



SNS COLLEGE OF TECHNOLOGY

Coimbatore-35

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 MCA

23CAT604– PRINCIPLES OF MANAGEMENT

I YEAR I SEM

UNIT II – PLANNING

TOPIC 8 –Forecasting, Process Important and Decision

Making Process



Forecasting

Definition: Forecasting is the process of predicting changing conditions and future events that may significantly affect the business of an organization.

1. Forecasting is important to both planning and decision making.
2. Forecasting is used in a variety of areas such as:
 1. Production Planning
 2. Budgeting
 3. Strategic planning
 4. Sales analysis
 5. Inventory control, marketing planning, logistics,



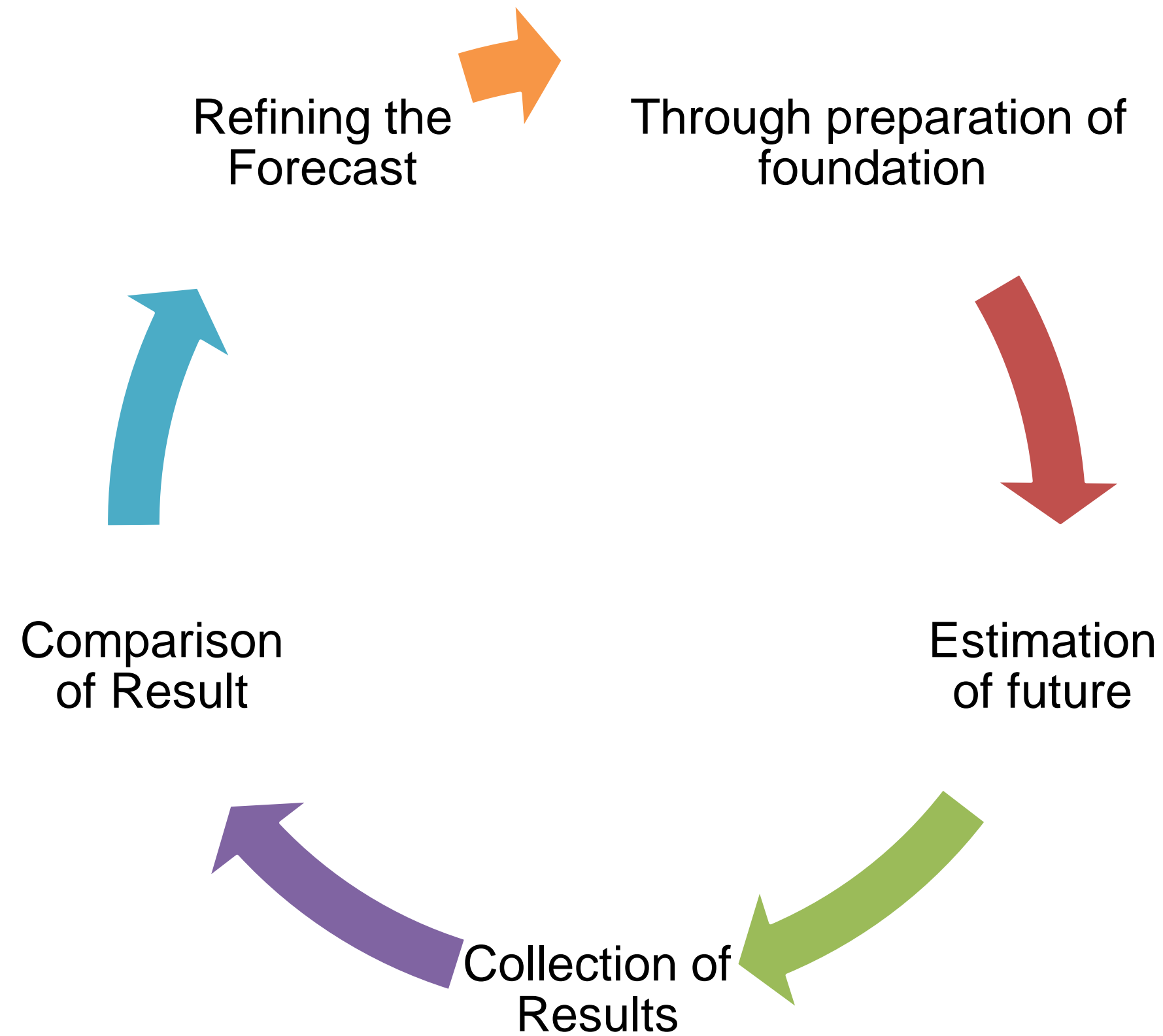


Forecasting-Characteristics

1. Forecasting is concerned with **future events**
2. It is necessary for **planning process**. Planning is not possible without forecasting
3. The impact of **future events** has to be considered in the planning process
4. It is a **guessing of future events**. So the future events that might happen could be guessed only to some extent.
5. Inference or conclusion are drawn from past and present relevant events under scientific forecasting.

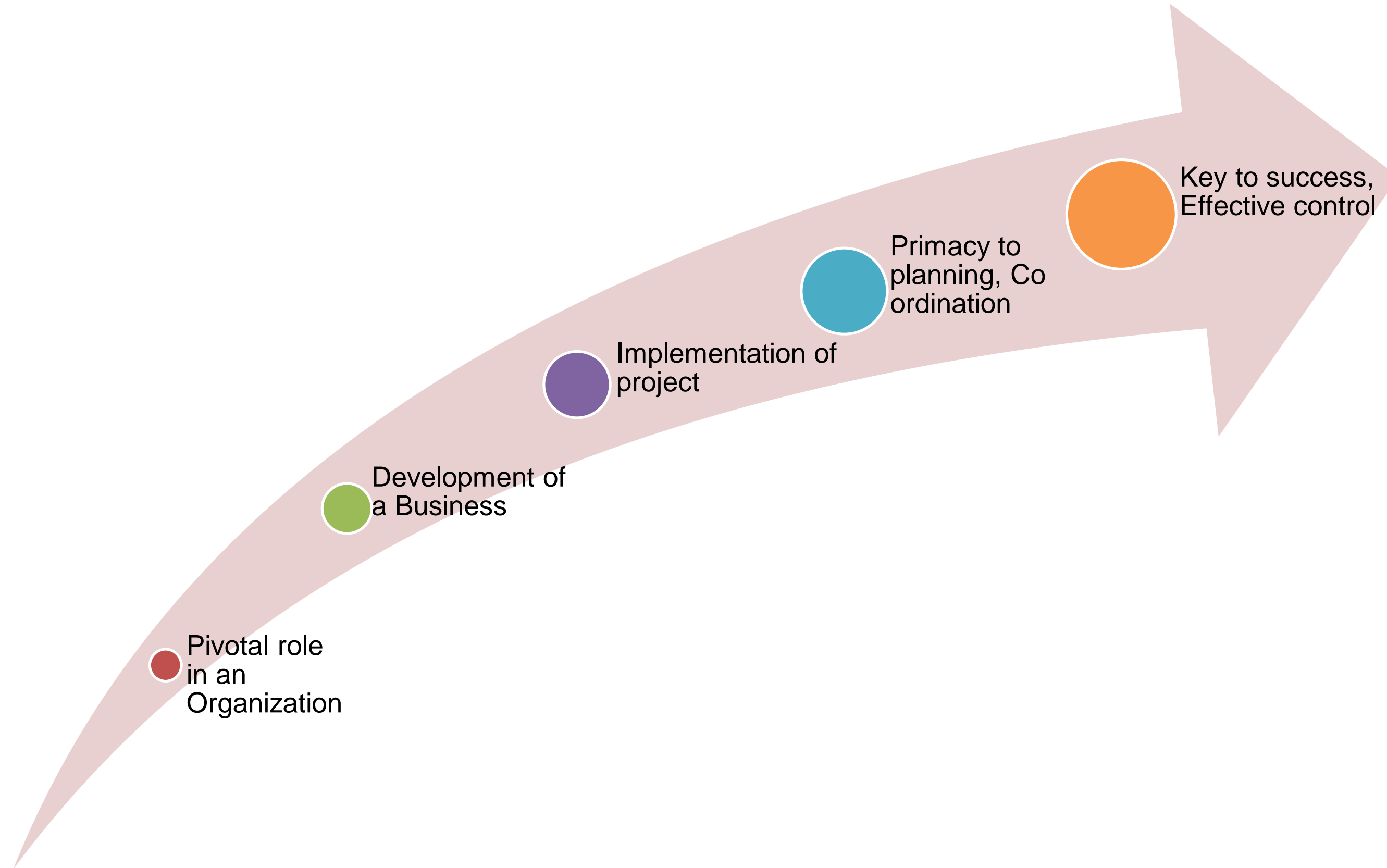


Forecasting Process





Importance of Forecasting Process







Decision making

Decision-making is perhaps the most important component of a manager's activities.

It plays the most important role in the planning process. When the managers plan, they decide on many matters as **what goals their organization will pursue, what resources they will use, and who will perform each required task.**





Decision making process





Steps of Decision Making Process





Types of decisions



Programmed decisions



Non-programmed decisions



Minor decisions



Major decisions



Routine decisions



Strategic decisions



Individual decisions



Group decisions

