



INCREASING INTERNAL ACCURACY: *Kenneth Brown Case Study*

Kenneth Brown

Titles have included

*General Manager, VP
General Manager,
President, and Group
President*

“[ITR Economics] was very responsive, very flexible, very understanding of my needs, and easy to work with. I viewed working with ITR as a very low risk activity. If the forecast accuracy did not increase significantly, we would simply cancel.”

Executive Summary

Kenneth Brown has over 20 years of senior executive management experience in industrial manufacturing and software companies. In his previous role as Group President, it was determined that gaining a clear and accurate forecast was critical to his group of companies' ability to wisely invest and constrain spending. ITR Economics' 12-quarter services provided the accurate, reliable insights the firm needed.

- Diverse customer base, including B2B, industrial, plastics, rubber, food/beverage, and more
- ITR's forecasting was consistently within 2% of actual results for his companies
- Prior to using ITR's services, forecasts varied greatly, often off by 10–20%

Challenges

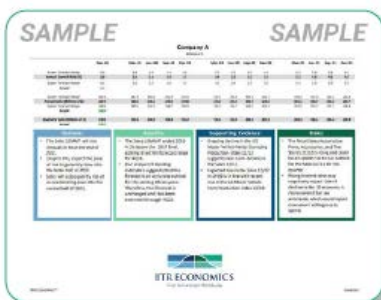
Chief among the issues faced during Mr. Brown's time as Group President was the lack of forecast accuracy. This affected supply chain readiness and the ability to effectively meet customer demands. In addition, wide variations in forecast accuracy drove challenges regarding the amount of working capital carried, a critical operating parameter.

Prior to using ITR's services, the company's forecasts were driven mainly by the sales team, with some correlation to a small set of outside indicators.

How Product Helped

ITR Economics provided a 12-quarter forecast for Mr. Brown and his executive team. The services were rolled out in stages; first, the data was obtained, and the services that ITR would deliver were structured. After the initial reports, a critical step to ensure accuracy was the consultative process between ITR and the executives, refining the data streams and detailed forecast elements that best reflected their unique global end user markets. From there, ITR began its report deliveries, with the forecast accuracy increasing with each delivery.

These forecasts improved the executive team's decision-making confidence. The accuracy and guidance from leading indicators allowed the team to set better expectations, manage spending, and continue on the trajectory toward long-term success.



What is your advice to others who might be considering our services?

“Get it started sooner rather than later. [I was] a general manager, president, then group president for almost 20 years before hearing about ITR and starting to use ITR, and it would have made my life a lot easier had I started using ITR sooner.”

- Kenneth Brown

Results, Return on Investment, and Future Plans

Measurable benefits from using ITR's EVP™ programs included continued, year-over-year accuracy for managing the business's revenue and expenses.

“The challenge for presidents is that they like to think their business growth is primarily driven by their actions: investments made or programs implemented,” says Mr. Brown. “They don't like to be told that underlying the unique opportunities that they provide their companies remains the health of the economy and their specific sectors. The economy is driving the baseline for the business, so I made the use of ITR's forecast of this baseline a critical element of their top line forecast. On top of this baseline the company presidents could adjust positively or negatively according to their anticipated success with new products and markets.”

This roadmap from which to plan investments is a tool to drive long-term success. Soon, management teams will start saying, “according to the forecast, we should hold off,” or, “according to the forecast, we should make this investment.”