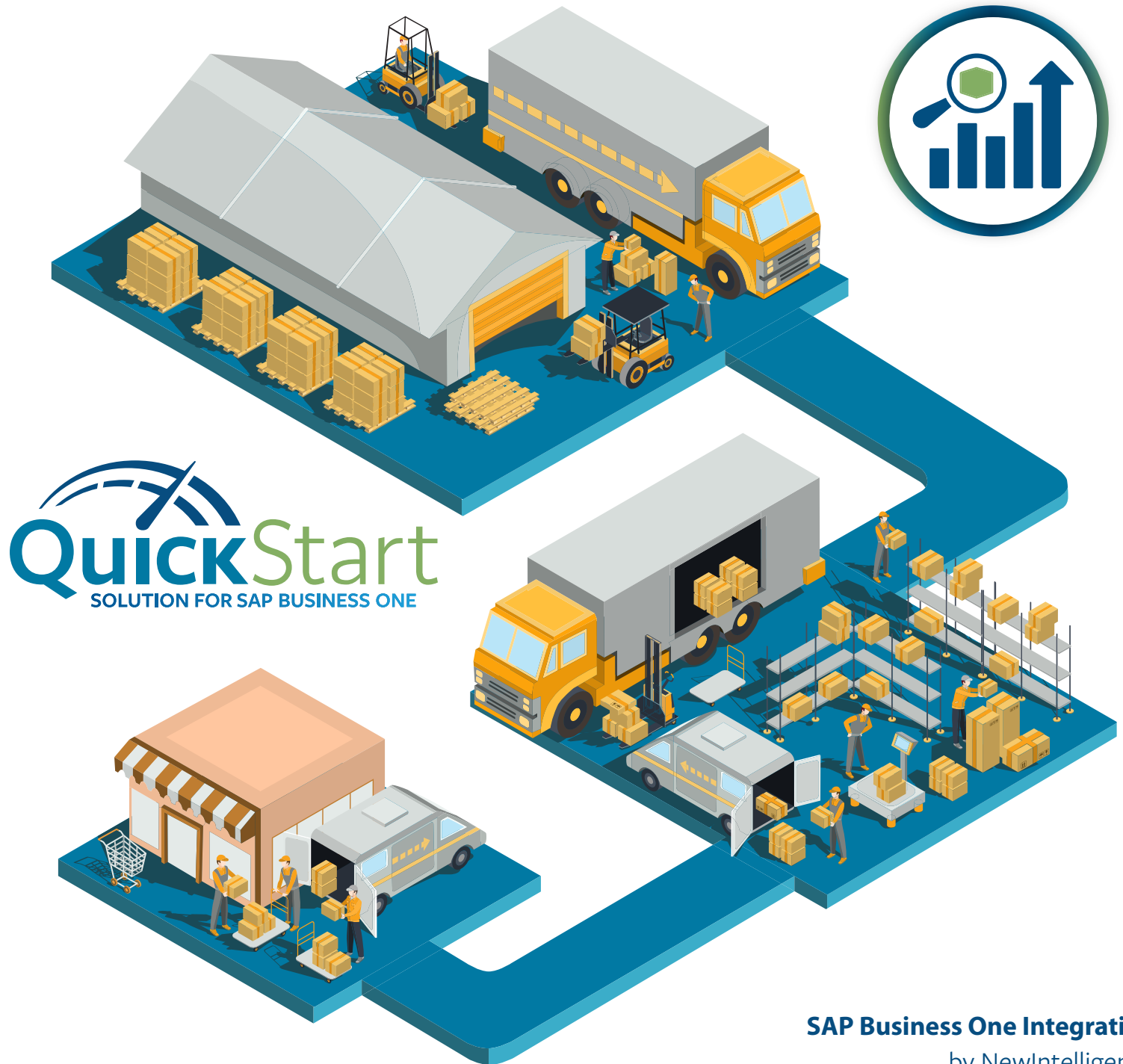


# DRIVING FORECASTING ACCURACY WITH CASE-QUANTITY BUDGETING

## A SALES BUDGETING MODULE FOR WHOLESALE DISTRIBUTORS



# A Sales Budgeting Module for Wholesale Distributors

## SAP Business One Integration by NewIntelligence

In a market where accuracy drives profit, inefficiency can hold a business back. A mid-sized North American wholesale distributor solved this challenge by transforming its budgeting process into a fast, precise, and scalable system.

Traditional budgeting methods focused solely on sales dollars, which did not reflect the operational reality of selling products in **case quantities**. Without precise quantity-based forecasting, the organization risked overstocking, underestimating demand, and misaligning purchasing strategies.

To solve this, **NewIntelligence** implemented a tailored budgeting and forecasting solution powered by IBM Cognos Analytics and IBM Planning Analytics, integrated with SAP Business One. This solution revolutionizes how the distributor plans and manages budgets by:

- **Shifting to case quantity-driven budgeting,**  
ensuring forecasts align directly with product demand.
- **Automating price and cost calculations,**  
using SAP Business One price lists to generate accurate revenue and margin forecasts.
- **Enabling drill-down reporting,**  
allowing users to quickly analyze performance by customer group (e.g., Regional Sales Group A/B), individual customers (for select regions), and specific product items.
- **Providing real-time actual vs. budget comparisons,**  
improving visibility and decision-making.

The result is a streamlined, data-driven budgeting process that improves accuracy, reduces manual effort, and supports better inventory planning—helping the organization align sales and operational strategies while minimizing waste.

## Right to the Pain Points

Wholesale distributors operate in a high-volume, low-margin environment, where accurate forecasting and inventory planning are essential. Traditional budgeting approaches often track only sales revenue, which overlooks the actual product volumes driving purchasing decisions. This disconnect can lead to inventory inefficiencies, missed sales opportunities, and overstated or understated financial projections.

### Key Challenges This Distributor Faced

- Manual Processes:** Budgeting and forecasting consumed significant time and resources.
- Limited Visibility:** Difficulty comparing budgets to actual performance in real time.
- Inflexible Structure:** Dollar-based budgeting didn't match their need to plan by case quantities.
- Data Silos:** SAP Business One pricing data wasn't effectively integrated, forcing manual revenue and margin calculations.

The distributor needed a solution to bridge the gap between operational planning and financial forecasting — with the flexibility to plan by case quantities and budget at multiple levels of granularity.

# The NewIntelligence Solution

To address these unique budgeting challenges, NewIntelligence designed and implemented a tailored budgeting and forecasting solution built on **IBM Cognos Analytics** and **IBM Planning Analytics** with deep integration into **SAP Business One**. The solution replaces manual, dollar-based forecasts with a case quantity-driven budgeting model, ensuring operational accuracy while automating key financial calculations.

## Case Quantity-Driven Budgeting

Instead of manually entering sales dollars, users input only the case quantity—the number of product cases a customer is expected to purchase. The system then automatically calculates sales revenue, cost, and gross profit using SAP Business One price lists and cost data. This reduces manual input errors and aligns budgeting with real-world sales patterns.

### Case Quantity Budgeting Example

- A user enters a forecast of **100 cases of pickles** for a particular customer.
- The system identifies the correct price list for that customer (e.g., **\$15 per case**).
- It calculates total sales = **100 cases x \$15 = \$1,500**.
- Using **cost data from SAP** (e.g., **\$5 per case**), it calculates total cost = **\$500**, and automatically determines gross profit and margin.

**Revenue: \$1,500; Cost: \$500 → Gross Profit: \$1,000 and Margin: 67% (\$1,000 ÷ \$1,500).**

This simple, intuitive input process allows the distributor's team to budget at the level that truly matters—quantities sold—while still having access to precise financial projections.

## Multi-Level Budgeting with Cube Architecture

To accommodate different levels of planning detail, NewIntelligence implemented a multi-cube structure:

### Sales Budget Group Cube

Enables budgeting at the customer group level for most clients.

### Sales Budget Customer Cube

Allows customer-level budgeting for specific regional sales groups that require more detailed forecasts (e.g., Regional Sales Group A and Regional Sales Group B).

### Budget Master Cube

Consolidates data from the Group and Customer Cubes into a single enterprise-wide budget view, ensuring accuracy and completeness.

### Price List Lookup Cube

Integrates with SAP Business One price lists, automatically applying customer-specific pricing to all forecasts.

This flexible design gives users a high-level budget overview, with the ability to drill down into specific customers, products, and time periods as needed.

# Integration with SAP Business One

The solution pulls from SAP Business One price lists and cost structures, ensuring all calculations reflect real-world pricing. Once budgets are entered, the data flows seamlessly into IBM Cognos Analytics and IBM Planning Analytics, where real-time actual vs. budget comparisons and visual dashboards provide actionable insights.

## Organizations can:

- Identify shortfalls or overages in sales performance
- Drill down by customer, product family, or salesperson to pinpoint issues
- Forecast with confidence using last year's actual sales as a baseline

## How This Solution Transformed Budgeting

*“The case quantity-driven model aligned our budgeting with how we actually sell, improving accuracy and saving time across the board.”*  
— Wholesale Distributor

The solution delivers a transformative shift from traditional, manual budgeting to an automated, quantity-driven forecasting model. Its impact spans accuracy, efficiency, and strategic decision-making.

### 1. Improved Accuracy and Data Integrity

**Automated Financial Calculations:** By using SAP Business One price lists and cost data, the solution eliminates the need for manual revenue or margin calculations, reducing human error.

**Near Real-Time Budget vs. Actual Tracking:** With dynamic integration into Cognos Analytics, the distributor can compare budgeted quantities and revenue against actual performance, enabling early detection of variances.

**Standardized Data:** By centralizing pricing and cost data in the Price List Lookup Cube, all calculations use consistent and verified values.

### 2. Enhanced Forecasting Flexibility

**Multi-Level Budgeting:** The solution supports both customer group-level and individual customer-level forecasting. This hybrid approach is particularly useful for high-value customers who require more detailed analysis.

**Case Quantity Focus:** By basing budgets on case quantities (instead of just dollar values), the distributor gains operational insights that directly align with procurement and supply chain requirements.

**Customizable Granularity:** Users can roll up or drill down data by fiscal period, customer, product item, or product family, offering both strategic and detailed views.

### 3. Increased Efficiency & Time Savings

**Faster Budget Cycles:** The automation of key calculations reduces the time traditionally spent on manual data entry and spreadsheet reconciliations.

**Historical Data as a Baseline:** Last year's actual data can be pre-loaded into the budgeting system, giving teams a solid starting point for new forecasts.

**Streamlined Adjustments:** Users can quickly modify forecasts at any level, with changes automatically cascading through financial projections.

## 4. Powerful Visibility & Reporting

**Integrated Cognos Dashboards:** Users can monitor performance through interactive dashboards that visualize actual vs. budgeted results by month, customer group, or product line.

**Drill-Down Analysis:** The solution makes it easy to “peel back the layers,” moving from a high-level overview down to specific product SKUs or customer accounts to identify problem areas or unexpected trends.

**Performance Insights:** By tracking discrepancies, sales teams can identify over-forecasted or underperforming products, leading to improved future planning and inventory management.

## 5. Strategic Inventory Planning

**Reduced Overstock and Waste:** Accurate case-based forecasting aligns sales projections with procurement, ensuring that purchasing decisions match true demand.

**Cost Control:** With full visibility into gross profit and margin, the distributor can identify areas where pricing or cost inefficiencies may impact profitability.

## 6. Repeatable Module for Other Clients

**Repeatable Model:** The cube architecture and pricing logic are adaptable, meaning the model can be deployed for other clients with similar requirements—especially those in the food industry or any sector where unit-based forecasting is critical.

This module is **now available** as a **standard offering** under our **Budgeting & Forecasting tier**. It complements our Sales Budgeting Dollars module and can be deployed for any organization that needs case quantity forecasting.

# A Proven Model for Smarter Forecasting

## Sales Budgeting Case Quantity

This case quantity-driven forecasting module has redefined how sales budgets can align with real operational needs. Built using IBM Cognos Analytics and IBM Planning Analytics with SAP Business One integration, this repeatable solution:



- Aligns budgeting directly with operational realities (case quantities).
- Reduces manual workloads while increasing accuracy and transparency.
- Provides actionable insights into actual vs. budget performance, enabling faster and smarter decision-making.
- Improves inventory planning and reduces waste by aligning forecasts with true demand.

This innovative approach highlights NewIntelligence’s ability to design tailored, scalable solutions that combine advanced data modeling, near real-time analytics, and user-friendly interfaces. For the distributor, the solution has not only streamlined budgeting but also laid the groundwork for future enhancements, such as predictive forecasting and advanced reporting.

**Interested in implementing smarter, quantity-driven forecasting?**

**Let’s talk.**