

Commodity price risk is one of the leading risks facing organisations globally*



64%

reported this risk contributed to a loss for their organisation in the 12 months prior to the survey



65%

stated their organisations had set up a plan to respond to commodity risk



3rd

most critical risk predicted by 2026

*Source: Aon's 2023 Global Risk Management Survey

“For a purpose-built commodity price analytics solution delivered in tandem with an expert managed service layer, The Smart Cube's Commodity Intelligence offering provides a convincing solution.”

Spend Matters
Procurement Industry Analyst

Commodity Intelligence

Better manage your exposure to commodity risk with forecasts and predictive analytics, prepared by market specialists

Key challenges

Organisations must stay up-to-date with key challenges that hinder their ability to manage commodity risks effectively and deliver tangible business value

Internal factors	External factors	Impact on Procurement
Lack of accurate and up-to-date data	Price volatility and currency fluctuations	Savings targets not met
Generic insights with no forward-looking perspective	Supply disruptions	Sub-optimal supplier negotiations
Disparate sources of data and siloed reporting	Dynamic geopolitical environment	Unknown inflation impact
Inadequate risk assessment frameworks	Technological and environmental factors	Heuristics-based budget planning

Organisations are faced with a variety of questions that can be optimally tackled with the right data and intelligence

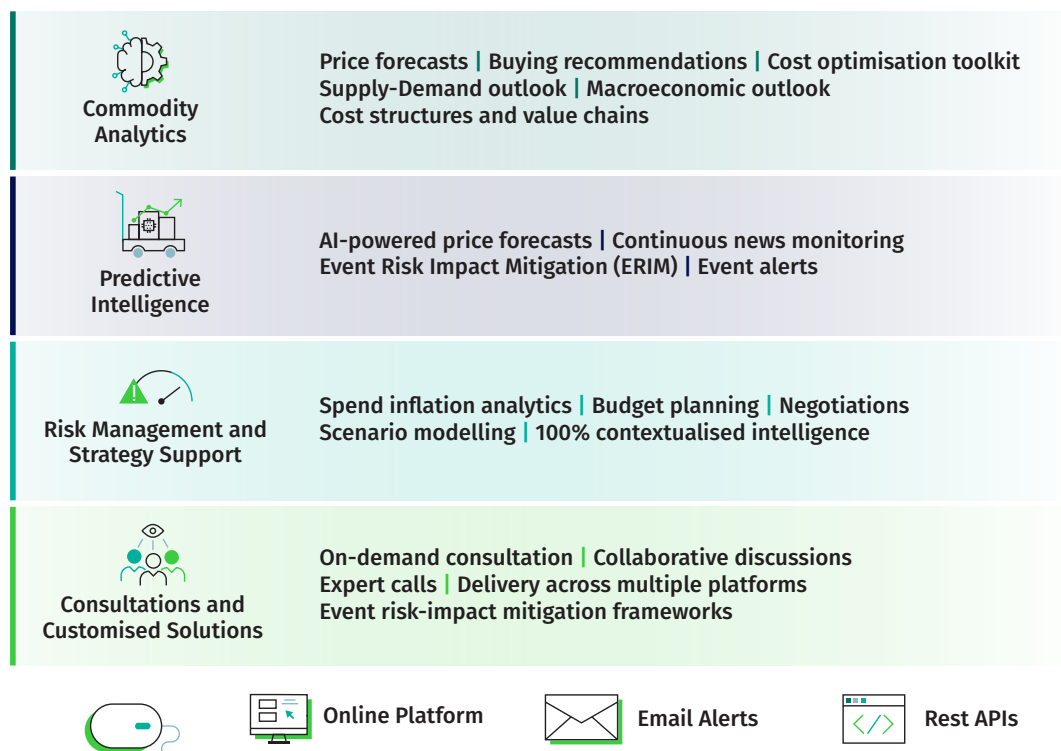
- ▶ How can we easily obtain a comprehensive and reliable view of the market situation?
- ▶ What cost drivers are causing a sudden price increase by suppliers?
- ▶ Which categories/commodities are most impacted by global events, and what steps can be taken to mitigate potential risks?
- ▶ What is the impact of commodity volatility on our procurement spend?
- ▶ How can we plan for next year's budget considering business data and commodity market movements?

How we can help

- ▶ Gain a deep understanding of the factors that drive commodity markets
- ▶ Access 360° market insights, macro analysis, and expert forecasts to make strategic decisions and mitigate risks
- ▶ Unlock the power of data analytics to combine business and market data to develop strategies for better profitability
- ▶ Interactions with our commodity specialists, ensuring the insights are contextualised to your needs, enabling you to drive better outcomes

Solution overview

Our solution enables data-driven decisions by leveraging internal and external data to empower clients to make robust decisions and develop actionable strategies for commodity risk management



BLENDING AI+HI TO DRIVE VALUE



Benefits and key differentiators



High accuracy: Consistent results with an extremely high accuracy rate (90%+) for most price forecasts



Wider coverage: 20+ years of extensive experience in forecasting 700+ commodity grades across commodity groups and regions



AI + HI: A dedicated team of specialists that leverage a combination of technology (AI)-plus-analyst (HI) approach



White glove engagement: Consistent engagement and assistance from our Commodity Specialists empowering you to achieve superior outcomes and cultivate more robust stakeholder relationships



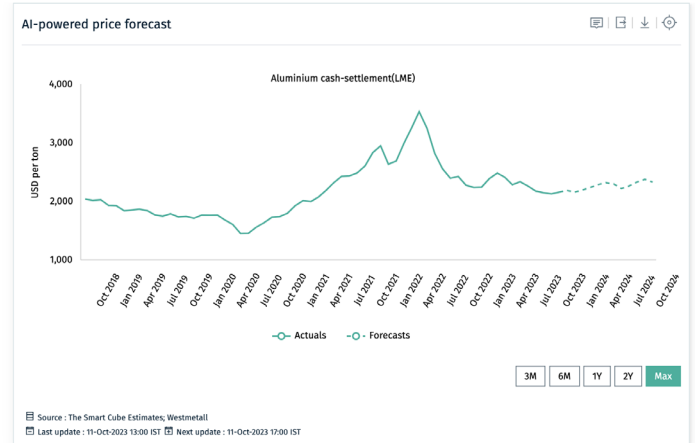
Bespoke solution: 100% customisable delivery format and tailored insights across different time periods based on business requirements, as compared to a standard, one-to-many business model

Supercharge Procurement's ability to mitigate commodity price volatility

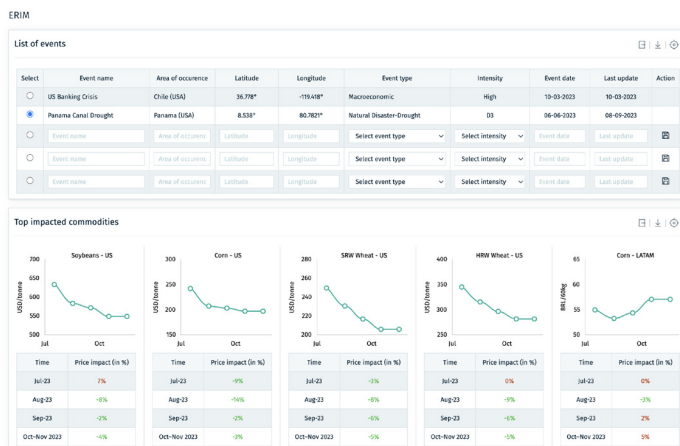
360° market insights



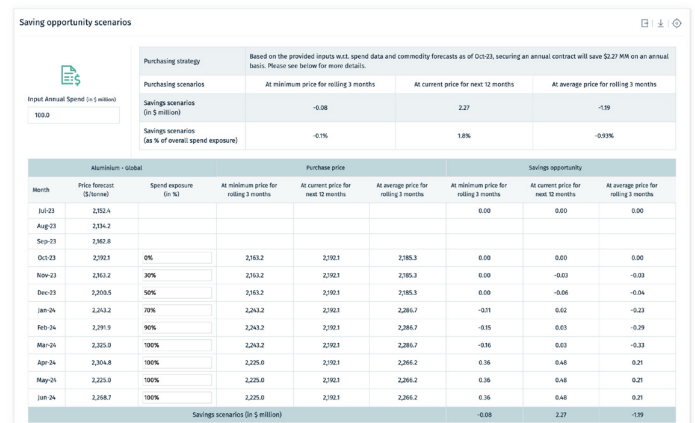
AI-powered price forecasts



Event risk impact mitigation (ERIM)



Cost optimisation toolkit



Use cases

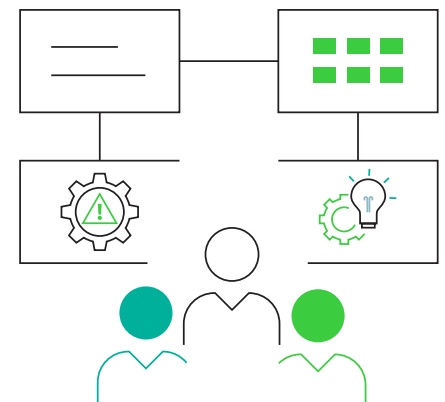
Business spend and revenue management: Set annual procurement budget and cost reduction targets

Risk mitigation: Develop mitigation strategies in case of supply risks for a particular commodity and its raw materials

Cost-saving opportunities: Take informed price decisions and conduct efficient supplier negotiations

Supply chain visibility: Get visibility on cost drivers, secondary markets influencing commodity prices, and supply and demand dynamics to proactively track market movements

Near-real-time insights: Stay on top of risks associated with global events with our AI-driven dynamic forecasts, continuous news updates, and Event Risk Impact Mitigation (ERIM) module



Our partners



Polymerupdate is a leading producer of real time news feeds, daily price assessments and analysis of various petrochemical products.



PackTrax captures the price movements for ~40 different raw materials for the Asian, European and American regions.

The Smart Cube has partnered with Polymerupdate to enhance customer access to petrochemical pricing intelligence, forecasting and consultancy.

The Smart Cube has subscribed to PackTrax to enhance customer access to pricing intelligence for paper, metal packaging, resins, flexible films, boxboard and containers commodity groups.

Case study - Our solution in practice



Client

Fortune 100 Consumer Goods Company



Requirement

The client wanted to ensure effective budget planning and improve bargaining power with suppliers by staying abreast of market movements across relevant commodities



Challenges

- ▶ Reported significant spending and overdrawn budgets
- ▶ Derived unsatisfactory outcomes from previous negotiation discussions



Our solution

- ▶ Extracted spend data and built a compatible format to calculate the weight of over 250 direct and indirect commodities – including metals, energy and fuels, resins, chemicals, raw materials and ingredients
- ▶ Identified factors and variables – such as feedstock supply, end-use industry demand and exchange rate – affecting price movements of key commodities, and determined statistical relationships between variables
- ▶ Collated cost, spend, commodity forecast and contract data to build inflation models at category, regional and global levels; as well as provided targeted commodity intelligence through a web-based portal



Results

~\$20 million

savings through dedicated commodity forecasting

~\$8 million

impact of market movement neutralised through improved supplier negotiations

For more insights on effectively managing your exposure to commodity price volatility and risk with custom forecasts and predictive analytics, please visit our [website](#).

The world of
WNS PROCUREMENT



WNS Procurement, powered by The Smart Cube, delivers world-class solutions in procurement and supply chain advisory, managed services and digital transformation. We combine expert resources with leading technologies, merging human and artificial intelligence to deliver innovative solutions, enabling our clients to achieve their business, financial and sustainability goals and outperform in their markets.

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