

# [Blues inc](https://assignbuster.com/blues-inc/)

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BLUE’S INC. Myra Reid, VP Production please December 29, Sales Forecast As you know, precise estimates regarding business environment and correct business decisions play an important role in the success of a company. Ability to make correct decisions ensure success whereas improper and impractical decisions cause arm to the company’s business. If we relate this concept to Blue’s Incorporated, we can say that Blue’s Incorporated also needs to take good decisions in order to gain productivity. Considering this need, the company maintained a precise forecast after a period of three weeks in order to reach a suitable decision regarding future sales estimate for the company.
Managers of Blue’s Incorporated are determined to become the leader of denim products in the industry. As we know that companies make every effort to gain competitive advantage in the market, Blue’s Incorporated can maintain its dominant status by evaluating the current marketing budget as well as the marketing budget of the competitors. As market analyst, I evaluated the current budget of the company and came up with the decision to change the current marketing budget. Changes in the budget will be very productive for Blue’s Incorporated as they will allow the company to expand the brand name. The objective of giving Blue’s Incorporated a time to excel is at hand (Applying ANOVA and Non-Parametric Tests, 2003).
First week
In the first week, the marketing budget of the company was set to $169 million. At present, the market share of the company is nearly 6% of the total share of the denim industry, which is nearly $40 billion. Setting the marketing budget to $169 million is really a good decision, as it will ensure a brilliant future for the company (Applying ANOVA and Non-Parametric Tests, 2003).
Second week cycle
In the second week, there were two tasks. First task was to examine fluctuations in the market size whereas the second task was to arrive at a sales forecast. Tasks included examining the average model and k-period for the production level as well as for the average model. The company chose a weighted moving average along with two k-periods and estimated the weights at 0. 2 for a period of 12 years whereas 0. 8 for 11 years. The production level of 40. 00 million units was set for the estimate. However, this decision did not seem to be a good one as it could have a negative effect on the future of the company (Applying ANOVA and Non-Parametric Tests, 2003).
Third week
Although the company made incorrect decisions in the 2nd week of the research, but in the 3rd week, the company attentively analyzed and examined the quarterly forecast. The managers chose a centered moving average model along with the data range of six years and took the decision to set the production levels at 12 million units for the 1st quarter, 14 million units for the 2nd quarter, 13 million units for the 3rd quarter, and 20 million units for the 4th quarter. The results of this forecast are likely to be in favor of Blue’s Incorporated as it will be able to remain in competition for long (Applying ANOVA and Non-Parametric Tests, 2003).
References
UOP resource, Applying ANOVA and Non-Parametric Tests, (2003). Retrieved from https://ecampus. phoenix. edu/secure/aapd/vendors/tata/UBAMsims/research2/research2\_anova\_simulation. html