



SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

23BAT613– Operations Management

UNIT-2 FORECASTING

Demand Forecasting

Presented by

Ms. A. Hanis Sultana

Assistant Professor,

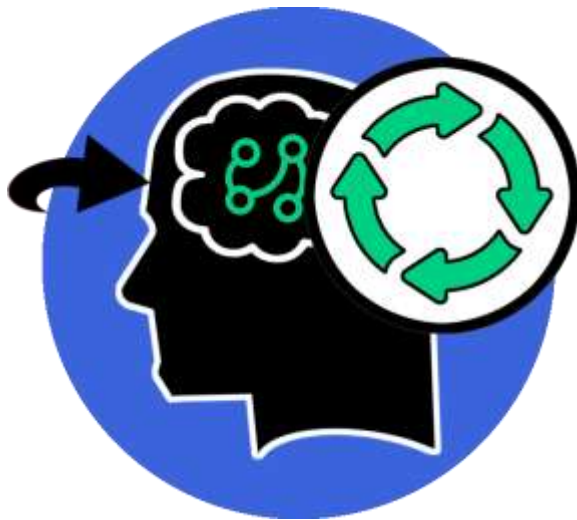
Department of Management Studies





Recall

World Class Manufacturing







What is forecasting?

- ▶ Process of predicting a future event based on historical data
- ▶ Forecasting is a tool used for predicting future demand based on past demand information.

What Is Forecasting?





Types of Forecasts by Time Horizon

- ▶ Short-range forecast
 - ▶ Usually < 3 months
 - ▶ Job scheduling, worker assignments
- ▶ Medium-range forecast
 - ▶ 3 months to 2 years
 - ▶ Sales/production planning
- ▶ Long-range forecast
 - ▶ > 2 years
 - ▶ New product planning

Detailed
use of
system

Design
of system

Quantitative
methods

Qualitative
Methods



Types of Forecasting in Decision Making

Production

- Material requirement
- Trends in Material, Labor costs
- Maintenance requirements
- Plant Capacity

Marketing

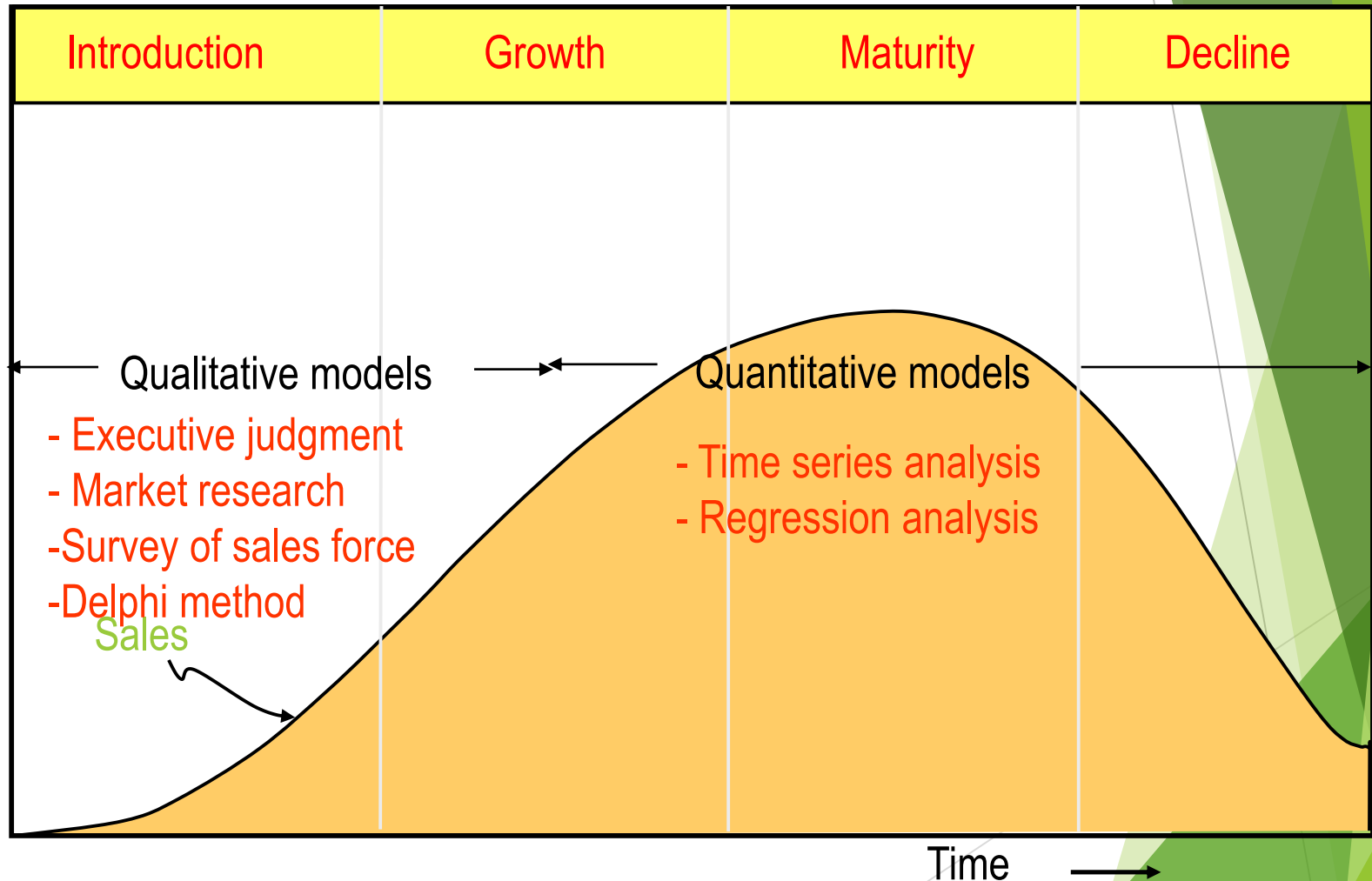
- Products
- Market Share
- Trends in Prices

Finance

- No. of Workers
- Labor Turnover
- Absenteeism



Forecasting During the Life Cycle





Types

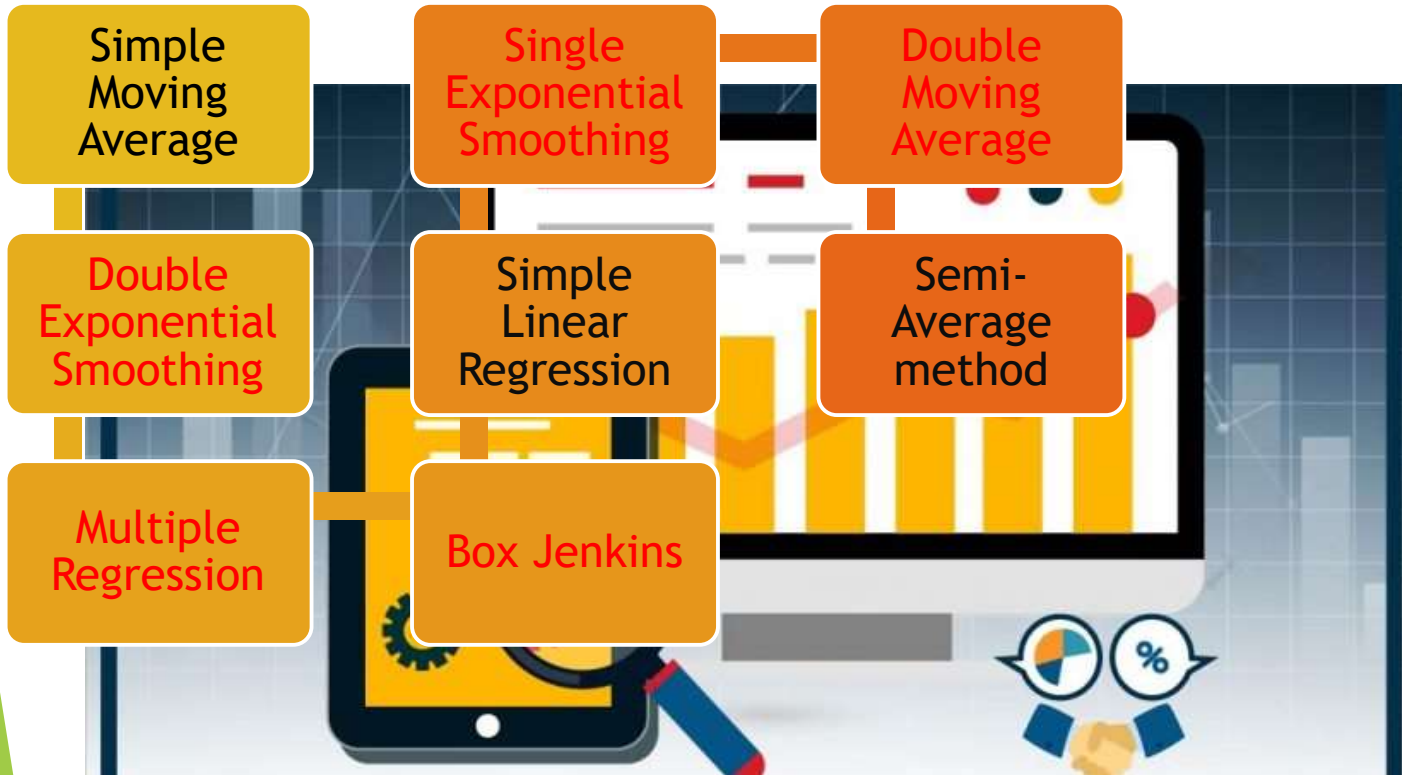
- ▶ Technology Forecast
- ▶ Economic Forecast
- ▶ Demand Forecast





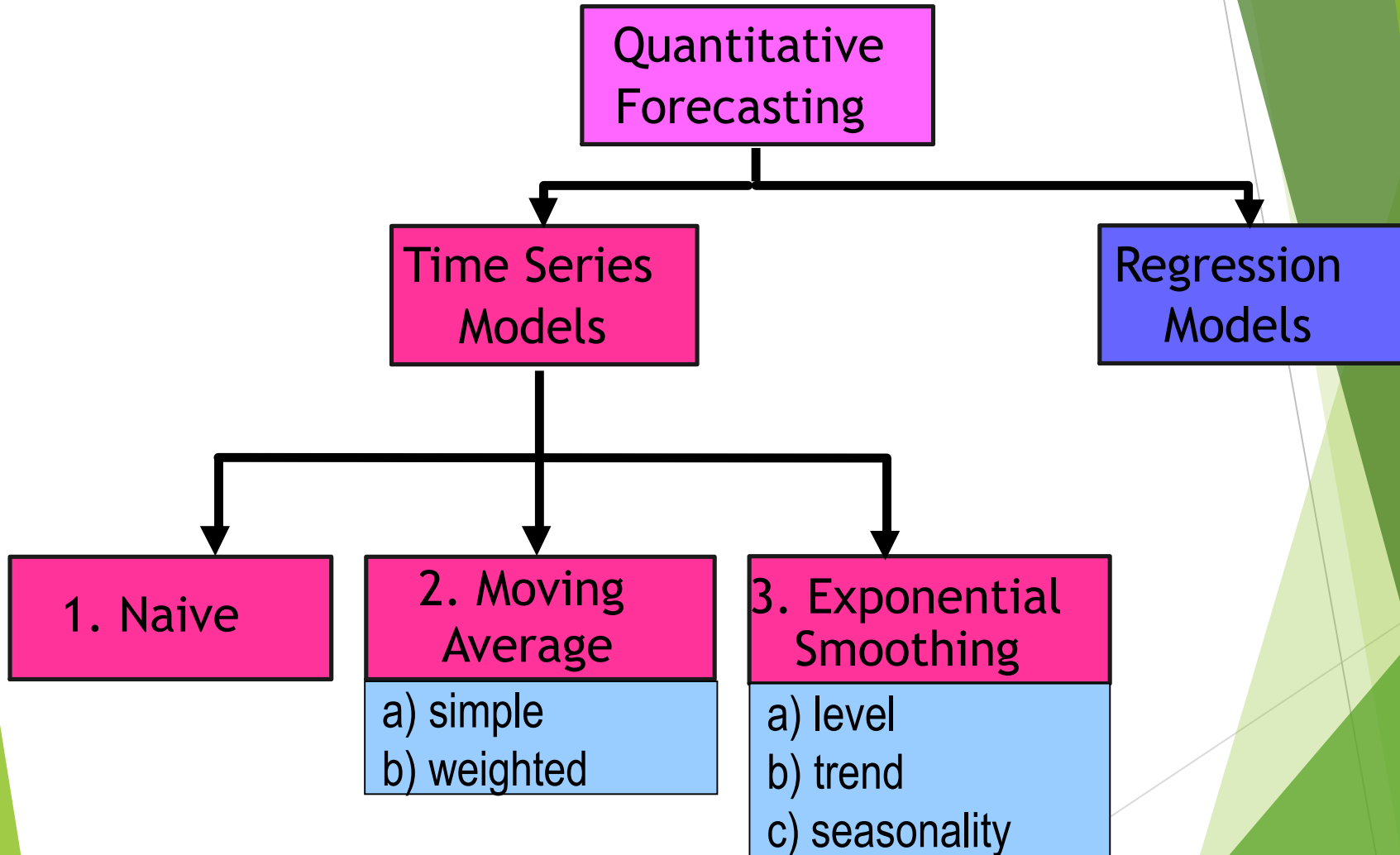
Forecasting Models

Quantitative
methods





Quantitative Forecasting Methods





Forecasting Models

Delphi type
Method

Market
Surveys

Qualitative Methods





Factors affecting forecasting

- ▶ Business cycle
- ▶ Customer's plan
- ▶ Product's life cycle
- ▶ Competition's efforts and prices
- ▶ Quality
- ▶ Credit policy
- ▶ Design of goods and services
- ▶ Sales effort
- ▶ Advertising





Assessment

- ▶ Two Types of Forecasting
 - ▶ Qualitative
 - ▶ Quantitative



Summary

- ▶ Forecasting
- ▶ Types of Forecasting
- ▶ Forecasting Cycle
- ▶ Factors affecting forecasting



References

- ▶ <https://www.thefulfillmentlab.com/blog/demand-forecasting>
- ▶ <https://www.deskera.com/blog/demand-forecasting/>



REACH US @



snsinstitutions



snsinstitutions



snsinstitutions



Snsinstitution



snsinstitutions

s

