

Pioneering Sustainable Intelligence for Tomorrow's Supply Chain

A Supply Chain-Focused Startup Integrating an Eco-Friendly Approach into Its Solutions

#### The team:

- A **technical team** composed of four data scientists, dedicated to develop robust prediction models able to handle complex or incomplete data.
- A **business team** of two, focused on understanding client needs and providing real-time progress updates on technical advancements to our partners.

#### The mission:

- Schneider Electric approaches us with a dataset comprising 2.2 million entries, accompanied by other subdatasets of various indicators.
- Our goal: To **predict the sales volume** for the fourth month of each third. In line with our principles, we also aim to propose measures to **reduce the carbon footprint** across the entire supply chain.



# The challenge:

- Responded immediately to the proposed challenge, mobilizing all available resources.
- In this context, the technical team collaborated, sharing databases to promptly and most importantly prepare the dataset thoroughly, especially in handling missing data. The goal was to establish a predictive model as accurate as possible within the given timeframe.

# Project management

#### <u>Understanding and processing the data</u>

- Analyze the distribution of the databases to understand them.
- Operate the relevant **formatting** on the features. For instance, the life cycle column requires the NaN values to be replaced by "active".
- Merge the extra datasets to add quantitative data.
- Remove irrelevant data. For example, some columns are too specific and can be substituted for broader ones. For instance remove Zone and Country and use Region instead (contains less categories).
- One Hot Encoding of the few categorical features left, as the product division, to increase model efficiency.



## Modeling and Deployment:

- We want to forecast a sales volume which is a continuous quantity. As a consequence, we will use a regression model.
- To conveniently try a variety of models, we **standardize** the data.
- Amongst the different models tried, we chose to use **XGBRegressor** from the XGBoost library (tree-based algorithm).
- We use a **Bayesian search** to identify the best hyperparameters.
- We then train our model (being mindful of over-fitting) and use it to predict the test sample.

# Sales Forecasting and Sustainability

Focusing on immediate efficiency and environmentally friendly approaches, we present various perspectives to Schneider Electric and would be thankful to initiate more collaboration on sustainable solutions.



#### Renewable Energy Production Forecasting

• Employ data mining to forecast the generation of renewable energies such as solar or wind, and **adjust production schedules** based on the availability of renewable energies, ensuring a more **energy-efficient operation.** 

### Failure Equipment Forecasting:

- Use data mining to predict equipment failures, allowing for **proactive maintenance interventions**. This approach not only reduces unnecessary downtimes but also saves energy.
- Schedule maintenance activities based on predictive data to minimize disruptions and **enhance energy efficiency.**

# Optimized Production Schedules:

- By adjusting production based on sales forecasts, we can effectively align output with actual demand. This strategy not only optimizes resource utilization but also significantly reduces energy consumption by minimizing unnecessary machine operation times.
- This strategy also helps prevent overproduction, thereby reducing resource wastage and energy usage.



We have to stay on top of the upcoming environmental challenges by optimizing business models.

One of the key aspects of this is to to predict sales volume. This is why we have to continuously strive to improve our models: their efficiency, robustness and their relevance as regards to the environment and associated legal norms.