



# SNS COLLEGE OF TECHNOLOGY



Coimbatore - 35

23BAT613 – Operations Management

UNIT-II Forecasting

Operations Planning

Presented by

**Ms. A. Hanis Sultana**

Assistant Professor,  
Department of Management Studies

**1<sup>st</sup> Indian Institution To Implement** **Design Thinking Curriculum**

Redesigning  
Common Mind and  
Business Towards  
Excellence



# RECAP

## Qualitative Forecasting

**Qualitative &  
Quantitative  
Forecasting Methods**

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# TODAY'S TOPIC:



## Operations Planning





# Operations planning

Operations planning involves the development and implementation of strategies to ensure that a company's resources are utilized efficiently and effectively to meet its production or service delivery goals. It encompasses a **range of activities aimed at optimizing processes, managing resources, and achieving desired outcomes.** Here are the key elements of operations planning





# Operations planning

**Demand Forecasting:** Forecasting future demand for products or services based on **historical data, market trends, and other relevant factors**. Accurate demand forecasting helps in planning production, inventory levels, and resource allocation.

**Capacity Planning:** Determining the optimal level of production or service capacity to meet forecasted demand. This involves assessing current capacity, identifying potential bottlenecks, and making decisions about expanding or adjusting capacity as needed.

## DEMAND FORECASTING





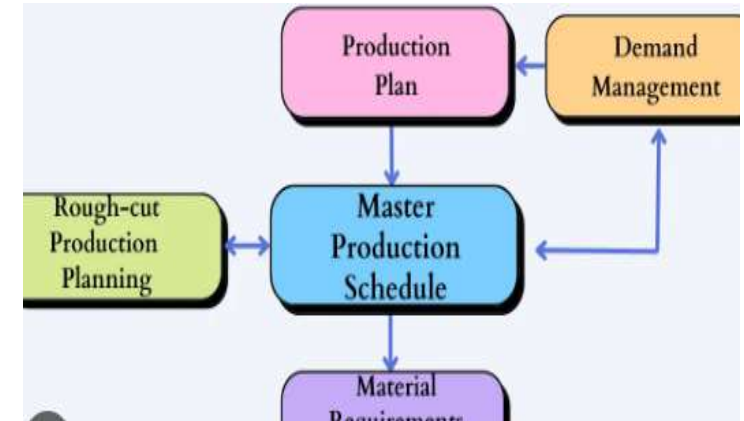


# Operations planning

**Master Production Scheduling (MPS):** Developing a detailed plan that specifies when and how much of each product will be produced over a certain period, typically in the short to medium term. **MPS considers factors such as available capacity, inventory levels, and customer demand.**

**Material Requirements Planning (MRP):** Planning and scheduling the materials needed for production based on the master production schedule.

**MRP calculates requirements for raw materials, components, and sub-assemblies, taking into account lead times, inventory levels, and order quantities.**



## Material Requirement Planning (MRP)

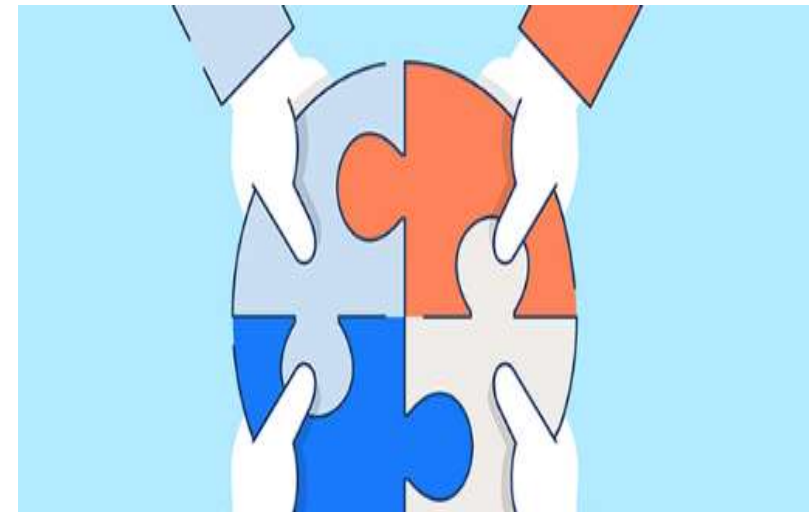




# Operations planning

**Inventory Management:** Managing inventory levels to balance the costs of holding inventory with the risk of stock outs. This involves determining **reorder points, safety stock levels, and inventory turnover rates to optimize inventory levels and minimize costs.**

**Resource Allocation:** Allocating resources such as labor, equipment, and facilities to specific tasks or projects based on **demand forecasts, production schedules, and capacity constraints.**





# Operations planning

**Quality Management:** Establishing processes and procedures to ensure that products or services **meet quality standards and customer expectations**. This includes quality control measures, inspections, and continuous improvement initiatives.

**Supplier Management:** Managing relationships with suppliers to ensure a reliable and cost-effective supply of materials and components. This may involve **negotiating contracts, monitoring supplier performance, and implementing vendor management strategies**.







# Summary

- Meaning
- Introduction
- Demand forecasting
- Capacity planning
- Inventory management
- Quality management
- Master production schedule
- Supplier management





## ASSESSMENT:



The process of converting inputs into outputs is known as:

- a) Marketing
- b) Operations management
- c) Human resource management
- d) Financial management



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