



Strategic Forecasting and PoluSim

2025

What is strategic forecasting?



Strategic Forecasting facilitates corporate strategic decisions based on quantitative predictions that are harmonized across an organization and directly relevant to decision makers

STRATEGIC FORECASTING PRINCIPLES

A. Base forecasts on science

- Use academically robust methods that are reliable for 10+ years, not homemade solutions.
- Do not use methods from tactical or operational forecasting such as S&OP forecasting methods.

B. Use one base approach with the subsidiarity principle

- Strive for comparability in findings across business units
- Create the forecasts at the local level, within the whole-organization approach

C. Build forecasts with mindset of implications

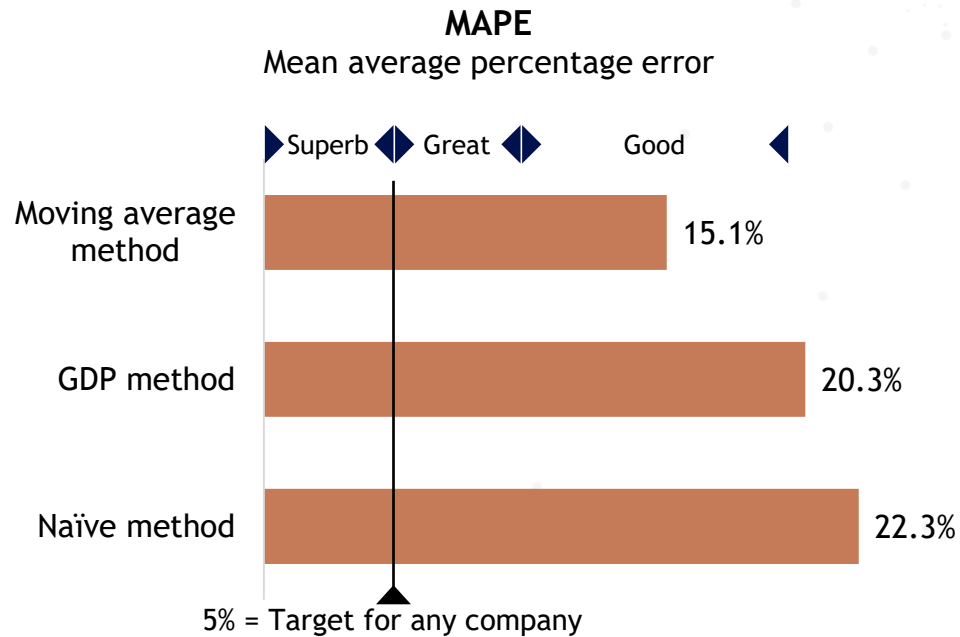
- Integrate the building, reviewing, and discussing forecasts into planning and strategy
- Maintain forecasts on a regular basis based on new information and changing strategies

Getting strategic forecasts right result in major resource allocation savings

TELLUSANT RECENTLY CONDUCTED A MAJOR RESEARCH EFFORT ON THE COST OF FORECAST ERRORS

First. we analyzed 5-year strategic forecasting errors in 53 industries using three methods.

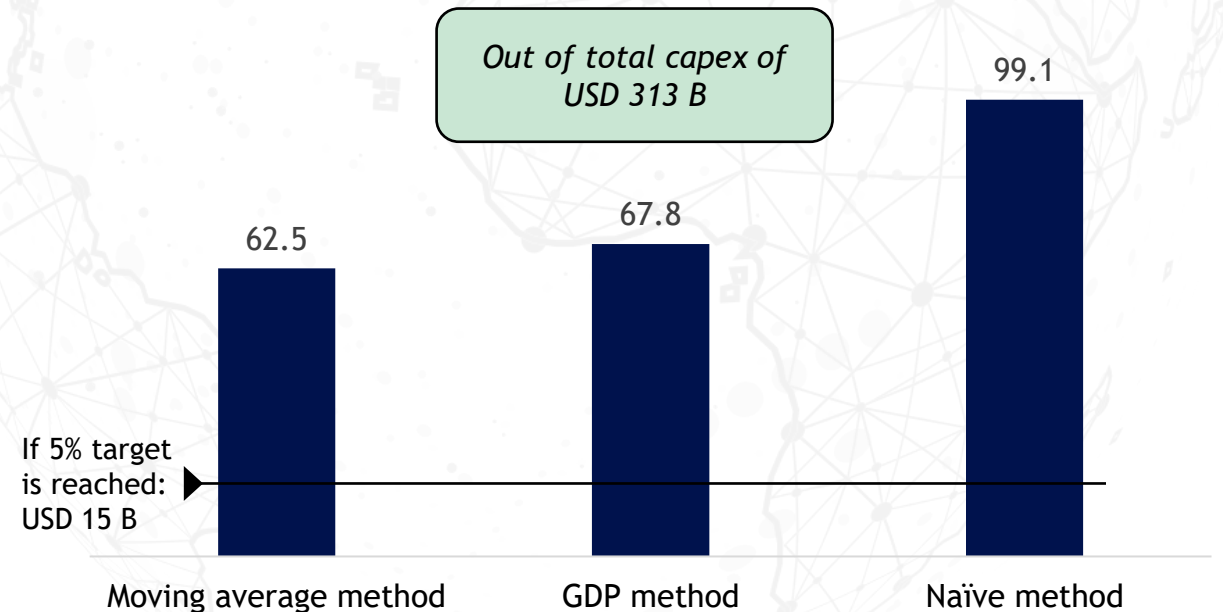
We express the total errors as MAPE* (mean absolute percentage error)



Second, we applied each method to the 40 largest US companies capital expenditure at the start of the 5-year forecast period.

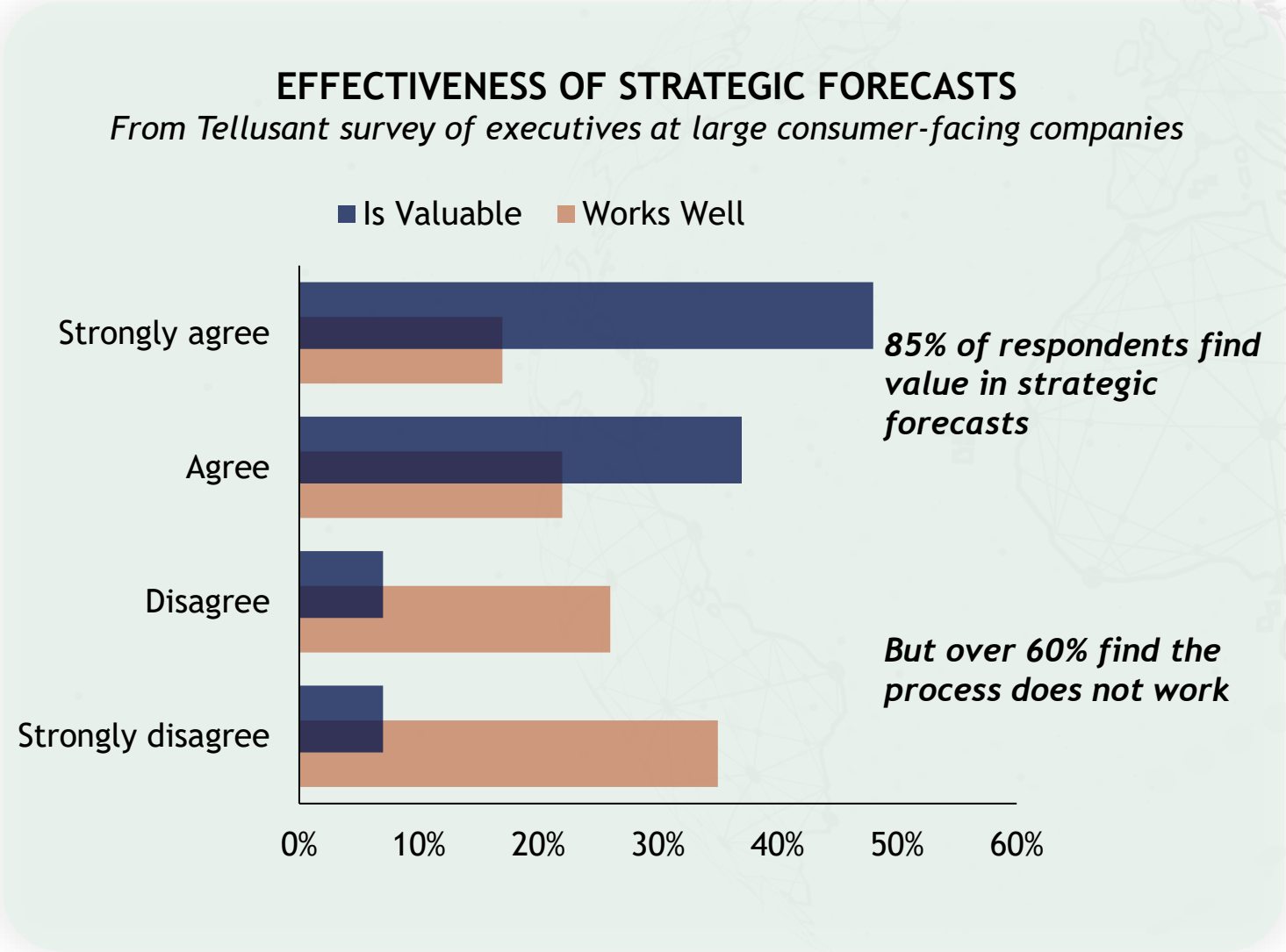
This capital may or may not be at risk, but the analysis shows what is at stake and how robust forecasting capabilities are crucial.

CAPITAL EXPENDITURE AT RISK IN ONE YEAR (2018) 40 largest U.S. companies; USD billion



* MAPE is adjusted for the well-known “right skew problem to avoid excess errors
Source: Tellusant (2025): The Cost of Strategic Forecasting Errors

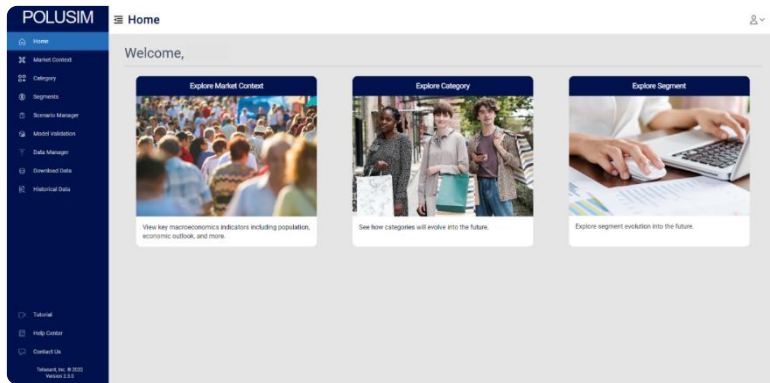
Strategic forecasting is critical to success but works poorly



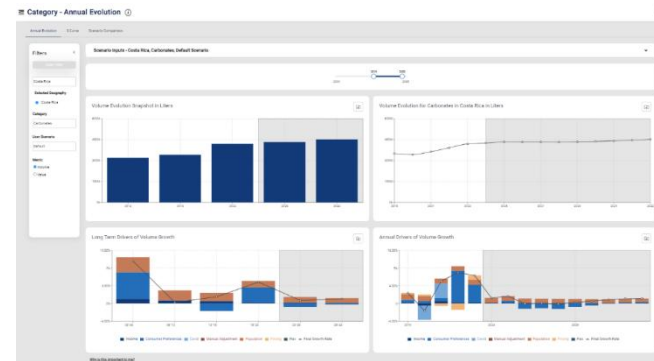
PoluSim makes strategic forecasting effective and efficient

Get robust, explainable forecasts with customizable drivers, allowing users to review forecasts, refine assumptions

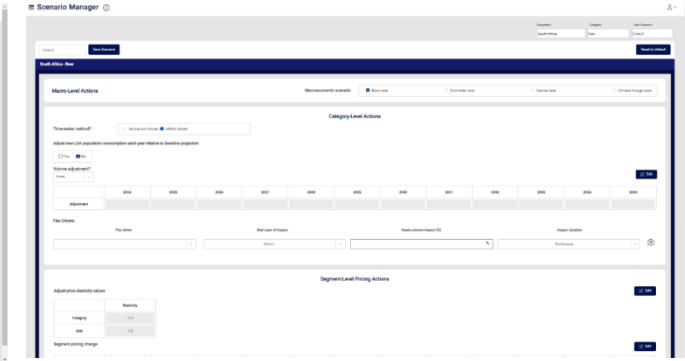
So you can focus on strategic implications



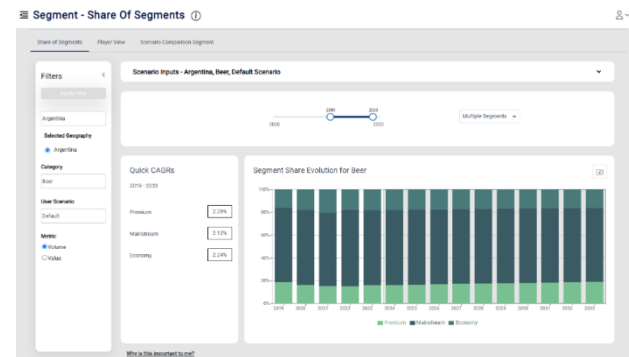
Backed by
 TelluBase
 The Subnational Consumer Classes Hub



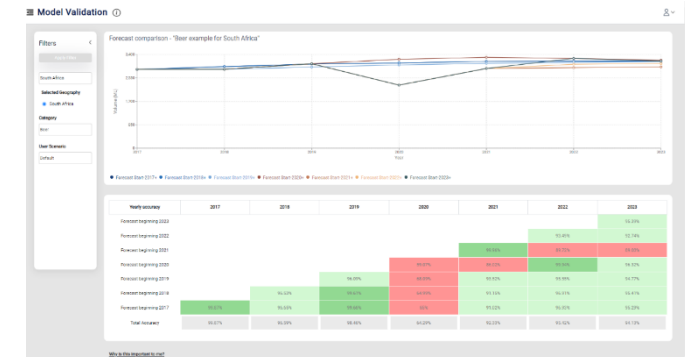
See forecasts and the reasoning for shifts in demand



Make customizable adjustments to forecasts

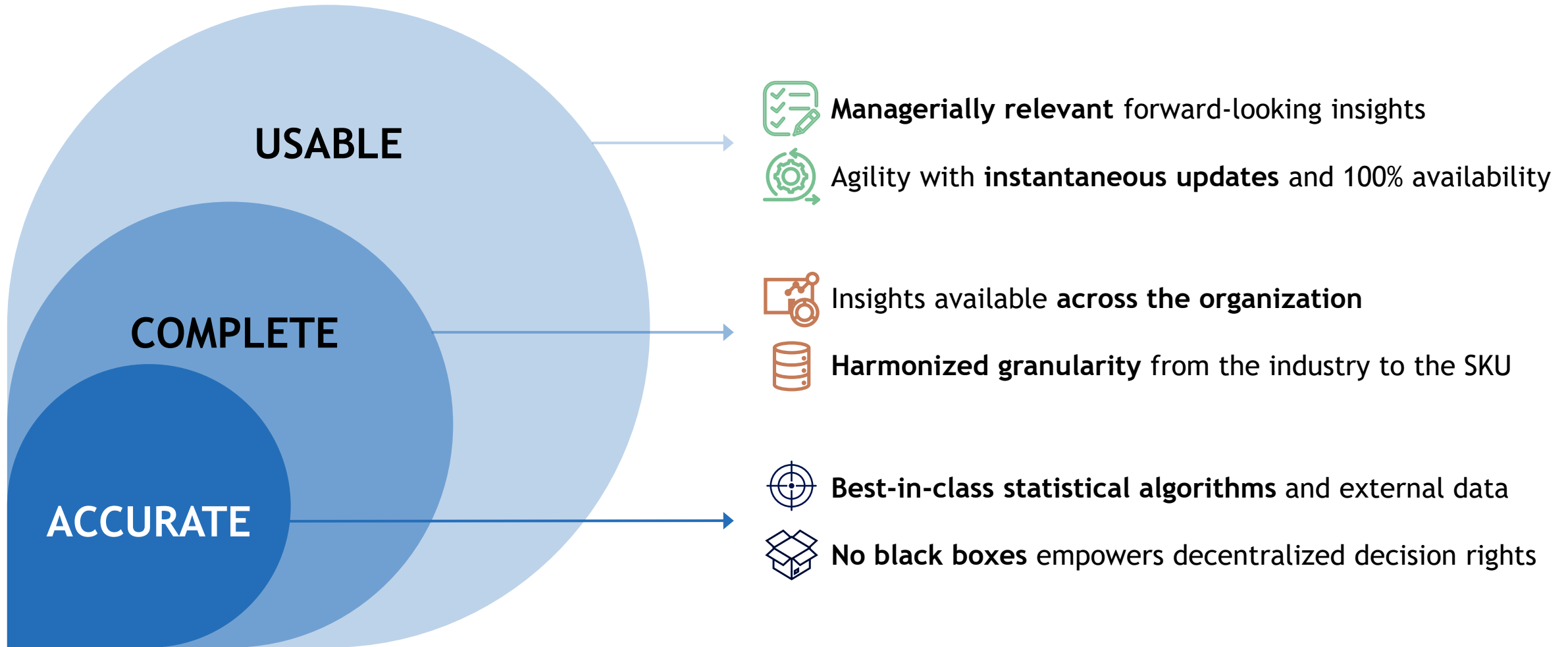


Understand trends at a subcategory and brand level



Evaluate historical forecast performance

PoluSim is the tool to achieve strategic forecasting





TELLUSANT

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