Wilkins harvard essay

1. How accurate was the demand forecast for the first quarter of 2005? First, is wise to make a comparison in the individual level, between the forecasts made for the year 2004 and the real demand.

The Forecast overestimates the real demand in every single product. As it is shown in the tables above the average difference percentage in the individual level is higher that the difference percentage in the aggregate level. What is the current demand forecasting method? Who uses the demand forecast? What are the consequences, if any, if the forecast are inaccurate? The current forecasting method is a spreadsheet called the Forecast Master, which lists the average weekly sales history for each product family by quarter and year. For each product family, they divide the total quarters in weeks to determine the average weekly sale per quarters.

Then they plug in their expected demand for the five or six quarters. The demand forecast is used around the company, because many of the decisions made based on the demand are not just used by one person, but by the whole company instead. The forecasting is used for: Capacity planning is the process of determining the production capacity needed by an organization to meet changing demands for its products. In the context of capacity planning, " capacity" is the maximum amount of work that an organization is capable of completing in a given period of time.

A discrepancy between the capacity of an organization and the demands of its customers results in an inefficiency, either in under-utilized resources or unfulfilled customers. The goal of capacity planning is to minimize this discrepancy. Aggregate Planning is an operational activity which does an

aggregate plan for the production process, in advance of 2 to 18 months, to give an idea to management as to what quantity of materials and other resources are to be procured and when, so that the total cost of operations of the organization is kept to the minimum over that period. •Strategic Workforce Planning is a relatively new management process that is being used increasingly to help control labor costs, assess talent needs, make informed business decisions, and assess talent market risks as part of overall enterprise risk management.

Strategic workforce planning is aimed at helping companies make sure they have the right people in the right place at the right time and at the right price •Work Schedule and Workforce Planning is most often created by a manager. In larger operations, a Human Resources manager or scheduling specialist may be solely dedicated to writing the schedule. If the forecast is inaccurate, it's possible to have overproduction and lack of production. Having overproduction implies having inventory causing an extra cost. Alack of production, causes lost of sales and loosing clients, this could be for that sale or forever. 2.

Create a demand forecast for the PVB product family for the next three quarters. How does your demand forecast compares with the Wilkins' demand forecast? Based on the given information trend and seasonality is observed; a Winter's Method approach could be appropriate. Forecast model for Bank Loan Rate Since the Bank Loan Rate does not appear to have a trend or seasonality, a single smoothing forecasting method approach was appropriate. Forecast model for Unemployment RateSince the

Unemployment Rate does not appear to have a trend or seasonality, a single smoothing forecasting method approach was appropriate.

Forecast model for New Privately Housing Units Since the Unemployment Rate appear to have a trend or seasonality, a Winter's forecasting method approach was appropriate. As Bernie Barge, what would you recommend to management and why? How should Barge convince management to follow his recommendations? Develop an action plan. -Unemployment and Bank Loan no importa porque se mantiene contante a traves del tiempo. No tienen seasonality. -La construccion de casas nuevas si afecta porque tiene seasonality y trend al igual que la demanda. -Recomendamos que se tome en cuanta el # de casas construidas.

Entonces se deberia de buscar una relacion entre la el # de casas y la demanda pasada para pronosticar demandas futuras. -Demostrar que su forma de pronostico no era tan exacta como puede ser tomando en consideracion los factores anteriores. -Obtener data historica. -Desarrollar modelo apropiado de forecast.

-Pasos de forecast normal.