

ABSTRACT

The purpose of this study is to concentrate on the origination of the appropriate forecasting model for domestic sales of PBL for production planning of SK. The organization faced circumstances of demand fluctuation, limited production capacity and a high level of slow moving products. Hence, systematic forecasting techniques can help the enterprise to serve customer requirements and to manage internal operations effectively.

From a management perspective, the bottom-up concept is utilized to manage how figures are predicted. Quantitative forecasting techniques, including moving average, simple exponential smoothing and Holt's exponential smoothing methods, are employed to predict sales movements and are tested in this study. After having been selected, applications of moving average and Holt's exponential smoothing techniques reported the lowest MAPE, the forecasted values of each SKU are then aggregated together to find the aggregate total in the bottom-up approach. The new forecasting models can record low MAPE for 2012-2013 and provide cost savings for the company.