

CHAPTER 5

CONCLUSION & RECCOMENDATION

5.1 Conclusion

PT. Batara Indah, as an office supply manufacturer and distributor realized that its key success factor to advance its competitor is to maximizing the availability of each item. Therefore, Customers should easily find Bantex product every time and at all over the channel. Lack of stock will give the opportunity to competitor to grow as the customer switching cost is not expensive. Based on our literature study and survey at PT. Batara Indah, we conclude that good sales forecasting technique is very crucial in maintaining PT. Batara Indah position in the market. Below is our summary of conclusion:

1. Based on our analysis, current demand forecast is not the best technique to predict future demand. As bias and precision is bigger compared to the other techniques
2. There is no one best forecasting technique for all types of data, we have to customize forecasting technique based on the item characteristic
3. Exponential smoothing technique is more suitable for items with high fluctuating demand. This is because the exponential smoothing technique is more responsive to the prior fluctuating demand
4. Average demand technique is suitable for item with more stable demand where Market is not very competitive

5.2 Recommendation

ITEM	PROPOSED FORECAST TECHNIQUE
LAF Plastic	Exponential Smoothing, Alpha 0.5, assumption: 15 % increase in 2008 quantity demanded
Ring Insert Binder	Exponential Smoothing, Alpha 0.5, assumption: 15 % increase in 2008 quantity demanded
Ring Binder	Exponential Smoothing, Alpha 0.5, assumption: 10 % increase in 2008 quantity demanded
Magazine File	Exponential Smoothing, Alpha 0.5, assumption: 10 % increase in 2008 quantity demanded
LAF Paper	Exponential Smoothing, Alpha 0.5, assumption: both 10 % and 15% increase in 2008 quantity demanded
PP Pocket	Average demand or Exponential Smoothing, Alpha 0.1, assumption: 10 % increase in 2008 quantity demanded
Paper Divider	Exponential Smoothing, Alpha 0.5, assumption: 10 % increase in 2008 quantity demanded
PP Divider	Time Series forecasting, considering trend and seasonality
Index Mylar	Exponential Smoothing, Alpha 0.5, assumption: 10 % increase in 2008 quantity demanded
Suspension File	Exponential Smoothing, Alpha 0.5, assumption: 15 % increase in 2008 quantity demanded