SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

19BAT612– Operation Management

UNIT-2 FORECASTING

Qualitative Forecasting

Presented by

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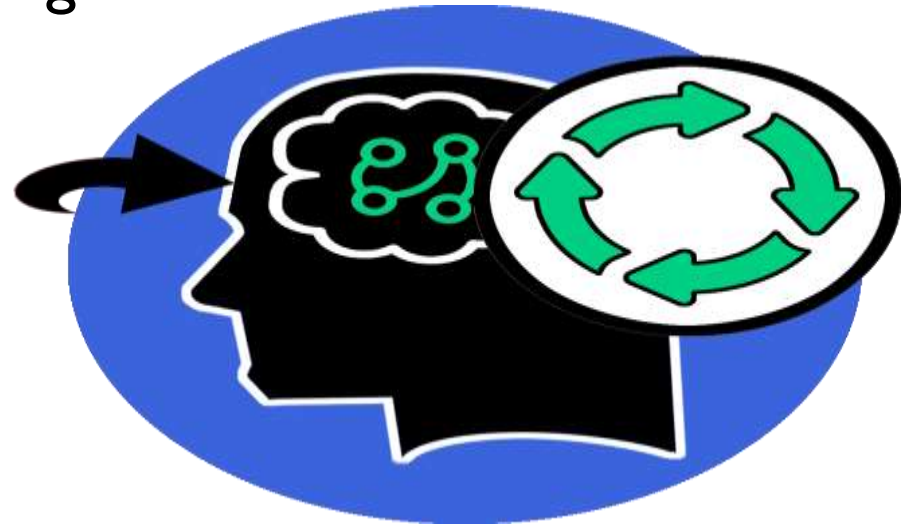
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Indian
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To
Implement

Design Thinking Curriculum

Redesigning Common Mind and
Business Towards Excellence

Recall

- Need of forecasting
- Importance of forecasting
- Types of forecasting
    1. Quantitative forecasting
    2. Qualitative forecasting
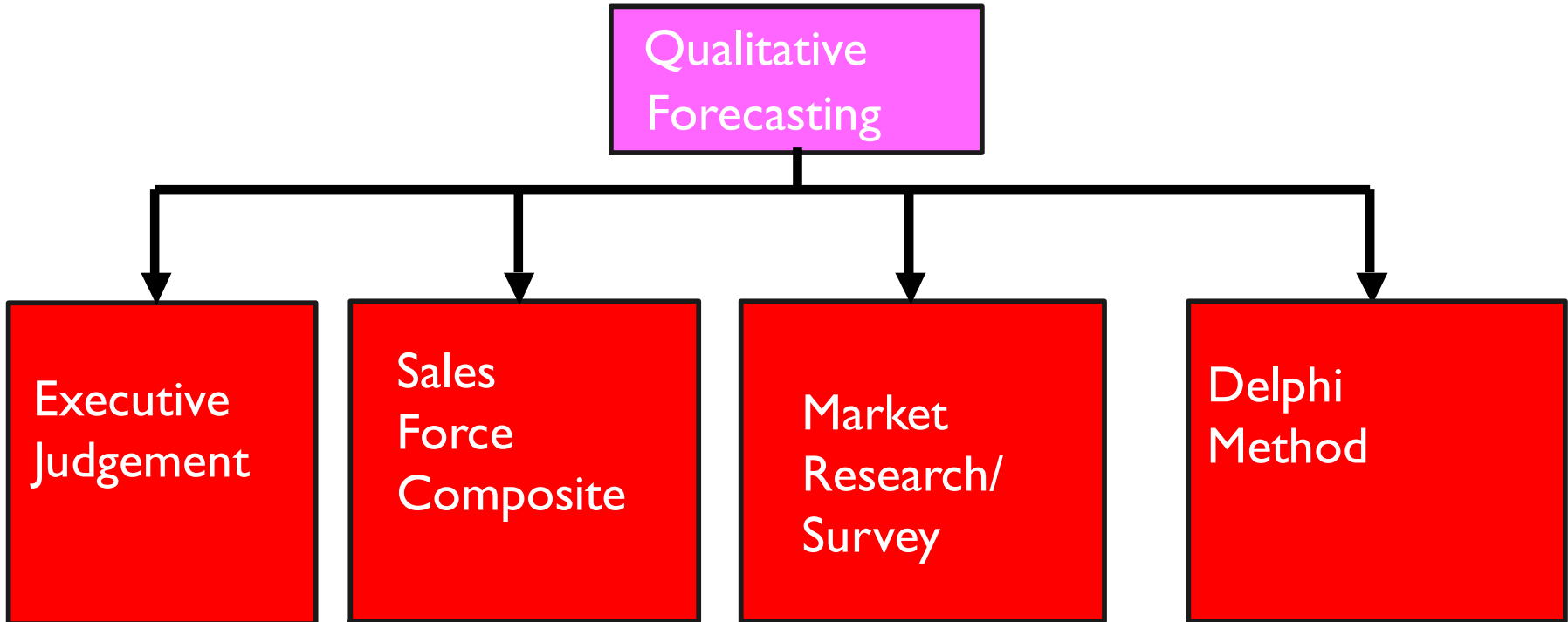
Qualitative Forecasting Methods


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                    Qualitative
                    Forecasting
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- Executive Judgement
- Sales Force Composite
- Market Research/ Survey
- Delphi Method

Qualitative Methods

▸ <u>Executive Judgment:</u>

  ▸ Opinion of a group of high level experts or managers is pooled

Qualitative Methods

▸ <u>Sales Force Composite:</u>

  ▸ Each regional salesperson provides his/her sales estimates. Those forecasts are then reviewed to make sure they are realistic. All regional forecasts are then pooled at the district and national levels to obtain an overall forecast.

Qualitative Methods

- <u>Market Research/Survey:</u>

  - Solicits input from customers pertaining to their future purchasing plans. It involves the use of questionnaires, consumer panels and tests of new products and services..

Qualitative Methods

▸ <u>Delphi Method:</u>

　　▸ As opposed to regular panels where the individuals involved are in direct communication, this method eliminates the effects of group potential dominance of the most vocal members. The group involves individuals from inside as well as outside the organization.

Qualitative Methods

▸ Typically, the procedure consists of the following steps:

▸ Each expert in the group makes his/her own forecasts in form of statements

➢ The coordinator collects all group statements and summarizes them

➢ The coordinator provides this summary and gives another set of questions to each group member including feedback as to the input of other experts.

➢ The above steps are repeated until a consensus is reached.

Assessment

▸ How many Qualitative Forecasting Methods are available?

  ▸ 2

  ▸ 6

  ▸ 4

  ▸ 3

Summary

▸ Qualitative Forecasting

      1. Executive Judgment

      2. Market Research / Survey

      3. Sales Force composite

      4. Delphi method

References:

► https://www.accountingtools.com/articles/what-is-qualitative-forecasting.html
► https://pangeatech.net/qualitative-forecasting-techniques-an-overview/

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