

Highline financial services inc – company profile

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Forecasting Highline Financial Service offers three types of service to its client. Managing partner, Freddie Mack would like to arrange the financial and staffing for the upcoming year. The data has shown that there is fluctuation with regards to each service the company offers Mr. Mack would like to estimate future demand for services, keeping in mind that advertising, promotion and competition will remain constant at current rate. The data covers the company's last eight quarters (2 years) and does not include any information with regards to seasonal trend.

The fluctuation of demand in each service is a concern that needs to be addressed. Preparation of the most efficient plan of action for the upcoming year is a key to profit maximization. Highline Financial Services has compiled data for their three categories of service from the past eight quarter. The data shows that the demand has been fluctuating with regards to each service. All of the company's other factors (advertising, promotion, competition, etc. that may affect the demand for each service will remain equivalent to what it's been in the past (Stevenson, 2012). Based on data provided Service A appears to be increasing annual and should increase over the next four quarters. Service B appears to be decreasing annually and displays signs that it will continue to follow a decreasing pattern over the next four quarters. Service C has an inconsistent quarterly pattern; it appears that the pattern of inconsistency will be followed over the next four quarters.

Based on data analysis the best method for forecasting Highline Financial Services for the upcoming year would be the Moving Average (McNamara, 2012). The Moving Average offers the lowest Mean Absolute Deviation

(MAD), lowest means squared error (MSE), and the lowest mean absolute percent error (MAPE) of the two choices selected to forecast. The weighted moving average was not utilized due to the amount of data provided. The ability to access ranking to each quarter would be unjust due to lack of knowledge with regards to the start of the first quarter and seasonal trend information.

Utilizing Moving Average techniques to project Highline Financial Services' for the upcoming year isn't perfect, but based on the data provided I believe will provide a reasonably good estimate. The Moving average is simple to understand and use, and provided a lower mean absolute percent error. More data is required for Mr. Mack to construct a viable financial and personnel plan for the next four quarters. However, the use of the projected demand coupled with qualitative data, and seasonal trends should provide a solid foundation for an accurate forecast.

The demand trends for all three services have been and continue to show patterns of oscillation. The reasons for oscillation should be looked into and addressed in order to ensure that the company will maximize profit.

References Stevenson, W. (2012). Operations Management (11th ed.) McGraw-Hill higher Education publication Chapter 3-Power Point. Operations Management (11th ed.) McGraw-Hill higher Education publication
McNamara, C. Operations Management Retrieved from: managementhelp.org/operationsmanagement/index.htm