SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

19BAT612– Operation Management

UNIT-2 FORECASTING

Steps Involved in Qualitative and Quantitative Forecasting

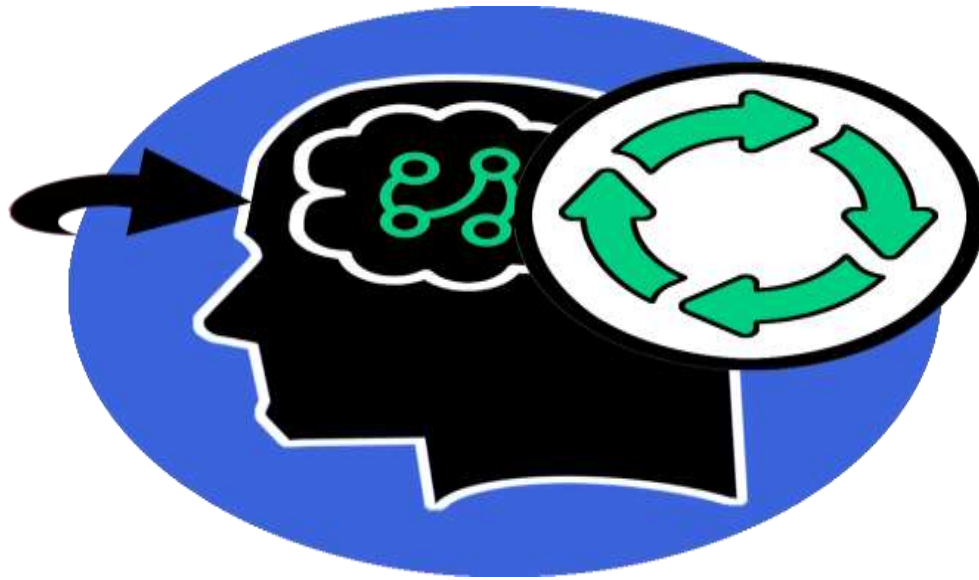**Presented by**

Ms. A. Hanis Sultana

Assistant Professor,

Department of Management Studies

1st *Indian Institution To Implement*

Design Thinking Curriculum

Redesigning Common Mind and Business Towards Excellence

Recall

▸ Quantitative forecasting

     1. Time series analysis

     2. Regression model

General Guiding Principles for Forecasting

▶ Forecasts are more accurate

▶ Every forecast should include an estimate of error.

▶ Before applying any forecasting method, the total system should be understood.

▶ The method should be tested and evaluated.

▶ Be aware of people; they can prove you wrong very easily in forecasting

Steps in Forecasting

▸ Setting the Objectives

▸ Determining the Time Period

▸ Selecting the method of forecasting

▸ Collecting data

▸ Estimating result

1. Setting the Objectives

▸ Short-term forecasting or long-term forecasting

▸ Forecast the overall demand for a product in the market or only- for the organizations own products

▸ Forecast the demand for the whole market or for the segment of the market

▸ Forecast the market share of the organization
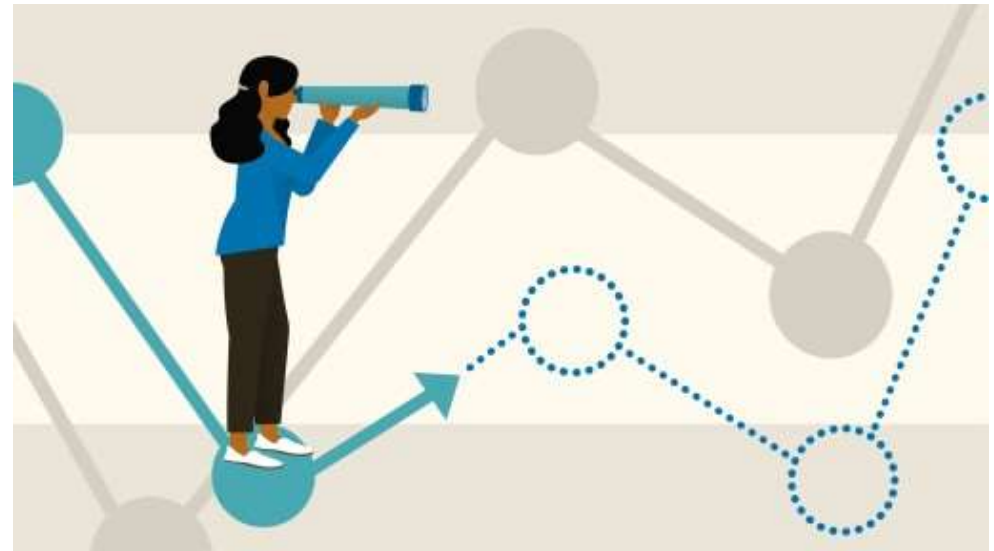
2. Determining the time period

▸ Time perspective for demand forecasting.

▸ Demand can be forecasted for a long period or short period.

▸ Organization determines the time period on the basis of its set objectives

3. Selecting the forecasting method

▸ Steps for demand forecasting process

▸ Demand can be forecasted by using various methods.

▸ Forecasting, time frame, and data requirement and its availability.

▸ Saving of Costs

A.Hanis Sultana,AP/MBA – 23BAT613 - Operations Management   15.04.2024

4. Collecting Data

▶ Primary data

▶ Secondary data

5. Estimating Results

▸ Forecasted demand for predetermined years.

▸ Results should be easily interpreted and presented in a usable form.

▸ The results should be easy to understand by the readers or management of the organization.

A.Hanis Sultana, AP/MBA – 23BAT613 - Operations Management   15.04.2024

Assessment

- How many steps involved in qualitative and quantitative analysis/forecasting

  - 4

  - 5

  - 3

  - 6

A.Hanis Sultana, AP/MBA – 23BAT613 - Operations Management   15.04.2024

Summary

▶ Steps in forecasting

  ▶ Setting the Objectives

  ▶ Determining the Time Period

  ▶ Selecting the method of forecasting

  ▶ Collecting data

  ▶ Estimating result

References

- https://www.geeksforgeeks.org/steps-of-forecasting/
- https://www.projectguru.in/quantitative-qualitative-forecasting-techniques-logistics/

A.Hanis Sultana, AP/MBA – 23BAT613 - Operations Management   15.04.2024

REACH US @

 snsinstitutions

 snsinstitutions

 snsinstitutions

 Snsinstitution

 snsinstitutions s