



Demand Forecasting

Forecasting? You must be kidding! Nobody does forecasting anymore, it's just not accurate.

In World War II, two young Lieutenants in Meteorological Service were asked by their Major to develop a two-month forecast of the weather for the Commanding General. They went back to their office and began the task; after several days working diligently, they reported back to the Major. "Sir, it is impossible to forecast the weather that far out into the future." The Major looked at them and said, "The General fully understands that, but he needs one for planning purposes."

This story is probably not true, but it does summarize very nicely, why manufacturing needs to forecast; we need to PLAN.

Yes, we understand that forecasting is not an exact science, but too often our forecasting is no more than a simple projection of trend based on limited data.

This seminar is designed to provide a very brief introduction to some of the tools that are available to help us understand the information the forecast is giving us, and to help us improve the accuracy of the forecast. We will discuss such items as:

- Forecast Bias
- Ranging the Forecast
- Simple Trend Analysis
- Simple Regression Analysis
- Moving Average and Weighted Moving Average Forecasting
- Exponential Smoothing
- Building Probability into the forecast

If you've been following the Christmas Shopping Reports, you will have noticed that most merchants are not stocking up on goods this year the way they have in the past. They are expecting Christmas Buying this year will be down significantly down from years past. **That's forecasting!**