

Global Tier-2 Automotive Supplier Success Story

Vizen Analytics demonstrated projected annual cost savings of €8.8M per year and 324 metric tons of CO2e reduction.



Pilot Results: Vizen successfully demonstrated forecast improvement for an automotive supplier in a direct side-by-side comparison. Our software generated a six (6) weeks ahead real-time causal-AI forecast during the peak of Covid-19 and the microchip shortage in Europe.

- 60% forecast accuracy improvement.
- 70% forecast unit error reduction.
- 50% future days stock optimization.

Business Challenge: Our pilot client, an automotive parts supplier, was receiving inaccurate OEM demand forecasts impacted by supply chain disruptions. This led to significant inventory issues and financial losses. The combination of the Covid-19 pandemic followed by the microchip shortage crisis devastated the forward demand and was exacerbated by OEM shortage gaming.

1. OEM forecast fluctuations led to supplier inventory over-stock and understock.
2. Supplier forecast errors drove production line shutdowns and increased holding costs.

"We need more sophisticated forecast systems to better predict demand, I don't think a standard ERP system is enough, especially for individual companies which don't have the scale to develop such sophisticated systems in-house."

-Automotive supplier executive

Solution Focus: Developed an accurate OEM demand forecast that normalizes future disruption affecting supplier SKU procurement. Applied an external data source linked to the OEM supplier order flow process and validated by Vizen's proprietary advanced stats formula.

1. Validated Covid-19 & semiconductor shortages as the primary factors.
2. Aligned and weighted external data sources impacting the OEM forecast.
3. Optimized AI model, trained, validated & blind tested prior to live production.

"Vizen focuses intently to deeply understand both the customer perspectives and the root cause of current patterns that affect their forecasting accuracy."

-Vizen Analytics supply chain engineer

Projected financial savings: €8.8M Annually

- €6.7M in lowered inventory holding costs
- €2.1M in prevented production shutdowns

Projected sustainability savings: 324.2 MMmt. CO2e/€M

- 86 MMmt. via warehouse emission reductions
- 224 MMmt. via transport emission reductions

