

Aera Skills

Procurement Price Forecasting Skill

Transform procurement planning with AI-powered price forecasting that delivers 99% forecast coverage. Reduce manual effort and mitigate procurement risk while driving smarter, more confident decisions.

The Business Challenges

Accurate price forecasting is essential for effective procurement planning, yet many organizations struggle with reliable estimates, especially for long-tail or new materials. Inconsistent data and manual workarounds often lead to bottlenecks, delays, and increased risk.

Common challenges organizations face:

Complex data management

Materials with outdated or partial contract data often require manual processing, increasing operational workload.

Incomplete price forecasts

Gaps in pricing data for specific material-site combinations (especially low-frequency items) reduce forecast accuracy.

No reliable forecasts for new materials

Newly introduced products lack historical pricing references, making it hard to generate reliable cost estimates.

Manual similarity mapping

Teams rely on subjective judgment to match new materials to similar ones — a process that's prone to error and doesn't scale.



Aera's Solution

Aera's Intelligent Procurement Price Forecasting Skill automates and enhances your forecasting process using advanced decision intelligence, eliminating manual work while increasing accuracy and consistency across your procurement portfolio.

How Aera addresses them:

Groups materials smartly

It automatically categorizes materials based on pricing data availability — full, partial, or none.

Applies tailored forecasting logic

It uses the optimal model for each group — time series for historical data, regression for partial data, and NLP-based matching for new materials.

Generates accurate, context-rich forecasts

It leverages contracts, pricing, currency, and other inputs to deliver precise forecasts at the material-site level.

Writes back to source systems

It integrates forecasts into your planning and transactional systems, so your teams can use them in real time.



AI/ML Techniques

Aera applies a combination of AI techniques to meet the specific data needs of each material type:

Time Series Models

- Holt-Winters
- ARIMA

Smart Text Matching

-  $f(x)$ TF-IDF
- Cosine Similarity

Regression Models

- Multidimensional Analysis

Real Business Impact

A leading consumer packaged goods (CPG) company had struggled with incomplete material price forecasts — causing planning delays, negotiation setbacks, and elevated cost risks. Missing data for long-tail items and reliance on manual workarounds created inefficiencies and uncertainty in future procurement cycles.

After implementing Aera with the **Intelligent Procurement Price Forecasting Skill**, the company automated its forecasting process, applied the right models to each data scenario, and integrated accurate, context-rich forecasts directly into planning systems. Within just a few months, it achieved:

99%

coverage of the forecast line

>90%

reduction in manual effort

>85%

accuracy

The Aera Difference

Aera transforms procurement forecasting from a manual, error-prone task into a streamlined, intelligent process powered by AI and automation. It delivers a smarter, more scalable approach through:



Unified decision intelligence

Aera integrates harmonized data, smart matching, and forecasting in one seamless platform.



AI-augmented workflows

It boosts efficiency with composite AI and machine learning across the procurement lifecycle.



Closed-loop execution

It enables end-to-end automation by feeding forecasts directly into planning and operational systems.

Ready to transform your procurement forecasting?

Discover how Aera delivers comprehensive forecast coverage and eliminates manual planning bottlenecks.

Schedule a demo