SSM 52 – ADVANCED FORECASTING TECHNIQUES

Inventory Management Techniques is the essential skill for managing inventory in the supply chain. Participants are shown how to evaluate procedures and make needed changes to methods to improve customer service whilst achieving reductions in inventory; eliminate wasteful costs; avoid internal problems that limit performance and obtain added value for money. Therefore, a successful Inventory Manager is able to predict changes before they occur in order be able to adjust the control parameters within the system.

WHO SHOULD ATTEND?

- Those new to managing inventory
- Those non inventory people who need to gain an awareness of the issues and key drivers of stock control operations
- Inventory, Stock, Supply Chain, Logistics, Warehouse and Distribution Supervisors/Managers
- Owners, operators and Directors of companies who hold stock and inventory

COURSE CONTENTS

Session 1 – Basic Forecasting Techniques

- Basic principles of short-term forecasting
- Methods of short-term forecasting
- Simple Averages
- Weighted Averages
- Moving Averages – Simple and with Trend
- Exponential Smoothing – Simple and with Trend
- Seasonal Forecasting

Session 2 – Calculations in Basic Forecasting

Simple and Weighted Average

- Ease of calculation
- Selecting database samples
- Considering trend patterns
- Including individual / customized demands
- Increased emphasis on recent data
- Selecting database samples
- Trend time lag

Exponential Smoothing

- Retention of historical data
- The significance of recent data
- Limited data storage requirement
- Ease of calculation

Seasonal Forecasting

- To calculate environmental or event factors
- Features of Seasonal Forecasting: base series and actual demand ratio
- Smoothed estimate of trend
- Trend corrected demand ratio

Session 3 – Long-Term Forecasting

Purposes of Long-Term Forecasting

- To calculate mainly sales forecasts
- Dependence on market intelligence
- Classifying data
- Merging historical data into future requirements

The method of 'least squares'

- The best fit must be an average in the true sense
- Calculating the 'least squares' methods
- Evaluating results and applying them in practice