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PRODUCTIONS/OERTIONS MANAGEMENT

MGT713: 3 Credits Hrs

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<u>Competitiveness & Forecasting</u>

THANKS TO Sidra Anwar

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Question 1:

Discuss the factors that have helped Star Sports to gain a major share in the local and international market.

Answer:

Competitiveness

Competitiveness is how effectively an organization meets the needs and requirements of customers relative to other (Competitors) organizations that offer similar goods or services

We can identify the following common and widespread ways in which organizations can compete against other organizations.

1. Price
2. Quality
3. Product Differentiation
4. Flexibility
5. Time

Explanation

- **Price**

In our day to day routine observations, we often see that a lower price would attract more customers provided the product or service fulfils its intended use. Lower price helps an organization to increase its customer base.

- **Quality**

Quality is an important dimension by which superior raw materials as well as high Skillman ship would ensure that product manufactured or service developed is offered to the customer with something extra. That something extra is nothing else but Quality. Quality is always offered free of cost, we will discuss this when we study in details Quality Management and Total Quality Management.

- **Product Differentiation**

Product Differentiation refers to special features that make the product or service look more suitable to the customers like an automobile manufacturer decides to provide GPS system to selected customer at an additional price etc.

- **Flexibility**

Flexibility is the ability to respond to changes. It may refer to changes in target sales, product feature like adding GPS device to all automobiles

- **Time**

Time refers to the period required to provide a product or service to a customer from the moment the order is booked to the delivery, also time required to rectify a shortcoming or mistakes.

Implementation of Competitive Factors on Star Sports

B y keeping in mind the case of Star Sports we can say that

- **Price**

As the Pakistan is facing Economic crisis so Star Sports follow low cost strategy. Which attract number of employees. Sales increased as a result market share of company increased.

- **Quality**

There is always compromise between Quality and Price but in this case as the Image of the Pakistani Exports are not good worldwide so for better result they have to give better Quality. Its not mean to increase cost of production than sale.

- **Product Differentiation**

Due to globalization now the customers have awareness of the products. Customers want innovation and new features. In sports product differentiation take place for attracting customers. For example sports shoes which help in proper circulation of blood.

- **Flexibility**

Change is always required because it’s a time of competition. For retention of customer fexilibilty is required. For example innovation of automatic self lacing of sneakers

- **Time**

Delivery time means a lot for business success. It shows the commitment of the organization. Star Sports have given attention to this matter for success. Because if one activity delayed in business its effects whole business.

Conclusion

From my point of view all these factors means a lot for success of the business. As Star Sports is giving attention to these matters it is gaining market share.

Question 2:

As a Production/Operations Manager what can you do to make forecasting more accurate?

Answer:

FORECAST

A statement about the future value of a variable of interest such as resource requirements, capacity planning, SCM and product or service demand.

Following points should be kept in mind for more accurate forecasting

- Timely
- Reliable
- Accuracy
- Meaningful Forecast
- Written/Documented
- Simple to understand and use

- **Timely**

The forecast should be timely. Indicating that forecasting horizon should provide enough time to implement possible changes. Capacity cannot be expanded instantly it requires some time to plan, coordinate and increase the required resources.

- **Reliable**

Forecasts should be reliable meaning that it should work consistently. A forecast that is partially correct will succeed at sometime and sometime fail making the end users question the purpose and intent of forecasting.

- **Accuracy**

Forecasts should be accurate. In fact it should carry the degree of accuracy, so the users are aware of the limitations of the forecast. This will also help the end users to plan for possible errors and provide a basis for comparing the forecast with other alternative forecasts.

- **Meaningful Forecast**

should be expressed in meaningful units. Financial Planners will use Rupees to show how much capital would be required; Mechanical Project Schedulers would require Forecasts to carry the type of machines and crafts of technicians required.

- **Written/Documented.**

The forecasts should be presented in writing. A documented forecast always provides a chance to measure the variance between estimate and actual result at a later stage.

- **Simple to understand and use**

Meaning that Forecasts should not be dependent upon usage of sophisticated computer techniques or task specific highly qualified technical personnel. A failure or limitation on the part of this can lead to an incorrect decision and less acceptance amongst end users

Conclusion

Forecasting is as accurate as weather casting. It's a type of estimation or prediction of future.
Forecasting could not 100 percent accurate but by following above factor we can increase accuracy.

Rewrite it in your own words, change heading, and change its scheme , also change words