

V3 Demand Forecasting AI Transformation Report 2025

Better Data. Better Decisions.



V3 Information Management
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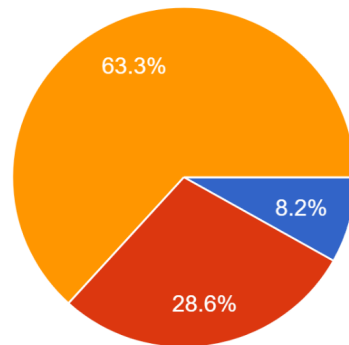
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*Charts, data, and responses from the survey are shown in the Appendix section of this report

The Report

Just over 63% of organizations report a troubling lack of confidence in their data. This crisis erodes **customer trust**, drives **operational costs** sky-high, and undermines organizations' **strategic edge**. This pervasive issue directly translates to **lost revenue** and weakened competitiveness, leaving businesses vulnerable in a global data-driven market.



- 100%—our data is real-time and reliable.
- 75%—it's good, but we still second-guess it.
- 50%—we're working with outdated or incomplete data.
- 0%—we're practically flying blind.

Four key areas are at risk:

- Customers' Trust
- Increased Operational Cost
- Strategic Edge
- Lost Revenue

This report reveals actionable strategies to address the four critical challenges. Showing you smarter decisions leads to a transformative customer experience. The future of your success starts with the choices you make today.

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Executive Summary:

Why Demand Forecasting Needs an Overhaul with AI

Hypothesis Tested:

Demand forecasting inaccuracies aren't just inefficiencies—they are the root cause of financial strain, operational bottlenecks, and lost market opportunities.

What the Data Tells Us:

- **48%** of respondents need more trust in their data, citing it as siloed, fragmented, or outdated.
- **81%** of organizations still use manual, time-intensive forecasting
- **82%** of companies operate reactively, resulting in excessive costs, operational disruptions, and eroded customer trust.

What We're Seeing Across Global Manufacturing:

AI-driven forecasting is rapidly emerging as the precision, speed, and agility standard. However, 54% of companies cite integration challenges with legacy systems as a significant barrier. Meanwhile, competitors are leveraging predictive tools to gain a strategic edge.

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Introduction:

The Future of Demand Forecasting Starts Here

What if demand forecasting became your most significant strategic advantage? Imagine accurately predicting market shifts and acting ahead of competitors.

Our Demand Forecast AI Readiness Survey* shows four risk areas due to incorrect forecasting.

1. Eroded Customer Trust:

Inconsistent inventory visibility harms the customer experience, causing order delays and broken availability promises. For C-level leaders, this poses a serious risk to customer loyalty.

2. Lost Revenue:

Outdated or unreliable inventory data leads to stockouts, overstocking, and missed sales opportunities, directly impacting top-line revenue.

3. Increased Operational Costs:

Reactive inventory management due to poor data inflates costs, from expedited shipping fees to inefficient warehousing operations, cutting margins.

4. Strategic Edge:

In today's volatile markets, where agility defines winners, reliance on incomplete data limits your ability to pivot quickly—giving competitors with better systems a decisive edge.

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What are the effects of demand forecasting without an AI strategy?

By answering this question, you answer everything else:

- **Why are we losing sales?** Because unreliable inventory data leads to stockouts or overstocking.
- **Why are customers frustrated?** Delays and broken promises erode trust and loyalty.
- **Why are our costs so high?** Poor planning drives rushed orders, expensive shipping, and wasted resources.
- **We are falling behind** because competitors who get this right are faster, wiser, and more agile.

Most companies already *know* this. They just aren't fixing it.

Is your forecasting helping you stay ahead—or are you just busy?

The Opportunity:

Organizations that embrace AI-driven demand forecasting can redefine agility and efficiency, turning volatility into competitive advantage. Proactive forecasting isn't just a tool—it's a weapon for market leadership.

“The organization that learns how to include AI into their culture and strategy now will mitigate and avoid the four key areas of risk outlined above.” - Abbas Abdullah,

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Framework for Success:

Key Objectives:

1. **Eliminate Forecasting Errors:** Reduce inventory costs by 20% and improve service levels.
 2. **Embed Agility into Operations:** Shift from days-long adjustments to real-time decision-making.
 3. **Enhance Customer Satisfaction:** Align inventory to demand precisely, ensuring trust and loyalty.
-

Demand forecasting remains a critical weakness in modern supply chains. The challenges aren't isolated—they're systemic and interconnected.

The Pain Points Exposed by the Data:

1. **Fragmented and Unreliable Data (48% of Respondents):**
 - Siloed, inconsistent, and outdated data undermines decision-making.
 - **Impact:** Reactive processes, inefficiencies, and missed opportunities.
 - **Solution:** Centralize and cleanse data streams to create a reliable single source of truth.
2. **Over-Reliance on Manual Processes (81% of Respondents):**
 - Forecasting needs to be more reliant on spreadsheets and manual interventions.
 - **Impact:** Inefficiencies, errors, and a bottleneck to scalability.
 - **Solution:** Automate repetitive tasks with AI to free resources and improve accuracy.

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Cont.

3. Slow Response Times (43% of Respondents):

- Organizations take days or weeks to course-correct.
- **Impact:** Missed sales, excess inventory, and frustrated customers.
- **Solution:** Implement real-time monitoring and rapid-response frameworks to adapt in hours, not days.

Key Question:

How can companies adopt tools, strategies, and frameworks to address these challenges, future-proof their AI demand forecasting, and lead their market?

Findings and Insights: The Costs of Forecasting Failures

1. Forecasting Accuracy and Its Consequences:

- **Data:** Only **18%** of companies stay ahead of trends, while **82%** operate reactively.
- **Impact:** Increased costs, operational disruptions, and lost customer trust.

2. Manual Processes Are Holding Companies Back:

- **Data:** **36%** describe forecasting as “exhausting,” requiring constant manual effort.
- **Impact:** Limits scalability, wastes time, and drains team efficiency.

3. Data Reliability is a Core Issue:

- **Data:** **48%** report fragmented, outdated data undermining forecasts.
- **Impact:** Poor data prevents effective AI implementation and cripples decision-making.

4. AI Offers Promise, But Skepticism Remains:

- **Data:** While **51%** need more confidence adapting to demand changes, AI is a transformative solution.
- **Impact:** Structured, phased guidance is necessary for successful adoption.

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The Industry Speaks:

Challenges and Opportunities in Their Own Words:

1. Customer Trust

"Accurate forecasting ensures that products are available when customers need them, reducing stockouts and delivery delays. This improves customer satisfaction, loyalty, and trust in the brand, strengthening long-term relationships."

- **Empowering** your team and organization with AI tools allows for accurately predicting demand and ensuring products are always available for customers.

2. Increased Operational Cost

"With accurate demand forecasting, we could maintain optimal inventory levels, reducing excess stock and minimizing holding costs. This would lead to a more efficient use of resources, lower waste, and improved overall profitability."

- **Leverage AI-driven** demand forecasting to analyze trends, predict sales, and optimize inventory levels, ensuring minimal waste and maximum efficiency.

3. Strategic Edge

"With a perfect demand forecast, you are more comfortable in negotiating with suppliers, distributors, and customers, better able to take the pulse of the market and develop more competitive market strategies. It also significantly improves customer satisfaction! With the ability to meet your customers' needs in just the right way, customer loyalty will naturally increase and word-of-mouth will get better and better."
Kristen E.

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Cont.

The Industry Speaks:

3. Strategic Edge

- Organizations must **harness AI** to predict demand and target specific percentages to outperform competitors to ensure market growth.

4. Lost Revenue

"Accurate demand predictions would allow precise stock management, enhanced shipping, and smoother production, cutting expenses, and excess. Client satisfaction would rise with quicker deliveries, while revenue increases through minimized lost sales, expense reduction, and smarter resource use." James C

- Let's **focus on** improving how we predict demand so we can manage inventory better, streamline shipping, and keep production running smoothly. By cutting costs and reducing waste, we'll deliver faster, make customers happier, and capture more revenue by avoiding missed sales. This is a big opportunity for us to work smarter and drive real results.

"82% of companies react to demand rather than shaping it.

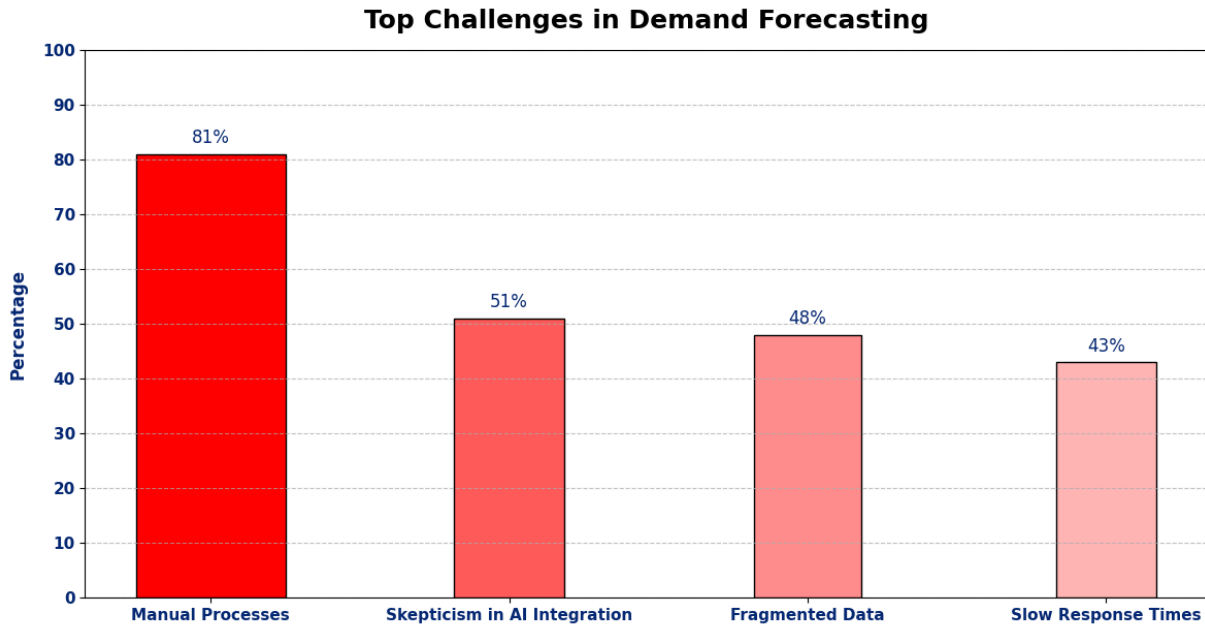
The future belongs to those who use AI to predict, adapt, and dominate."

-Robyn Dixon,

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Strategic Insights

Insights from the Demand Forecasting Transformation Report



This bar chart highlights the main challenges organizations encounter in demand forecasting, ranked by their severity.

This data comes from our global LinkedIn survey conducted in December 2024.

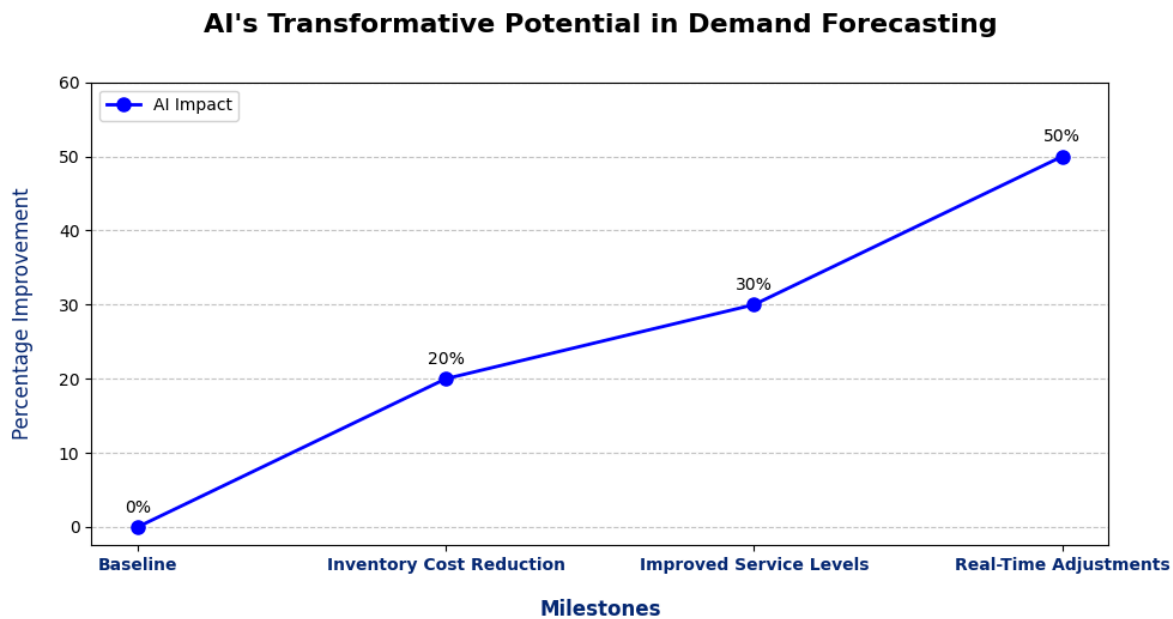
The main culprits—manual processes and fragmented data—highlight the need for smarter tools and better data management.

By embracing AI, companies can improve efficiency and agility while ensuring safer operations and boosting profitability, making it a smart, future-ready investment.

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Milestones

From Baseline to Real-Time Adjustments



This graph shows how AI adoption transforms demand forecasting. It highlights the shift from baseline operations to real-time adjustments. Key milestones reveal gains in efficiency, cost savings, and service quality.

- **Key Insights:**

Inventory Cost Reduction (20%): AI-driven forecasting reduces inefficiencies, streamlining inventory and lowering associated costs.

Improved Service Levels (30%): Enhanced demand prediction ensures better alignment of supply with customer needs, boosting satisfaction and trust.

Real-Time Adjustments (50%): Transitioning from reactive to real-time decision-making empowers organizations to adapt swiftly to market changes, gaining a competitive edge.

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Final Thoughts

AI demand forecasting is the foundation upon which market leaders build their success. It is not merely a function of operations but a strategic discipline that builds customer trust, streamlines operations and increases profitability.

With AI-driven insights, businesses can move beyond guesswork, eliminating costly overstocking and stockouts while ensuring real-time decision-making with data.

The result? A system where efficiency and responsiveness coexist, delivering what customers need precisely when they need it, without compromise.

The data shows that 82% of companies still react to demand rather than shaping it. This hesitation leaves revenue on the table and erodes competitive advantages.

This isn't just a missed opportunity—it's a systemic inefficiency that erodes margins and weakens competitive positioning.

The path forward is clear: integrating AI into demand forecasting transforms this challenge into an opportunity, providing the precision and agility needed to thrive in an unpredictable market.

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A Strategic Partnership for Your AI Foundational Transformation

Every business breakthrough is driven by forward-thinking leaders working with trusted experts.

The insights in this report are just the beginning of your AI journey. Turning challenges into strengths requires focus, action, and the right support.

At *V3 Information Management*, we believe in simplifying the path for you.

Here's how you can take the next step toward supply chain transformation with us:

Three Steps to Get Started

1. Schedule a Discovery Call

Let's start with a conversation. We'll discuss your unique challenges, goals, and where your current forecasting practices might be holding you back.

Click this link to **Schedule a Discovery Call**

2. Define a Custom Roadmap

Our team will create a custom plan to integrate AI into your operations, tailored to your specific needs. We'll focus on quick improvements and long-term strategies. *LinkedIn:* [linkedin.com/in/robyn-dixon-9567005](https://www.linkedin.com/in/robyn-dixon-9567005)

3. Implement and Thrive

Once we agree on the plan, we'll help you put it into action, making sure everything runs smoothly and delivers real results. From setup to ongoing support, we'll work with you every step of the way to turn ideas into actions—and actions into lasting success.

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Appendix

The following charts show the data collected from our research.

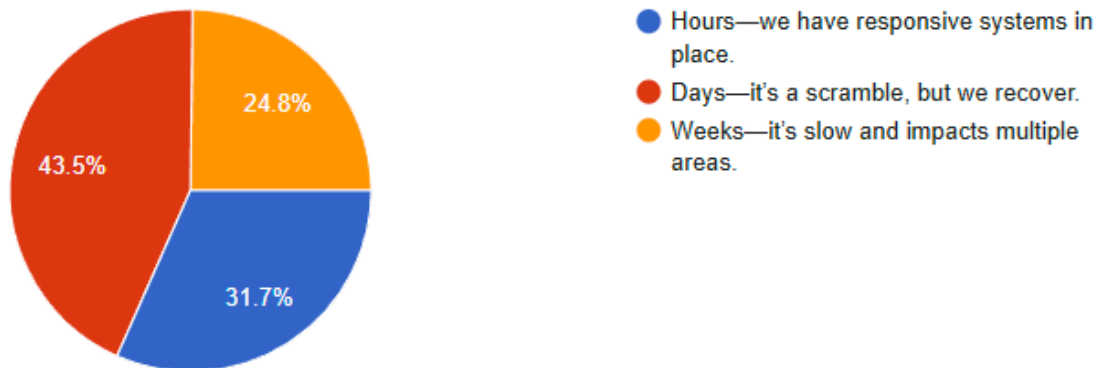
Organizations fail to anticipate customer behaviors and market trends.

The impact of inaccurate demand forecasting.



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Organizations cost of delay in lost time.

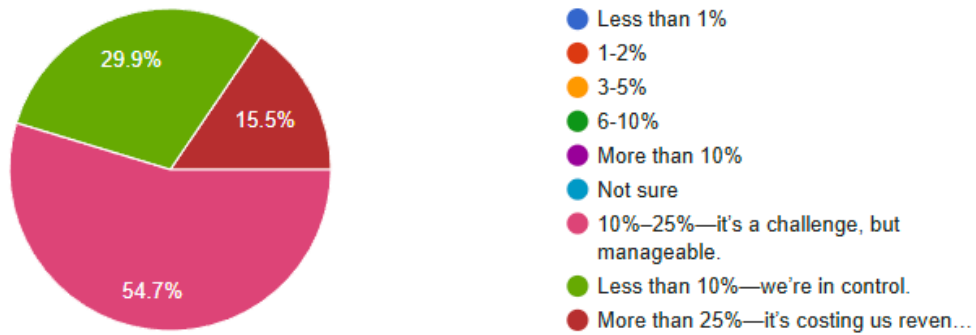


Confidence in trusting accurate data.



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The increase in unplanned cost.



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Connect With Us

The authors of this report, Robyn Dixon and Abbas Abdullah, bring years of expertise in supply chain transformation and AI implementation. They're here to help you take the first step.

How to Upload, Access, and Take Action with This Report

Step 1: Upload this Report to Chat

- **What to Do:** *To upload this report as a PDF using your preferred LLM or ChatGPT platform: Simply drag and drop the file into the chat window or use the upload button.*

Step 2: Read your Executive Summary

- **What to Do:** *Ask the chat platform to provide a quick overview of the key findings from the V3 AI Demand Forecasting Transformation Report.*
- **Copy and paste this prompt:** **"Summarize the key points of V3 AI Demand Forecasting Transformation Report and provide me with the best steps to take action."**

Step 3: Contact V3 for your Discovery Session

- **What to Do:** *After reviewing the summary, schedule a discovery session to discuss how AI-driven demand forecasting can address your challenges.*
 - **Contact Options:**
 - **Email:** *Robyn Dixon or Abbas Abdullah*
 - **LinkedIn:** [Robyn Dixon](#) or [Abbas Abdullah](#)

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By following these simple steps, executives can quickly access the report's insights and take actionable next steps toward their organization's AI transformation.

Take Action Today

Visit [V3 Information Management](#) to schedule your discovery call and start transforming your organization and business with AI. **Better data. Better Decisions.**

January 2025

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