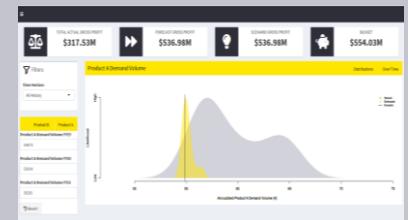
Key assets help enable an intelligent planning process

1. Automate creation of the forecasts through the use of machine learning techniques

- ▶ Forecasting engine builds optimal algorithms at scale
- ▶ External data improves accuracy
- ▶ Objective and unbiased future view
- ▶ Auto self-learning over time

2. Create scenario planning and assumption analysis through interactive user interface

- ▶ Scenario analysis tied to key drivers with a scenario modeling app
- ▶ Potential actions under various scenarios to understand impact
- ▶ Machine learning and simulation to accurately measure impact of scenario drivers on business



3. Develop streamlined variance analysis

- ▶ Capture dashboard-driven variance and root-cause analysis
- ▶ Identify emerging areas of risk
- ▶ Decipher between one-time events and sustained changes to the business



EY Intelligent Forecasting and Scenario Modeling in action

A global agribusiness used to take more than 10,000 hours and 100-plus spreadsheets to produce its frequently biased financial forecasts. Now, the company can choose from more than 200 automated machine learning models to quickly produce forecasts with 98% accuracy for gross profit—with just one resource overseeing the entire process.

A financial technology firm's demand and financial forecasting process was beset by significant resource inefficiencies and forecast accuracy challenges. Today, with the forecast process automated, resource efficiencies have improved and forecasts are 60% more accurate.

A global life sciences company was looking to deploy a demand forecasting solution globally and integrate it with the enterprise's planning platform. With the EY solution, the company can create highly accurate machine learning-driven forecasts for more than 500 products and 20,000-plus SKUs around the world.

An advanced equipment manufacturer's demand and financial forecast used to take more than 1,000 spreadsheets to produce and suffered from biases and low gross profit accuracy. Now, with an automated forecasting process, the manufacturer has reduced forecast error by 50% and gained insight into key performance drivers.

Enabled by Microsoft Technology



Azure



Power BI



Power Apps



Azure Data
Factory



Azure Data
Lake



Azure ML



App
Service



SQL DW



Blob
Storage



API
Management

EY and Microsoft

The digital technologies that are impacting your business today – social, mobile, analytics and cloud – are rapidly expanding to create new employee and customer experiences, fundamentally changing how your organization works, interacts and competes. The EY and Microsoft alliance combines EY deep insights and experience in disruptive industry trends, new business models and evolving processes with Microsoft scalable, enterprise cloud platform and digital technologies. EY and Microsoft can help accelerate digital transformation with advanced solutions that support enterprise strategy, transform customer and workforce experiences, create new, data-driven business models, build intelligent, automated operations and bring confidence that these innovative solutions are secure, compliant and trusted. Together, we can help accelerate digital strategy and amplify your business performance to thrive in a digital world.

For more information visit: ey.com/microsoft

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