



USE CASE - PLASTIC PRICE HEDGING FOR AN CONSUMER GOODS COMPANY



Procurement

Risk

Optimization

PowerBI

Data mining

Python

CONTEXT

An FMCG company, producing plastic-based products, needed a hedging strategy against the price of plastic to optimize profitability as well as optimize its manufacturing processes and supply chain in Vietnam. The objective of the project was to accompany our client with quantitative recommendations and implementation possibilities for their new strategy.

SOLUTION

After advanced regulatory screening and financial analysis, we developed a model that enables to buying of a mix of commodities that simulate the volatility of PET prices.

We implemented a dashboard that is aggregating all the relevant information for decision-making and a part-time placement of one of our data scientists within the company to assist with ad-hoc analysis.

BUSINESS IMPACT

- Implementation of risk mitigation strategy
- Real-time monitoring of procurement data and consolidated analysis for the management committee
- Support tool for contract negotiations for pricing and cost structure

