

# Business - Adani Groups

Will Adani Groups replace Reliance Groups from No 1 ??????

<https://www.goodreturns.in/personal-finance/investment/listed-companies-of-adani-group-and-their-1-year-performance-1211264.html>



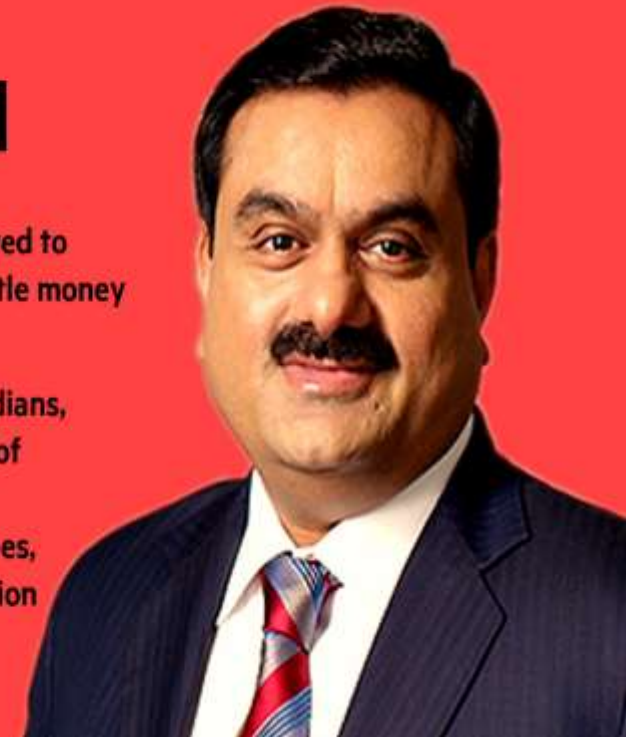
## GAUTAM ADANI

### THEN:

College dropout, moved to Mumbai at 18 with little money

### NOW:

One of the richest Indians, founder & Chairman of Adani Group, over 60,000 employees, total assets- \$ 40 billion



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# SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore - 641 107

An Autonomous Institution

Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade  
Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

**COURSE NAME : 19BA204 OPERATION MANAGEMENT**

**I YEAR / II SEMESTER**

**UNIT 2 - Forecasting**



# DEMAND FORECASTING

- ✓ Demand Forecasting is the process in which historical sales data is used to develop an estimate of an expected forecast of customer demand.
- ✓ To businesses, Demand Forecasting provides an estimate of the amount of goods and services that its customers will purchase in the foreseeable future.

## DEMAND FORECASTING





# NEED FOR DEMAND FORECASTING

## NEED OF DEMAND FORECASTING

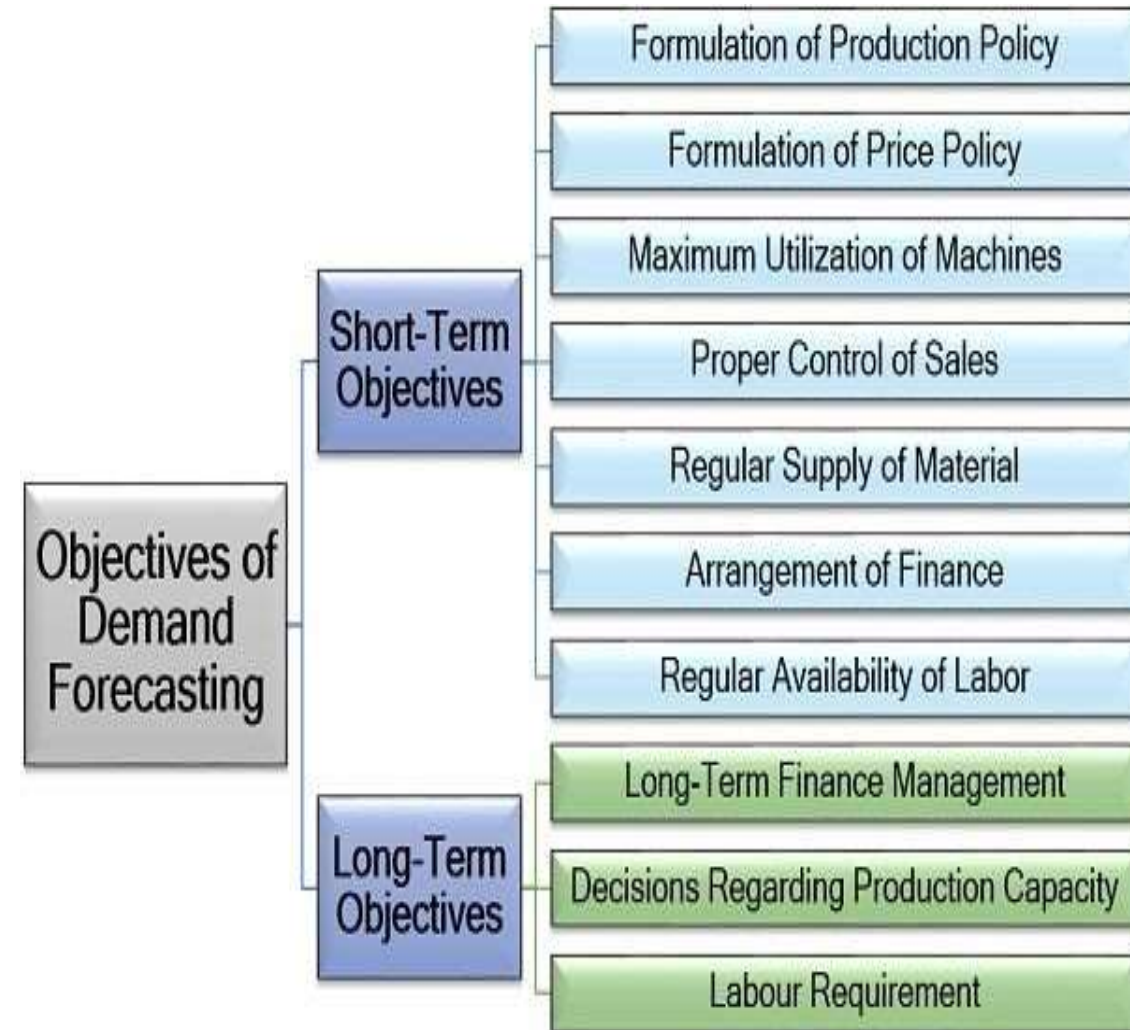
- New facility planning
- Production planning
- Workforce scheduling
- Financial planning



# OBJECTIVE OF DEMAND FORECASTING

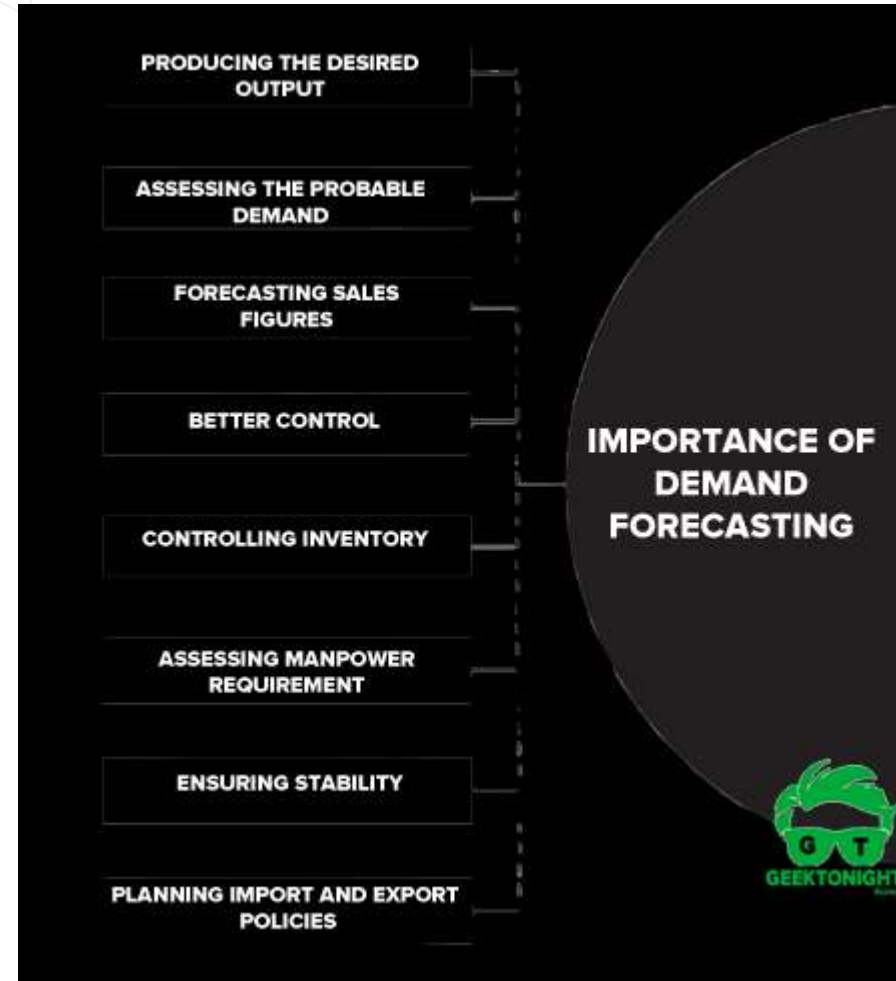
✓ Objectives of Demand Forecasting include

- Financial planning,
- Pricing policy,
- Manufacturing policy,
- Sales and Marketing planning,
- Capacity planning and expansion,
- Manpower planning and Capital expenditure.

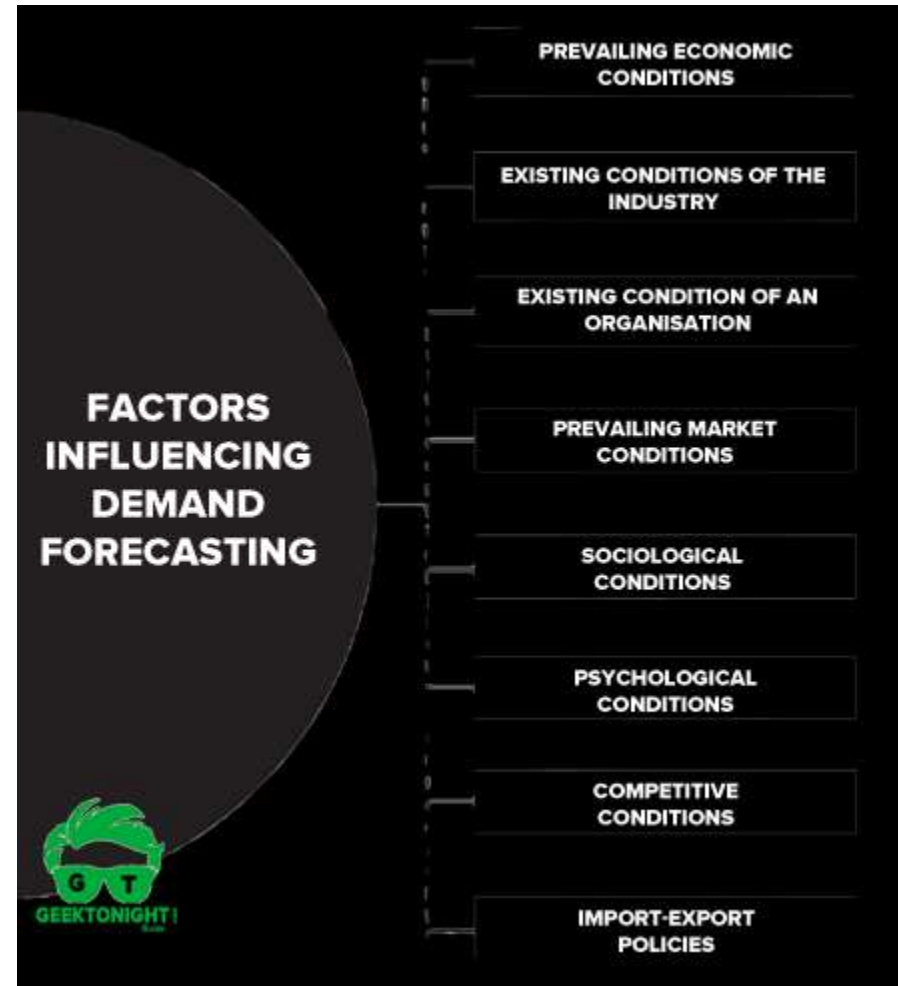




# IMPORTANCE OF DEMAND FORECASTING



# FACTORS INFLUENCING DEMAND FORECASTING





## 6 Types of Demand Forecasting

### 1. **Passive Demand Forecasting**

Generally considered the simplest demand forecasting type, passive demand forecasting uses historical data to predict future customer demand. Passive demand forecasting is a great fit for businesses with excellent sales data and a focus on maintaining stability rather than pursuing growth.

### 2. **Active Demand Forecasting**

Active demand forecasting utilizes market research and other external factors in order to predict future customer demand. As sales data is not focal for this forecasting type, active demand forecasting is ideal for newly established businesses or companies that are currently in a growth phase.





## 6 Types of Demand Forecasting

### 3. Short Term Projections

Short term demand forecasting only estimates customer demand for the upcoming three months to one year. Short term demand forecasting applies real time sales data to adjust customer demand projections that may otherwise be outdated if a long term projection was previously used.

### 4. Long Term Projections

Long term demand forecasting predicts the next one year to four years of customer demand. Long term forecasting is primarily based on market research and sales data. Experts advise that this forecasting type should be viewed as more of a general roadmap because projections are likely to change over such a long period of time.



## 6 Types of Demand Forecasting

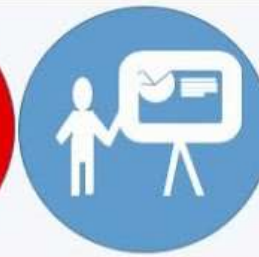
### 5. Internal Business Forecasting

Internal business forecasting helps businesses understand if their capacity planning is appropriate for anticipated customer demand. Providing a more comprehensive review of business operations, internal business forecasting assists with identifying improvement areas in order to optimize available resources.

### 6. External Macro Forecasting

External macro forecasting is an excellent supply chain management tool. Focusing on external factors that influence business operations, external macro forecasting identifies potential trends and how those trends may influence company objectives.

# STEPS IN DEMAND FORECASTING



7. EVALUATION OF FORECASTE

6. TESTING ACCURACY

5. SELECTING METHOD OF DEMAND FORECASTING

4. COLLECTION OF DATA

3. IDENTIFYING DETERMINANT OF DEMAND

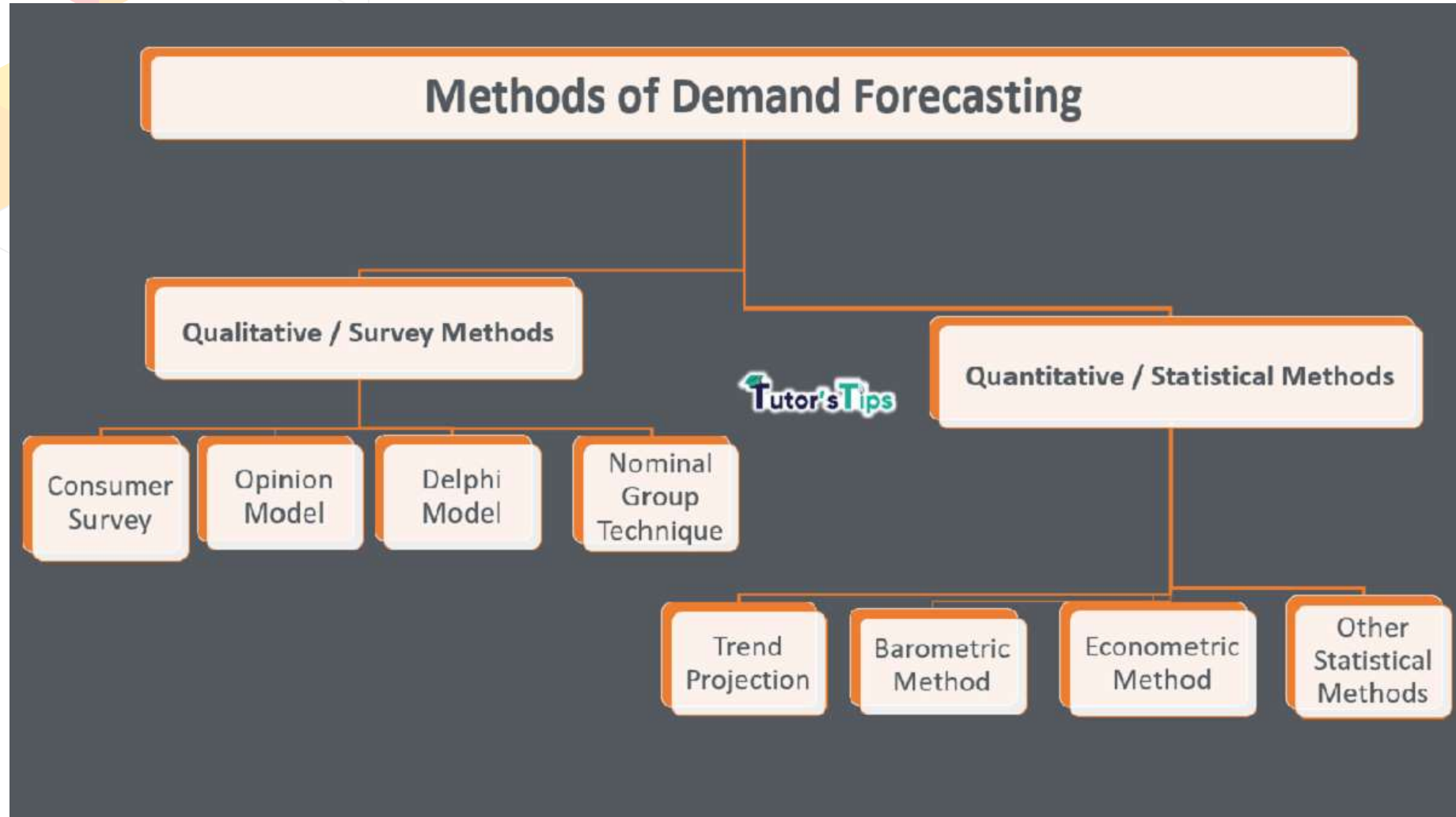
2. NATURE OF THE PRODUCT

1. OBJECTIVES OF DEMAND FORECASTING

By  
Mr. Dhananjay Channale



# Methods and Techniques of Demand Forecasting







Thank You

