

# A4E | Sales Forecasting

Case Study – Nedelya, cake & pastry manufacturer



**Zdravko Mintchev**  
Nedelya CEO

## Quick Facts

Company:



Industry: Pastry and cakes  
retail and production

Size: 30 + retail locations

Revenue: € 9M (2016)

Web: <http://nedelya.com>

## Use Case

Nedelya rely on A4E's sales forecasting solutions to support its day-to-day production planning

## Results

**Waste:** decreased from 7% to 2%

Nedelya produces and sells cakes and pastries baked without preservatives, hence their production have a limited shelf life – up to 3 days.

Founded in 1993, Nedelya established reputable brand for high quality handmade cakes. The company has more than 30 locations and is currently expanding abroad. Nedelya relies on store managers to determine the future sales and to master the ordering process by having in mind the existing stock and the potential cake sales, which might be of whole cakes or slices served on the retail location.

Due to its rapid expansion, Nedelya experience shortage of experienced managers capable to create accurate planning and sales forecasting. The company reached A4E with following issues:

1. Nedelya wanted to know how many cakes and pastries would sell in the future.
2. Nedelya needed to open new locations fast and easy.

The retail managers need to know how much they are going to sell on the next day and the day after in order to a) reduce the wastage to a minimum while b) not being undersupplied.

## The Solution

A tool capable of forecasting future product sales on a daily basis that takes into account not just the specifics of a particular location but also all different variables affecting cake sales.

## The Approach

In order to get proper sales forecasting, we had to get the historical sales data. Detailed data analytics created a few correlation hypothesis, which we tested with a real life data.

By validating those hypotheses, we get aware of the cake sales correlations for every single of the retail locations that enabled A4E to create accurate sales forecasts per any location.

## Technical implementation

The solution should be fast, easy and hassle free to use. That is why we linked the existing POS system with our software. This way our tool knows what, when and in which quantity a particular product was sold and last but not least – the process is fully automated. More importantly, it gave us an access to historical sales data, which made us capable of utilizing data analytics to understand what affects cake sales and what does not.

The tool is automatically aware of the unsold stock by the end of every working day and does not require additional managers' work.

We have configured it to provide forecasting recommendations by the end of the business day.

It seemed that this was not the most practical solution since it became just one more piece of information in the managers' email inbox, which they had to take into account.

We solved this one, too, by creating a simple to use web-based module displaying:

- Existing stock
- Forecast for the tomorrow's sales per item
- A push orders right to the production facility

## The Outcome

Time saving, high level of forecasting accuracy and easy to implement and use solution – all these benefits were combined in a single module, serving both as a forecasting and ordering tools. A4E's API forecast accuracy is now better than stores' managers. The forecasting tool is of significant importance for the rapid expansion of newly opened retail locations.

## The Benefits

The entire process of understanding the business specifics of Nedelya took some time. It was good time spent to understand in detail the supply chain and provide undisputable benefits to Nedelya:

- Store managers have a tool with tomorrow' sales without being undersupplied. Waste levels were reduced by more than **3 times** from 7% to 2%, on average.

- A4E's solution supported revenue increase by reaching a balance between waste and supply levels. The solution provides an insight for the optimal revenue potential of every retail location.
- A4E's solution cuts the time spent for forecasting and ordering process thus freeing time for store managers for focusing on other processes, such as personnel management, training, and motivation.
- A4E's solution gave Nedelya's top management a precision sales and inventory forecasting tool that helps them plan for international expansion.

## The Feedback

*"A4E helped us to turn the raw data sets into valuable information, which helped us to make the right business decisions. We'd highly recommend their services to any business in need to master the art of the numbers"*

Zdravko Mintchev, Nedelya CEO



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A4E is an artificial intelligence as-a-service (AI aaS) platform for hosting and deploying proprietary and third party data science models.

From coffee shops, through restaurants to wholesalers, A4E's vertical-tailored app is a strategic tool in sales forecasting, powered with a customizable reporting. Our on-demand **analytical framework** is tuned to the business specifics of the client.

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