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AI Built for Consumer Brands

Driving adoption of AI for IBP/S&OP

The Challenge

Sales and Operations Planning (S&OP) or Integrated Business Planning (IBP) is a critical and often under-optimized process for Consumer brands. Many brands struggle with fragmented data, manual planning, reactive decision-making and slow execution.

Roughly 80% of large CPG manufacturers continue to rely on siloed planning with limited real-time alignment across functions^[1]. This results in missed revenue due to suboptimal promotions, stock-outs, excess costs from overproduction, and inventory write-offs, or expedited shipping.

Leading companies are proving that significant gains are achievable by infusing data-driven optimization into S&OP. Recent industry experiences show an integrated, AI-assisted approach can increase revenues by up to 10%, reduce inventory levels by up to 20%, and cut supply chain costs by about 10%^[2].

Demand Optimization: Driving Growth via Pricing, Promotion and Channels

Trade promotions and pricing are major value levers. Trade promotions often consume 20–25% of revenues yet most fail to achieve positive ROI^[3]. Overpricing or underpromoting also causes lost sales.

After broad-brush price hikes (~30% since 2020^[4]), leading brands are shifting to elasticity-based pricing using predictive analytics and AI to set optimal prices,

design high-ROI promotions, and tailor channel strategies. Research finds modern pricing tools can improve sales by several percentage points while boosting margins ^[5].

Reallocating budget from the bottom quartile of promotions to average-performing events can lift promotional ROI by 10–25%^[6]. Bain finds simplifying product portfolios can add 2–5 points of sales growth while improving gross margins by 1–4 points ^[9].

Key Demand Optimization Levers

Lever	Impact	Financial Impact
Trade Promotion Optimization	Revenue Uplift	+10–25% promo ROI & revenue ^[6]
Pricing Optimization (Dynamic)	Revenue Uplift	+3–5% sales, +2–3% margin ^[5]
Assortment & Channel Optimization	Revenue Uplift	+2–5% sales growth ^[9]

Supply Optimization: Cutting Costs via Forecasting, Inventory and Logistics

On the supply side, companies face high operational costs and perishability risks. AI-driven demand sensing can improve forecast accuracy by 10–12%, enabling 6–8% inventory cuts and 3–5% higher fill rates ^[12].

Better inventory planning reduces waste — leading CPGs have cut scrap costs by 12–25% using AI-driven replenishment ^[13]. Aligning inventory to local demand also minimizes cross-shipping, which can consume up to 5% of sales ^[14].

Key Supply Optimization Levers

Lever	Impact	Financial Impact
Predictive Forecasting	Cost Savings	-6-8% inventory through ~10% forecast error reduction ^[12]
Inventory Reduction (Waste)	Cost Savings	-12-25% scrap cost ^[13]
Distribution & Logistics Optimization	Cost Savings	-Up to 10% supply chain cost ^[2]
Out-of-Stock Reduction	Revenue Uplift	+3-5% lost sales recovered ^[12]

How Sciemo Helps Capture These Opportunities

Sciemo provides an end-to-end AI platform specifically designed to help consumer brands execute on these demand and supply optimization opportunities ^[20].

Integrated S&OP AI Agents with Unified Data Foundation

Sciemo embeds agents and tools across the S&OP cycle, powered by its Catalyst AI data mart — a unified data layer that merges customer operational data (sales, pricing, inventory, channels) with third-party market data (Nielsen/Circana, consumer demographics, pricing benchmarks, logistics metrics) ^[20].

This lets teams:

- Interactively design and edit demand and supply plans with the support of an AI agent and drive and cross team collaboration to ensure the plans get to full impact (e.g., refinements, approvals, financial reviews)
- Run scenario simulations to understand revenue vs. margin vs. share trade-offs.

- Continuously update plans based on live data, freeing teams from spreadsheet-driven coordination.
- Use a GenAI-powered interface to interact conversationally with their data, speeding decisions.

Demand Capabilities

- Promotion Optimization: Builds data-driven trade plans, models multiple demand drivers (depth, seasonality, competitor actions), and recalculates ROI in real time — driving 12–25% gains in missed promotion revenue ^[20].
- Dynamic Pricing & PPA: ML models assess elasticity and competitor pricing to recommend price points and pack/bundle configurations, capturing 8–25% of pricing-related margin opportunity ^[20].
- Channel and Assortment: AI agents analyze internal and market data to identify high-potential channels and product mixes while minimizing cannibalization ^[20].

Supply Capabilities

- Right-size Inventory: Provides interactive forecasts, inventory projections, and alerts on scrap or out-of-stock risks, reducing total scrap costs by 12–25% ^[20].
- Improve Logistics Efficiency: Plans replenishment to match local demand, reducing cross-shipping and increasing truck utilization, directly cutting freight costs ^[20].
- Align Demand and Supply: Links market insights (Nielsen, Circana) to shipping and production data, ensuring supply plans follow demand shifts in near real time ^[20].

In short, Sciemo doesn't just provide analytics — it delivers an execution-ready, AI-driven planning platform that helps consumer brands realize the revenue uplift and cost savings outlined in this white paper.

References

- [1], [2], [7], [8], [12], [20], [21] — McKinsey
- [3] — Promotion Optimization Institute
- [4], [19] — PwC
- [5], [9] — Bain & Company
- [6] — Strategy& (PwC)
- [13] — Sciemo Customer Overview Document vF
- [14], [15], [16], [17], [18] — BCG