



# Harnessing Big Data to Understand Global Demand Shifts

*Exploring how companies can use Scenario Planning to address uncertainty*

## What is a Research Working Group?

A Research Working Group (RWG) is a collaborative project that convenes peer companies and researchers in a rapid deep dive and targeted focus on a compelling business issue. When firms across industries with similar concerns come together and are guided by subject matter experts, there is a rich transfer of ideas and knowledge. The result is comprehensive findings designed to shape a platform for enterprise-wide action and impact.

The Conference Board's team of in-house researchers, partnerships with leading organizations, and deep commitment to our members make us uniquely positioned to produce high quality, innovative research.

## Research Proposal

***How can companies move beyond business forecasting and develop an innovative scenario planning capability to help envision and prepare for shifts in global demand?***

Companies today face an avalanche of data points related to global demand, and struggle to incorporate these into their planning as they face a shifting consumer landscape. A billion new consumers are entering the middle class in emerging countries, while the existing billion consumers in the mature economies are faced with a slow growth environment.

Our members ask how their companies can assess the rapid changes in consumer demand:

- What drivers to attend to, how to assess their implications, and what demand shifts are in the making?
- How can firms better exploit the data they are already using and potentially collect new data that would allow them to distinguish themselves from competitors?
- How should they deal with the vast amounts of Big Data already out there to find innovative ways to incorporate it into their medium term planning?

To help Conference Board member companies enhance their medium-range planning, we partnered with Nielsen, the leader in global information and measurement, to form the Demand Institute (DI). The DI works to predict the circumstances that will lead to global demand shifts—a combination of new or changing consumer needs and technologies that will lead to innovative solutions and offerings and rapidly emerging new consumer demands. We seek to extend this research partnership to help our members integrate these capabilities.

Combining TCB's research skills and our members' practical insights, we have designed a Research Working Group to help corporations to harness Big Data to develop their own scenarios to improve their medium term planning. We will especially focus on capturing the impact of global consumer demand shifts. The Conference Board's Business Scenario Program will lead this project together with the Demand Institute with a set of experts on big data, forecasting and scenarios.

## Research Focus

This Research Working Group will have a dual focus:

1. Exploring the limits of forecasting and identify when companies should extend their planning to include scenario planning. This discussion will be framed within the context of changes in global consumer demand and the shifts that impact that demand.
2. Exploring how companies can develop innovative ways to incorporate new data points into their planning as the explosion of Big Data allows more and better metrics to be included.

Examples of demand shifts include: the shift to the electric car as designs and battery power improve, perhaps even the advent of the driverless car; a shift to bio cleaning products and organically or locally grown produce by health-conscious consumers; issues related to sustainability. The shift resulting from the convergence of electronic devices into a single device sparks tremendous opportunity for innovations not only in the creation, supply and delivery of new goods and services, but also the measurement and tracking of demand. Quick action based on these insights, tools and techniques can help a company succeed in today's hyper-competitive environment.

This working group will prepare companies to use business scenarios to reveal and assess uncertainties surrounding global demand shifts. The group will meet three times over six months to help each participating company build their own capability with this compelling process. In particular we will focus on:

- **Business forecasting:** what can be forecast and what not, what works, what doesn't work, and why? What are the limits that companies face within their forecasting processes in trying to sense global demands shifts in the marketplace?
- **Using Big Data mining and analytics:** how can new forms of measurement, data mining and data analytics applied to vast amounts of data discern early preferences and patterns? What is the state-of-the-art, what is new to previous techniques, what does it take to do this, what are good examples of successes and failure, and what are the limits of Big Data? What are the potential traps?
- **Using business scenarios:** using scenarios to understand changing preferences and patterns in the medium-term by identifying significant uncertainties, if patterns interact with each other, and critical constraints. How to capture and map such uncertainties and develop scenarios? How do scenarios help to respond faster and better? What are the limits of scenarios and the potential traps in using them?

Each session will also include a presentation on The Conference Board's Global Economic Outlook by our world acclaimed economics team, focusing on how forecasting and scenarios can deal with the findings and implications from these outlooks.

### **Business Scenario Planning gives executives insights and pathways to:**

- Crafting flexible medium-term plans and strategies
- Testing corporate strategies cross a range of scenarios, identify drivers of change and the uncertainty that comes with them, helping you to know the unknowable
- Thinking differently, from an outside-in perspective, about your business
- Seeing risks and the competitive landscape in a new way

## Format & Takeaways

Launching in **September 2013**, this Working Group will last about 6 months; we will meet 3 times in-person to review promising practices and challenges in a confidential, hands-on environment. Intervening virtual meetings and small group teleconferences will further the group's collaboration. Participants typically dedicate 2-4 hours a month to the project, outside of the in-person meetings. The RWG will result in an array of tools and frameworks to effect change in the participating organizations. This collaboration will result in a comprehensive summary report comprising detailed findings, conclusions, and recommendations for action. Each company will be encouraged to identify how to integrate Scenario Planning into actionable items specifically for them.

Participating companies are invited to send two participants, and substitutes are welcome to attend meetings, if needed. Professionals charged with Strategy, Marketing, Risk, Forecasting and Long Range Planning will all find this Working Group beneficial. Participants are typically Director or VP level. We also welcome participants at the Senior Manager level, as this is an excellent developmental opportunity for emerging leaders in this field.

**RWG Participation Contribution:** \$21,000 per company covers all meetings, materials, access to all research and reports. Non-member companies of The Conference Board may participate for a contribution of \$30,000. This fee enables two executives to participate from each company, but does not include travel & hotel to in-person meetings.

**To join or for further information, please contact Khalil Abdul-Karim, Manager of Research Working Groups: [Khalil.Abdul-Karim@conference-board.org](mailto:Khalil.Abdul-Karim@conference-board.org) or 212-339-0479.**

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