

FORECAST ACCURACY SCORECARD

Focus on what really matters

	Monthly									Quarterly									Annual
	BU1			BU2			BU3			BU1			BU2			BU3			Total Company
	NA	EU	AS	NA	EU	AS	NA	EU	AS	NA	EU	AS	NA	EU	AS	NA	EU	AS	
Revenues	A	A	A	A	A	A	A	A	A	A	A	A	B	B	B	B	B	B	A
Discount & Returns	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Cost of Goods Sold	A	B	A	B	B	B	B	B	B	B	C	C	B	B	C	C	D	D	B
Gross Margin	A	B	A	B	B	B	B	B	B	B	C	C	C	C	C	D	D	F	B
Salaries and Wages	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Supplies	A	A	A	A	B	B	B	B	B	B	A	A	A	A	A	A	C	C	B
Rent Expense	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Depreciation and Amortization	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Operating Profit	A	B	A	A	A	A	A	B	B	B	B	C	C	C	C	D	D	D	A
Gain on Sale of Assets	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Earnings Before Interest & Taxes	A	B	A	A	A	A	A	B	B	B	B	C	C	C	C	D	D	F	A
Interest Income	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Interest Expense	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Other Income	A	B	A	B	B	B	B	B	A	B	C	C	B	B	C	C	D	D	B
Other Expense	A	A	A	A	B	B	B	B	B	B	A	A	A	A	A	A	C	C	B
Earnings Before Taxes	A	B	A	A	A	A	A	B	B	B	B	C	C	C	C	D	D	F	B
Total Taxes	A	B	A	A	A	A	A	B	B	B	B	C	C	C	C	D	D	D	A
Net Income	A	B	A	A	A	A	A	B	B	B	B	C	C	C	C	D	D	F	B

A : < +/- 2.5%

B : +/- 2.5 to 5.0%

C : +/- 5.0 to 10.0%

D : +/- 10.0 to 20%

F : > +/- 20%

Gross margin is not being calculated correctly in BU1 in Asia
 Check gross margin formula for inaccuracies

Low COGS and Other Income forecast accuracy for Europe and Asia in BU1
 Process check quarterly forecasting steps

BU3 and Asia quarterly forecasting is the least accurate in the company
 Process check all forecasting steps for this business unit

Data has been modified for confidentiality purposes

Once this client identified an issue with its forecast accuracy, each business unit was evaluated by line item and region to pinpoint the cause of the variances and determine next steps.

The scorecard not only allowed efforts to focus on areas that mattered most, but helped to set expectations, establish confidence intervals, and identify variance drivers to inform decision making.

Moreover, understanding forecasting effectiveness can also help better align forecasting processes and drive data/systems thinking to tighten data standards.

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