



# 2024 Global Financial Reporting and Valuation Conference

From Data to Decisions: Exploring the Impact of Driver-  
Based forecasting

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December 8-10 | Fontainebleau Miami Beach, Florida



# From Data to Decisions: Exploring the Impact of Driver-Based forecasting

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# Advantages of driver-based forecasts to enhance transparency and insights compared to traditional forecasting processes

## Focus on Key Drivers

Emphasizes the identification and analysis of specific factors that directly impact business outcomes vs utilizing historical data and trends

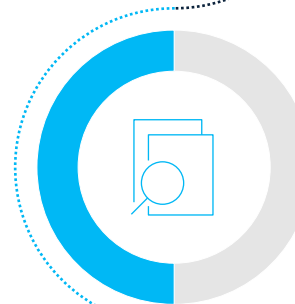


## Scenario Analysis

Enables "what-if" scenarios by adjusting the drivers and observing the potential impact on the forecast

## Continuous Improvements

Allows for real-time updates as the drivers change or new data becomes available enabling responsiveness to changes in the business environment



## Predictive Analytics

Allows for predictive analytics to estimate driver data as the forecasting tools become more mature

## Risk Management







Helps identify potential uncertainties or inaccuracies by providing underlying support for financial estimates



## Business Strategy Alignment

Creates a relationship between business strategy and financial performance that can be traced and analyzed

# Driver-based vs. traditional forecasting

	 <b>Focus on Key Drivers</b>	 <b>Continuous Improvements</b>	 <b>Risk management</b>	 <b>Scenario Analysis</b>	 <b>Integration with Predictive Analytics</b>	 <b>Alignment with Business Strategy</b>
<b>Driver-based forecasting</b>	Emphasizes the identification and analysis of specific factors that directly impact business outcomes.	Allows for real-time updates as the drivers change or new data becomes available. This makes the forecasts more responsive to changes in the business environment.	Help identify potential uncertainties or inaccuracies by providing underlying support for financial estimates.	Enables organizations to perform "what-if" scenarios by adjusting the drivers and observing the potential impact on the forecast. This helps in better decision-making and planning.	Can incorporate predictive analytics to estimate driver data and improve forecast accuracy as the forecasting tools become more mature.	Ensures that forecasts are closely aligned with the strategic goals and create a linkage between business strategy and organization performance.
<b>Traditional forecasting</b>	Often relies on historical data and trends without necessarily understanding the underlying drivers.	May not be as flexible and often require periodic updates.	May sometimes miss important factors, leading to less precise predictions.	May not offer the same level of flexibility for scenario analysis.	May not leverage advanced analytics to the same extent.	May not fully capture the dynamic and strategic aspects of a business.



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