

It is necessary to forecast the total demand for the current quarter. This forecast will be used to help schedule the operating capacity for the quarter.

As you revise your demand forecasts, consider all that you have learned about the market and how you have adjusted your business strategy to take advantage of your strengths and correct your weaknesses.

YOUR TASK

In the Workspace, in order to estimate the total demand, estimate the demand per salesperson.

Next, allocate total demand across the brands that you plan to sell.

The key to forecasting is to estimate how much the demand per salesperson will improve as a result of your adjustments in brand design, pricing, advertising, and sales force allocation.

DECISION TIP

The more you do to stimulate demand, the greater the unit demand per salesperson. The better your marketing tactics are compared to your competition, the greater the unit demand per salesperson.

If you do very little to increase your demand creation activities, your demand will probably decline. This is because your competition almost certainly upgraded their efforts. If you increased your efforts at the same rate as they did, then your demand per salesperson will likely remain stable.