Discussion Questions

1. Describe three different forecasting applications at Hard Rock. Name three other areas in which you think Hard Rock could use forecasting models.

Hard Rock uses long-range forecasting in setting a capacity plan and intermediate-term forecasting for locking in contracts for leather goods (used in jackets)   and for such food items as beef, chicken, and pork. Its short-term sales forecasts are conducted each month by cafe, and then aggregated for a headquarter view.
They could use forecasting for human resources like hiring people, as well for capacity planing. This means they have to decide how many tables they need. At least they can forecast the demand of accesories, like shirts, caps and jackets.

2. What is the role of the POS system in forecasting at Hard Rock?

Point-of-sale system (POS), captures transaction data on nearly every person who walks through a cafe's door. The sale of each entrée represents one customer; the entrée sales data are transmitted daily to the Orlando corporate headquarters' database.

3. Justify the use of the weighting system used for evaluating managers for annual bonuses.

They use a 3-years weighted moving average applied to cafe sales. If cafe general manager exceed their targets, a bonus is computed. They applies weight of 40% to the most recent year's sales, 40% to the year before, and 20% to sales two years ago.

This distribution of weight reward most inmediate sales, and promote keep working on saling more.
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4. Name several variables besides those mentioned in the case that could be used as good predictors of daily sales in each cafe.

The variables which can be used as predictors are all other products sold in the cafe, like cheeseburger, chicken/ pork sandwiches, french fries, hamburger, salads and so on.

5. At Hard Rock's Moscow restaurant, the manager is trying to evaluate how a new advertising campaign affects guest counts. Using data for the past 10 months(see the table) develop a least squares regression relationship and then forecast the expected guest count when advertising is $65.000.

	1	2	3	4	5	6	7	8	9	10	*11*
guests	21	24	27	32	29	37	43	43	54	66	**71.5**
advertise	14	17	25	25	35	35	45	50	60	60	*65*
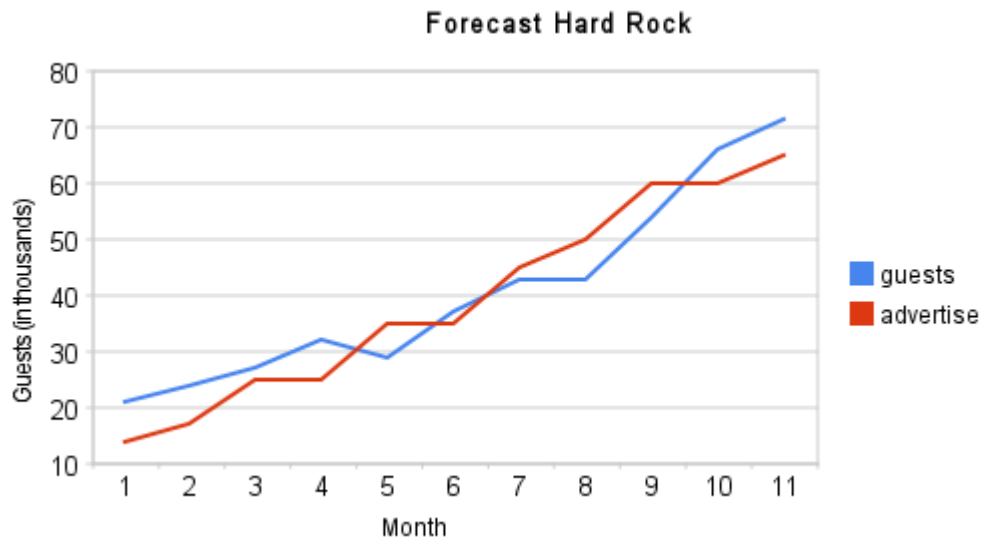
Forecast Hard Rock

6. Invent a collection of historical data for Guest count Hard Rock in Bombay (35 data series) and apply the forecasting time series models. Store all these procedures in a worksheet.