

# Management Consulting

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Have you ever walked into a grocery store and seen a special display of canned goods or noticed the store selling two cartons of orange juice for the price of one? Have you watched a commercial on television advertising a set of tires as “buy one get one free”?

How do companies choose these or other modes of advertising? What kind of advertising will give the best return on a company’s marketing dollars, taking into account both the cost of the advertising and the response of consumers? When should special promotions be scheduled?

Companies that make consumer goods often hire management consulting firms to help answer questions such as these. As a statistical consultant with a major consulting firm, I work as part of a team that delves into these problems. I deal with large amounts of data on such things as overall product sales trends, seasonal effects, and the results of past advertising campaigns. I make sure the data are correct, gather more data when necessary, and build statistical models that answer the client’s questions. Companies use the models we produce to schedule types and durations of promotions for the next calendar year.

Other companies seek help with managing their inventories. How large an inventory of tires should a tiremanufacturer hold in order to supply its dealers and yet keep down the high cost of storing unsold tires? The answer depends on how well each tire model sells, which in turn depends on advertising, time of year, the choices made by tire dealerships, and many other factors. Using historical time-series data and statistical methods, I can guide the company toward a manufacturing and inventory policy that will ensure that dealers and consumers can get the tires they want while the manufacturer is protected from excessive costs. I enjoy the challenge of helping consumer-products companies optimize their business while delivering a high-quality product, with promotions that benefit you, the consumer.