ASSESSING SALES FORECASTS AND BUSINESS GROWTH OF SMALL AND MEDIUM ENTERPRISES IN KABALE MUNICIPALITY KABALE DISTRICT: A CASE STUDY OF MEGA BAKERY

BY

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A RESEARCH REPORT SUBMITTED TO THE FACULTY OF ECONOMICS AND MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE A WARD OF A BACHELOR'S
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DECLARATION

I, Chrispus Akiiza, declare that this is my original work and it has never been submitted to any Institution for any academic award.

Signature ……

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APPROVAL

This research report titled "Assessing Sales Forecasting and Business Growth of Small and Medium Enterprises in Kabale Municipality, Ka bale district, A case study of Mega Bakery". Has been conducted under my guidance and supervision and is now ready for submission to Kabale University with my approval.

Signature ..... .

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DEDICATION

This Research Report is dedicated to my beloved Guardian miss christen Bakaihahenki and the rest of her family members, my brothers Mr. Agaba, Julius and Denis for their parental love they have shown me and my friends like Samuel, Obed, James and Nelson. May Almighty God award them abundantly.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter covered the back ground of the study, statement of the problem, purpose of the study, general objectives and specific objectives, research questions, scope of the study, significance of the study and definition of the operational terms.

1.1 Back ground of the study

Sales forecasting is the process by which a company can estimate its future sales. With an accurate sales forecast, businesses can make informed decisions regarding a number of different functions within their businesses. Businesses use historical sales data and the sales team's estimates to create these forecasts, Aosa, E. (2010).

Forecasting has a central role in the daily operations activities of a company worldwide. It can support managers in making decisions about production scheduling, the required inventory levels, capacity planning, the number of needed employees, the advertising budget and the appropriate product price. Forecasting is always a projection into the future of the expected demand, given a stated set of environmental conditions Bennett, P. D. (2013). The longer the forecast horizon, the less accurate the forecast will be. The impact of the forecasts on the profitability of the operations of the organisation depends on three characteristics, the accuracy of the forecasts of sales and costs, assessing the confidence one can place in the forecast, properly using the forecast in the operations planning, Chanzu, (2012).

With sales forecasting in Kenya, the primarily interest is to forecast the customer demand. Without accurate and credible estimates of future demand, it is impossible for organizations to effectively manage their supply chains. A business can benefit from a good sales forecasting or can pay the price for poor one. Stock outs, reduction in service levels, decreasing customers' satisfaction- and loyalty can be the result of a poor forecasting. Even in some businesses a forecasting error will almost immediately result in a loss of market share. Improving the forecast accuracy is therefore one of the more important tasks in supply chain management. If a company can improve its forecast accuracy, it can lower the safety-stock needed to reach the targeted service levels, Chepkoit, C.K. (2009).

The improvement in forecast performance will also result in other cost improvements such as lower inventory risk costs (like obsolesce), lower facility costs, better long term supplier contracts, less unnecessary activities and transportations. Therefore, the improvement in forecasting performance can increase profit and reduce the capital invested. As the result, forecasting accuracy can have an important effect on the corporate profitability and the return on investment, GMEGA (2011).

The modern small and medium enterprises establishment in Uganda faces four major challenges namely fast changing technological world, customer demands, liberalization and globalization. Small and medium enterprises face, amongst other host of challenges is the development and implementation of a reliable sales forecasting process in the advert of constantly changing consumer demands and other external environmental issues, Muraya W.K. (2005).

Forecasting tools have been in use for a very long time for a variety of reasons. Commitment and interest in forecasting in organizations has also grown steadily in the recent past. Wadell and Sohal (2004) attributes the growth to the fact that organizations and their environment are becoming more and more complex, and therefore decision-makers find *it* more difficult to weight all the factors in a given situation without some explicit, systematic aids. They also cite the organizations have grown large, the magnitude and importance of individual decisions have grown. Many decisions warrant special forecasting studies and more thorough analysis. That is the circumstances of most small and medium enterprises have been changing at an accelerating rate. With key relationships, no longer stable, forecasting has proved to be one of the best tools for quickly identifying and understanding new relationships.

The ultimate goal of any business including Mega Bakery in Kabale Municipality Kabale district is to remain in business profitably through production and sale of products or services. Without optimal profit, a business organization cannot survive, let alone achieve a sustainable growth. One of the core activities in a business company is the marketing and sales activity. The ultimate success or failure of a company depends on its ability to sell what it produces and continues the production-sales cycle for relatively a longer period of time (Getinet. 2007. Mega bakery was established in 2004 under the cover to provide quality services and make profits like any other business and many businesses have moved towards more systematic decision-making, requiring explicit justification of individual actions. Formal forecasting methods adopted by Mega bakery

are one way to support and evaluate such and according to Little (2009) a good forecasting technique should exhibit six characteristics namely understandability, control, response, communication, completeness and robustness. Forecasting techniques range from simple native procedures to sophisticated quantitative methods and from simple judgmental methods to complex qualitative ones.

2.3 Problem Statement

In Uganda, SMEs contributes 20% to Gross Domestic Product and it provides employment to over 1.5 million people which accounts for 90% of total non-farming private sector workers (UIA, 2008). The benefits of the SMEs in Ugandan economy cannot be overemphasized. Small and medium enterprises play significant role in employment and income generation, producing import substituting products, mitigating rural-urban drift and mobilization of local resources (Ernst & Young, 2011). Sales forecasting is used in the practice of Customer Demand Planning (CDP) in every-day businesses for manufacturing companies. Sales forecasting is the cornerstone of financial planning. The importance of the sales forecast permeates many business management activities including cash flow estimation, cash budgeting, capital budgeting, capital structure analysis, financial planning and valuation which leads to business growth. Despite the significance of sales forecasting on business growth, Mega bakery has not embraced the use of sales forecasting and this has caused failure of the business to satisfy the customers' needs and this has also affected the business growth. Therefore it is against this background that the researcher wished to assess sales forecasting and business growth of small and medium enterprises in Kabale Municipality Ka bale district a case study of Mega bakery.

1.3 Purpose of the study

The purpose of the study was to assessing sales forecasting and business growth of small and medium enterprises in Kabale Municipality Kabale district a case study of Mega bakery.

1.4 Objective of the study

i. To identify the factors for the growth of small and medium enterprises 111 Kabale Municipality

11. To investigate the sales forecasting tools available at Mega bakery 111 Kabale Municipality Kabale district

III. To provide solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district

1.5 Research Questions

1. What are the factors for the growth of small and medium enterprises in Kabale Municipality?
2. What are the sales forecasting *tools* available at Mega bakery in Kabale Municipality Kabale district?

iii. What are the solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district?

1.6 Scope of the study

1.6.1 Subject scope

The study focused on assessing sales forecasting and business growth of small and medium enterprises in Kabale Municipality Kabale district a case study of Mega bakery by examining how sales forecasting is applied and performed, the sales forecasting tools available and the solutions about how sales forecasting can be developed.

1.6.2 Geographical scope

The study was carried out at Mega bakery in Kabale Municipality boarded by Ndorwa East and north east Rubanda district in the north and north west and Ndorwa west in the south and south west.

1.6.3. Time Scope

The study considered a period of five years (2015 to 2020) following sales forecasting and business growth of small and medium enterprises in Kabale Municipality Kabale district a case study of Mega bakery because this time was enough to enable the researcher get information needed for the study.

1. 7 Significance of the study

The study helped to build on the researcher's knowledge and understanding of the study variables.

It also helped the researcher to gain more skills of conducting research and this will be important to the researcher while in office or pursuing further studies.

The study findings were used by other researchers who will be undertaking a similar study in form of literature review at various institutions of higher learning.

1.8 Operational definition of key terms

Sales forecasting is the process of estimating future sales.

Business Growth is a stage where the business reaches the point for expansion and seeks additional options to generate more profit.

Small scale Businesses

Small Scale businesses are defined differently in different countries. It is true that a Small Scale business in the United States may be a large enterprise in India and a very large enterprise in Uganda. While the absolute figures involved in the definition of these enterprises may differ, there are some underlying similarities to see it in the concept used in the definitions. The following are common measures of defining Small Scale businesses.

Capital employed

The number of people employed may not be a good indicator especially if the industry is labor intensive. This is true in countries like India where there is a labor intensive approach to industrialization as a policy. In some cases trading organizations can transact huge sums of business worth transactions and yet they employ a few people. Consequently, capital employed is a times used as a measure of defining small business.

Sales Turn over

Another criteria for indicating what a small enterprise is, is the annual sales turnover, in the Ugandan conditions, in an attempt to define who was eligible to participate in the value Added Tax (VAT) Administrative structure, a figure of Shs. 20 million (US $10,000) was agree on as a threshold (Ssejjaaka,1997).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter describes and relates what other scholars have noted down about the topic. The researcher got information from different and related sources or scholars, magazines, journals, websites that all point and relate to this study. These sources of information were believed to contain confidential data that helps the researcher.

2.1 Factors for the growth of small and medium enterprises

Ayyagari et al., (2007) argued that all businesses start as an idea, whether they end up as successful businesses or not. Some businesses are successful as soon as they launch based solely on the strength of the ideas behind them. An innovative idea sets your business apart and can bring you success, especially if you're operating in a competitive industry. It is one of the most powerful causes of success in business.

Balunywa W (2002) stated that it's not easy to set yourself apart from the crowd in a market where everyone is selling the same product. You have to find a way to offer clear value to the customer and deliver a superior experience if you want to survive, let alone succeed. You might think that all it takes to differentiate yourself in the market is a bit of clever marketing. While marketing helps, it only carries you so far, and it isn't enough on its own. Companies can differentiate themselves in different ways. Some companies succeed by setting higher standards for their products and services than their competitors set. Others compete on price but that can also result in a race to the bottom.

Bawuah Bernard (2014) talked of how easy is it to work with your business? Does your business make life easier for your customers and employees or do they feel that working with you is difficult? .A business owner who uses the right tools makes the experience of working with or for a company a pleasant experience. For example, an investment in a smart quote system results in a quotation process that is fast and smooth. Using technology to reduce the human labor needed to perform some tasks reduces the time customers wait for your services. Your clients end up happy in the end because they appreciate the convenience of working with your business, and they are likely to recommend you to friends and family members. Your employees will also

be happy to work for you, feel less pressure associated with work, and be more likely to stay with your business for extended periods. Whatever *tools* you choose to integrate into your business, make sure they make life easier for both your clients and your employees.

Briefing Paper 11, Solidar (2004) argued that it's certainly important to have talented employees in your workforce. They are likely to be productive and creative, and they make your climb up the ladder of success both smoother and faster. With that in mind, you should pay plenty of attention to your workforce. Fashion your recruitment process in such a way that you attract the best talent to work with you. If you feel that you don't have the talent to select the right employees, outsource the recruitment process to a company or consultancy that knows what is doing. Often, it is the workforce of a company that spurs it on to success in a competitive industry where the product or service being sold is the same or similar.

Govori, A. (2013) argued that when you build a network, you aren't only focused on accumulating contacts; you are looking to build valuable connections that may become beneficial in the future. You may receive valuable advice in your field or form alliances that help you expand your business and become more profitable.

Itzhak Goldberg (1998) stated that if you can dream it you can achieve it. No entrepreneur ever became a millionaire by limiting her dreams. After all, dreams are free, aren't they? There's nothing wrong with making big plans, even if you can't see right now how you *will* accomplish them. As they say, aim for the moon. There's nothing wrong with hitting a star if you miss.

Okurut F. (2004) argued that that means take responsibility for accomplishing your goals and for your own mistakes. You have no one to blame but yourself if you don't reach your mark, so make sure you're taking the necessary actions to move toward your objectives. And when you make a mistake, acknowledge it and learn from it. However, the worst thing you can do is dwell on it, so just keep it moving.

Susanjoekes (1995) stated that you're not working for a boss anymore, so the only expectations you need to meet are your own. Make sure they're set high enough so that you continue to grow over time. While there's a confidence boost in accomplishing things, if you're not challenging

yourself enough, it's a false sense of accomplishment. You must grow yourself to grow your **business.**

UBOS (2007) stated that things don't get done in business by talking about them. Be a person of action. If you say you're going to follow up with someone, do so promptly. Keep lists of projects you need to work on and set deadlines for yourself. Overall, just make sure you're in the habit of taking action where you need to.

Uma Lele and Ijaz Nabi (1990) argued that this goes with dreaming big: create a vision board of what you want your company to be like in five years. The process can go a long way to making it a reality. Will your company still be just you running it, or will you have employees in a few years or a few locations? How many clients will you have? Seeing this picture can help you plan for it. Put the vision board on your wall so that you can remind yourself why you work so hard.

Uganda Bureau of Statistics (2006/07) stated that remember how, as a kid, your mom never wanted you to play with "that kid" down the street? Maybe he had no manners, or she thought he came from the wrong part of town. Who we associate with does say something about ourselves, so when you hang out with successful people, a little of that magic rubs off on you. Look around at your network and see who you want to influence you. Make sure you're not always the smartest person in the room.

Harvie, C. (2010) stated that becoming your own boss isn't just about your own financial success. It's about giving back to your community, usually through your time, money, or influence or all three. If you grew up in a community where entrepreneurship wasn't encouraged much, just _think of the influence you could spread by actively working to develop new small business programs in your local school, sponsoring a little league team or mentoring students.

Briefing Paper 11, Solidar (2004) argued that as much as we dislike it, change is a part of entrepreneurship. Not *only* is technology changing how we market and run our businesses every day, but your industry is changing too. To remain relevant in your space, stay on top of industry trends. You've got to *roll* with those changes and be ready to adapt at a moment's notice so that your business stays relevant.

Robert, (2009) stated that that's exactly what running a business is: a process. The trick is that you must figure out what you don't know about running a business. You'll have tedious times that will test your patience, and you'll have others where you're flying high. Enjoy the roller coaster you're on and know that everything is an opportunity to learn.

Govori, A. (2013) stated that part of loving that process is appreciating the hard times as much as the good ones. It's about having faith that even if things seem to be falling apart in this moment, they'll soon get better. Trouble is temporary. The less you let the negative affect you, the easier it will be to rise above it. Prayer works too. Sometimes just some deep breaths in and out will help you see things more clearly.

2.4 Sales forecasting tools

Customer Relationship Management(CRM). A CRM system, such as Sales force, allows organizations to effectively manage business relationships and the data associated with them in one central location in an attempt to help organize easy access to the information. This SPM helps promote collaboration among multiple departments and enables the ability of the company to have effective management throughout the customer l ifecycle, Mura ya W.K.(2005).

Configure Price Quote (CPQ). The software category serves as a *sales* tool that is designed to help companies produce accurate and highly configured quotes. Moreover, a CPQ system automates complex products so sales people have the materials to produce a sales proposal on the spot. This software category helps increase speed and accuracy in producing price quotes and global distribution of pricing data to stores, Mugo, G. M.(2006).

Enterprise Resource Planning (ERP). ERP software gives organizations a system of integrated applications to manage the business and also to automate many behind the scenes functions related to technology, most of which are provided by human resources. It is important to note that ERP software does recommend using other software in an effort for collaboration to see maximum results, Laughlin, S.(2008).

Human Capital Management (HCM). HCM software helps automate payroll, performance reviews, recruiting and training. HCM has become more popular as HR professionals are using the software to help run their operations and also to provide functionality to develop their workforce, Kotler, P.(2002).

Incentive Compensation Management (ICM). ICM software helps improve the visibility of a company's sales performance and its compensation plans. This software has been dominant in the SPM market, and according to Gartner, it was estimated to be worth more than $2.7 billion in 2015. Since it allows organizations to automate most of the technical processes involved in compensation plans, it makes sense that this SPM is one of the most valuable. Sales performance management is an effective way to promote efficiency and productivity in the workplace, and with its success in the past 10 years, one can only imagine how much more reliant companies will be on its software, Hamburg, M.(2008).

Past Data. While a thorough sales forecast takes into account a number of factors, the foundation of your predictions comes from your past performance. The 10 percent growth you've had in the past is not a guarantee of future results, but it is the foundation from which you can make an effective forecast. The best way to develop this tool is to keep accurate records. This might mean developing a detailed accounting system, keeping track of your inventory and maintaining records based on conversations with people in different departments as well as your own observations. Past data should be as meticulous and straightforward as possible, Green M. and Harrison P.J.(2007).

External Factors. Once you have a very clear picture of what your company's performance has been in the past, you can temper that picture with other factors. External factors can include anything that might impact sales patterns. For example, a restaurant's sales forecasts might include weather patterns, an uncontrollable element that might affect sales. External factors usually take account of the market and consumer behavior patterns as a whole, often adding a crucial perspective. No matter how good your business is, no matter how consistent your results were in the past, consumer spending trends inevitably impact your sales numbers, Aosa, E. (2009).

Costs. It's important to consider the costs of doing business and not just the profits. Although costs are not always considered in the sales forecast proper, they have a direct impact on the health of your business. Costs include whatever it takes for you to do business, such as rent, Wages and materials. These costs can change due to inflation or other factors. Use costs to get an idea of what you spend for every sale you make. For example, each sale might require one hour

of labor, $10 spent on parts, one hour's worth of rent and $20 worth of advertising costs demand Works.

Demand Works. Demand Works offers forecasting software for businesses that run 100% in browsers, so you can run the software from servers, the cloud, or your desktop. Their demand planning software is specifically for inventory management, capacity planning, and sales and operation planning, Chanzu, S.M: (2012) .

Tableau. Tableau has been touted as a great software solution for forecasting for business intelligence goals. It helps you get an accurate picture of several different areas of business and strategize around the data and while it's not a crystal ball, forecasting methods can help to assess information for your business's future. Using the right budgeting and forecasting techniques is essential in creating accurate, reliable forecasts for your business. Decide on your goals, which will lead you to the best forecast tools and techniques to help you start planning and building your strategies to accomplish those goals, GOK (2011).

2.3 Solutions about how sales forecasting can be developed

Sales planning is essential for any company but especially for firms who are in high growth mode or experiencing a change like adding new products or entering new markets. The fundamental job of the forecast is to balance sales and marketing resources against supply capacity planning. Forecasting will help answer the critical questions: Do we have enough sales people to get the volume of orders we have budgeted?, do we have the right mix of price, promotion, and marketing in place to drive demand? and do we have the essential demand-side resources in place (for example travel budget, product training, partners), Hamburg, M.(2008).

Demand Planning. Demand and supply needs to be balanced at the volume level to address big picture business planning and mix level to enable customer and product needs. Without good demand planning, companies face the unhappy situation of unhappy customers, late shipments, canceled orders, excess inventory, longer lead times, expedited shipping costs, and a host of other potential issues. Modern sales and operations planning uses forecasting as the central input to the demand side of the equation. The statistical forecast is generated to make adjustments to sales and production planning. And, the organization may make adjustments to the forecast to reflect their insights into how market conditions may impact the forecast, Kotler, P.(2002).

Financial Planning. Forecasting the firm's future sales is essential to the finance function. It is used to develop the annual budget and maintain the long-range business plan typically extending out five years. Unlike demand planning, the forecasting is typically done initially in dollars and translated to production volumetric in the annual budgeting cycle. These forecast are necessary to determine product and G&A costs which are ultimately required for profit and loss management, Mwangi, J.P.M(2004).

For many companies, the annual forecasting cycle can be a huge exercise that carries a lot of time, resource, and risk. Adopting a Sales and Operations Planning (S&OP) process and platform can be a great way to address this problem. S&OP is a process that involves generating both dollar and volumetric forecasts to drive visibility into every step of the business process. The output of S&OP includes dollar-based sales predictions, production volume requirements, and inventory levels. By creating a system to capture these metrics, they are available at any time eliminating the need for the strenuous annual budget preparation exercise, Ojode, L.A.(2013).

Distribution Center Replenishment. Companies that fulfill through distribution centers face the challenge of balancing supply and demand at the production, master warehouse and distribution center level. That's not an easy task and is typically handled using Distribution Requirements Planning tools. Demand is captured via customer orders for near term action and from a forecast for longer-term planning, Muraya W.K.(2005).

The best practice here is segmenting out SKU level volumes and dollars and adopting the best forecast strategy for groups of SKUs. ABC/XYZ segmentation is the starting point and groups together SKUs by volume and demand variability to select the best method. Then, forecasting software can automatically choose the right algorithm for the situation, kick out the SKUs with too few data too little forecasting for handling in other ways, Mwangi, P.M.(2003).

Master Scheduling. The purpose of master scheduling is to balance demand and supply at the mix level. Unlike the demand forecast, it will need to be expressed in SKUs, products, customer orders, etc. And the forecast near-term, usually in weeks instead of months. This helps downstream planners determine more precisely when items will be needed and a weekly forecast can be generated in different ways, Chepkoit, (2009).

CHAPTER THREE
METHODOLOGY

3.0. Introduction

The chapter involves the description of how the study was carried out. It represents the research design, population of the study, sample size, source of data, methods of data collection data analysis and interpretation, limitation of study and how they were handled.

3.1. Research design

According to McMillan and Schumacher (2001)a research design is a plan for selecting subjects, research sites and data collection procedures to answer the research questions.

In order to achieve the objectives of the study, a descriptive research design was used were qualitative and quantitative methods were designed for the study in order to get the measurements of the variables and the findings were presented in more descriptively and a narrative way.

3.2. Target population of the study

A population refers to a well-defined collection of individuals or objects known to have similar characteristics, Mwangi, P.M. (2003). The study engaged a total population of 80 respondents. The study 'population was put into strata namely, employees and sales staff of the bakery and bakery customers in Mega bakery In Kabale Municipality Kabale district.

3.3 Sample size

Sample size is the minimum number of participants required to identify a statistically significant difference if a difference truly exists, Ferrie S, East V, (2007).

The study population was put into strata namely, three (03) bakery staff and three (03) marketers and sixty (60) customers of Mega bakery, they were selected basing on a table for determining sample size as suggested by Krejcie and Morgan (1970).

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Table 1 Category of respondents

Category of respondents	Number of target population
Bakery staff	**03**
Marketers -	**03**
Customers	**60**
Total	**66**

3.4. Sampling technique

Simple random sampling was used to select the sixty (60) respondents from customers of the bakery; Purposive sampling was also used to select three (03) bakery staff and Marketers (03). This sampling method was used to select respondents who were believed to be more informed and updated with the content of the study

3.5 Data sources

The researcher employed both primary and secondary methods in data collection.

3.5.1 Primary data

According to chasteen, (2010) primary data refers to the data directly collected from the field. It provided firsthand information therefore the researcher used observation guide, questionnaires and interview guides to gather data from respondents who were selected for the study.

3.5.2 Secondary data

According to Chasten, (2011) secondary data refers to data that is collected from existing publications or unpublished journals and magazines. It provided second hand information for example text, pamphlets, newspapers and others.

3.6 Data collection methods

The research methods used 111 data collection included questionnaires, interviews, group discussion and documentary analysis.

3.6.1 Interview

This involved face to face discussion with specific respondents such as employees and customers in a relaxed and conversational atmosphere. According to Trochim (2011), the method of

interview permits collection of first hand detailed information about the themes of the study. Interviews were used to get primary data of qualitative nature for the research. The researcher used standardized interyiew with a list of questions and lists of respondents to get information. This method was used because it gave clear answers, as the researcher was able to ask again.

3.6.2. Questionnaire

According to Kenyon (2013), closed questions ease data collection from respondents who are literate enough to read and write. A questionnaire is essentially a structured technique for collecting primary data. A set of questions will be sent to both staff and other respondents. This method was used because it was cheap, had high response rate and there was privacy while respondents were answering questions.

3.6.3 Focus group discussions.

This is the one of the qualitative research methods defined with respect to the proposal, size, composition, and interview procedures that would discuss the topic of interest in the research (Morgan, 2008). The researcher obtained supplementary data through interactive and wider discussions with staff and customers of the bakery. This helped the researcher to get an in depth understanding of people's values, beliefs and perspectives about the problem under study.

3.6.4 Documentary analysis

Document analysis is a form of qualitative research in which documents are interpreted by the researcher to give voice and meaning around an assessment topic (Bowen, 2009).The researcher analyzed sources of data line institution magazines, brochures, newspapers to get related information about the variables under study in the institution.

3.7 Data collection instruments

The research instruments used in data collection included structured questionnaires, interview guide, group discussion check list and documentary analysis.

3.7.1 Interview guide

This involved face to face discussion with specific respondents such as employees and customers in a relaxed and conversational atmosphere. According to Trochim (2011), the method of performing interviews using interview guides permits collection of first hand detailed information about the themes of the study. Interviews were used to get primary data of

qualitative _nature for the research. The researcher used standardized interview with a list of questions and lists of respondents to get information. This method was used because it gave clear answers, as the researcher was able to ask again.

3.7. 2 Structured questionnaires

According to Kenyon (2009), closed questions ease data collection from respondents who are literate enough to read and write. A questionnaire is essentially a structured technique for collecting primary data. A set of questions were prepared and be sent to both staff and other respondents. This method was used because it was cheap, had high response rate and there was privacy while respondents were answering questions.

3. 7.3 Focus group discussions check list.

This is the one of the qualitative research methods defined with respect to the proposal, size, composition, and interview procedures that would discuss the topic of interest in the research (Morgan, 2008). The researcher obtained supplementary data through interactive and wider discussions with staff and customers of the bakery. This helped the researcher to get an in depth understanding of people's values, beliefs and perspectives about the problem under study.

3. 7.4. Documentary analysis guide

Document analysis is a form of qualitative research in which documents are interpreted by the researcher to give voice and meaning around an assessment topic (Bowen, 2009).The researcher analyzed sources of data line institution magazines, brochures, newspapers to get related information about the variables under study in the institution

3.8. Data collection procedures

The researcher after completion of the proposal obtained an introductory letter from the research coordinator that introduced the researcher to the bakery staff and other respondents as the researcher made the appointments with the respondents. This was followed by the interviews and data collection. The researcher then analyzed, interpreted, presented and gave conclusions that were followed by interviews and data collection through administration by editing, coding and modifying the collected data. The research then presented and gave conclusions and interpretations that were followed in writing of the final report.

3.9. Data processing and interpretation

The researcher used frequency counts, percentages and descriptions to highlight the processed data. The researcher coded and interpreted the research findings within parameters underlying the research methodology. The data collected was edited to ensure that visible errors were screened and removed from the relevant information before submitting the report.

3.10 Data Quality control

3.10.1 Validity

The researcher gave the supervisor the research instruments to rate the items that were valid to collect data. All the items the supervisor considered as valid were used to collect data.

3.10.2 Reliability

The researcher pre-tested the research instruments particularly the questionnaire which was the most used instrument to a group of ten respondents that did not participated in the study from Mega bakery.

3.11. Ethical considerations

The researcher assured all those that was involved in granting permission that the researcher observed maximum cooperation and abided by the rules and regulations that governed people in their communities. The researcher also observed confidentiality, anonymity and protection of people's integrity in respect to the information that they provided.

3.12. Limitations of the study

The respondents cancelled or omitted answering some of the important information for the research because of fear of negative publicity. However not all respondents omitted their important information. Some gave the required information which the researcher considered to write the research report.

Lack of enough time by the respondents to give the information that was needed from them as they were busy handling office work. But the researcher solved this by contacting them when they were not busy.

The respondents refused to give some books of accounts and other document thinking that they would break the law of confidentiality. However the researcher explained to them her intention or interest *in* carrying out the study

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF RES UL TS

4.0 Introduction

This chapter gives a detailed presentation, interpretation and discussion of findings based on the order according to the objectives of the study

4.1 Demographic characteristics of respondents

A total of sixty six (66) respondents were selected for the study. The researcher considered the age, sex, educational levels and working experience of respondents. This biographic data was very essential for the researcher and the study in order to describe the best respondents that were selected for the study as presented below.

4.1.1 Age of the respondents

In a bid to record the bio data of respondents, the researcher considered the age of respondents and the results in Table 4.1.1 below were recorded:

Table 4.1.1: Showing the age of the respondents

Age -	Frequency	Percentage
20-25	7	11
25-30	20	30
30-35	16	24
45-50	10	15
Total	66	100

Source: Primary Data 2021

According to the results presented 111 table 4.1.1 above, 30% the highest numbers of the respondents had between 25-30 years of age while 11% the least numbers of respondents had 20- 25 years of age. The rest of the respondents included 24% had 30-35 years of age and the remaining 15% had 45-50 years of age. The researcher considered the age of respondents with the view of acquiring data from respondents in relation to their lifetime experiences and understanding.

4.1.2 Sex of the Respondents

The researcher also considered the sex of respondents and the results in table 4.1.2 below were recorded:

Table 4.1.2: Showing the sex of the respondents

Sex	**Frequency**	**Percentage**
Male	39	59
Female	27	41
Total	**66**	**100**

Source: Primary Data 2021

The study results presented in Table 4.1.2 above indicated that 59% the highest numbers of respondents were males whereas 41% the least number of respondents were females. The researcher considered the sex of respondents with the aim of ensuring gender balance in the study. However, the results indicated that the number of males was bigger than that of females because, males dominated in businesses therefore were able to forecast their sales.

4.1.3 Highest level of educational attained by the Respondent

The researcher further considered the highest levels of education attained by respondents and the results presented below in Table 4.1.3 were recorded.

Table 4.1.3: Showing the highest level of educational attained by the respondents

Educational Level	**Frequency**	**Percentage**
Certificate	21	32
Diploma	19	29
Degree	16	24
Masters	10	15
Total	**60**	**100**

Source: Primary Data 2021

According to the results presented in Table 4.1.3 above, 32% the highest numbers of the respondents had attained certificate and they made the biggest number of the respondents whereas 15% the lowest number of respondents had undergone masters. The other respondents included 29% who had attended a diploma while and the remaining 24% of the respondents had attained a degree. The researcher considered the respondents' highest level of education in order to ascertain the relevant data collection tools to be selected based on their literacy levels where respondents with certificate were many because businesses even with low levels can do.

4.1.4 Working experience of the respondent

The researcher further considered the working experience by respondents and the results presented below in Table 4.1.4 were recorded.

Table 4.1.4: Showing the highest level of educational attained by the respondents

Educational level	**Frequency**	**Percentage**
Less than 5 years	26	39
5 -10	13	20
10 -15	09	14
15 -20	11	17
More than 20 years	07	10
Total	**66**	**100**

Source: Primary Data 2021

According to the results presented 111 Table 4.1.4 above, 39% the highest numbers of the respondents had worked for less than 5 years and they made the biggest number of the respondents whereas 10% the lowest number of respondents had worked for more than 20 years. The other respondents included 17% who 15-20 and 14% had worked for 10-15 while the remaining 20% of the respondents had worked for 5-10 years. The researcher considered the respondents' working experience in order to ascertain the relevant data collection tools to be selected based on their experiences and less than 5 years had high percent because majority had started the businesses and failed due to lack of enough capital to maintain their businesses.

4.3 Sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district The researcher also attempted and sought for the concerns of research question two with the aim of documenting the sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district and the results presented below in Table 4.3 and Table were recorded.

Table 4.3 Respondents views on sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district

Sales forecasting tools available at Mega bakery In Kabale Municipality Kabale district	**Frequency**	**Percentages**
Past data of the business	20	30
External factors which might impact sales patterns -	16	24
Tableau which helps to get an accurate picture of several different areas of business	10	15
Human capital management	14	21
Enterprise resource planing	06	10
Total	**66**	**100**

Source: Primary Data 2021

Respondent's views on the sales forecasting *tools* available at Mega bakery in Kabale Municipality Kabale district are contained in the table 4.3 above where 30% the highest number of respondents mentioned past data of the business, I 0% the lowest number of respondents talked of enterprise resource planning, 21% mentioned human capital management, 15% mentioned tableau which helps to get an accurate picture of several different areas of business,

whereas other 24% talked of external factors which might impact sales patterns. Past data had the highest percent meaning that this was the best tool that was available at Ok bakery to use in sales forecasting.

4.4 Solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district

The researcher also attempted and sought for the concerns of research question three with {4 aim of documenting the solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district and the results presented below in Table 4.4 and Table were recorded.

Table 4.3 Respondents views on solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district

Solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district	**Frequency**	**Percentages**
Demand planning	15	23
Sales planning	21	32
Financial planning	10	15
Distribution center replacement	20	30
Total	**66**	**100**

Source: Primary Data 2021

Respondent's views on solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district are contained in the table 4.4 above where 32% the highest number of respondents mentioned sales planning, 15% the lowest number of respondents talked of financial planning, 30% mentioned distribution center replacement whereas other 23% talked of demand planning. The results showed sales planning to be mentioned by the highest percentage of respondents because better planning of sales leads to increase in sales of the bakery.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter contains summary, conclusions and recommendations based on analysis of the results and on the order according to the objectives of the study.

5.1 Summary

The study a total number of 66 respondents from the study area, Considering the age of respondents, the highest numbers of the respondents had between 25-30 years of age while the least numbers of respondents had between 20-25 years of age. In relation to the sex of respondents, the study results indicated that the highest numbers of respondents were males whereas the least number of respondents were females. With regard to the level of education the respondents the highest numbers of the respondents had acquired a certificate while the least number of respondents had acquired masters. Parting the working experience the highest percent had worked for less than 5 years and the least percent had worked for more than 20 years.

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The study results on factors for the growth of small and medium enterprises in Kabale Municipality, the highest number of the respondents mentioned hiring the right talent in business while the least number of the respondents mentioned setting of high standards. Others respondents mentioned hiring the right talent in business, using the right tools for business development and having a great idea in business.

The study results on sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district, the highest number of respondents mentioned past data of the business, the lowest number of respondents talked of enterprise resource planning, other respondents mentioned human capital management, tableau which helps to get an accurate picture of several different areas of business and external factors which might impact sales patterns.

The study results on solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district, the highest number of respondents mentioned sales planning, the lowest number of respondents talked of financial planning, other respondents mentioned distribution center replacement and demand planning.

5.3 Conclusion

The study results on factors for the growth of small and medium enterprises 111 Kabale Municipality, 35% the highest number of the respondents mentioned hiring the right talent in business while 11 % the least number of the respondents mentioned setting of high standards.

The study results on sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district, 30% the highest number of respondents mentioned past data of the business, 10% the lowest number of respondents talked of enterprise resource planning.

The study results on solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district, 32% the highest number of respondents mentioned sales planning, 15% the lowest number of respondents talked of financial planning, 30% mentioned distribution center replacement whereas other 23% talked of demand planning.

5.4 Recommendations

The study recommends that development of a sales projection should be emphasized in order to project what may happen in future and prepare accordingly to have a successful business.

Business owners should have collective opinions and have a better plan towards their opinions to enhance business development.

Business owners should survey their buyers' views in order to know their demands and work on them a accordingly.

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APPENDEX I: QUESTIONNAIRE FOR RESPONDENTS

Dear Sir/ Madam I am **Chrispus Akiiza** a student of Kabale University carrying out a research on a topic," Sales forecasting and business growth of small and medium enterprises in Kabale Municipality Kabale district a case study of Mega bakery " I request you to spare time and respond to my questions . All the responses given to me will be treated with utmost confidentiality and only used for academic performance only.

A. Background Information

1. Age: 20 -25 ( )25-30) 30 -35 ( ) 35-40 ( ) 45-- 50 ( )

3. Sex: Male ( ) Female ( )

4. Education level: Certificate ( ) diploma ( ) degree ( ) masters ( )

5.Working experience: Less than 5 years()5-10()10-15()15-20()more than 20 years)

SECTIONB

5. What is sales forecasting and business growth?

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6. Are you aware of the factors for the growth of small and medium enterprises in Kabale Municipality?

a) Yes
b) No

If yes what are the factors for the growth of small and medium enterprises 111 Kabale Municipality and if no, go to the next question

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7. Please describe the process you go through to develop each sales forecast at Mega bakery?

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8. To what extent are various functional departments involved in the development of sales forecasts at Mega bakery?

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9. What is upper and middle management's role in developing sales forecasts at Mega bakery in Kabale Municipality Kabale district?

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10. At the beginning of each forecasting period, how does the sales forecasting process begin?

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11. Is the business plan based upon the sales forecast or sales forecast based upon the business plan?

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12. To what degree do you make the forecast agree with the business plan?

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13.Is the sales forecasting budget sufficient for the personnel, computer hardware/ software, and training required?

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14. How do you deal with: new products, promotions, variety in product/package details.

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15. What are different lead times with respect to Production and Raw material?

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16. Are there sales forecasting tools available at Mega bakery in Kabale Municipality Kaba\e district?

a)Yes

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b)No

If yes what are the sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district and if no, go to the next question

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17. How do you use the available sales forecasting tools at Mega bakery in Kabale MunicipaliY Kabale district?

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18. Are there the solutions about how sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district?

a)Yes

b) No

If yes what are the solutions about bow sales forecasting can be developed at Mega bakery in Kabale Municipality Kabale district and if no, go to the next question

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19 Are products primarily made to order or made to forecast?

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20. **In** your views what-are the solutions about how sales forecasting can be developed at Mega bakery **in** Kabale Municipality Kabale district?

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Thank you_for_your cooperation

APPENDIX IE: INTERVIEW GUIDE

1. Do you know about sales forecasting?
2. Have you been performing sales forecasting Mega bakery in Kabale Municipality Kabale district?
3. What are the factors for the growth of small and medium enterprises in Kabale Municipality?
4. Do you have the right tools to perform sales forecasting at Mega bakery in Kabale Municipality Kabale district?
5. What are those sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district?
6. Do these sales forecasting tools available at Mega bakery in Kabale Municipality Kabale district perform well?
7. Who is in charge of sales forecasting at Mega bakery in Kabale Municipality
g. Are there the solutions about how sales forecasting can be developed at Mega bakery I Kabale Municipality Kabale district?
9. What are the solutions about how sales forecasting can be developed at Mega bakery 1 Kabale Municipality Kabale district?

Appendix III: Sample Size Determination Using Krejcie and Morgan Table.

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note;"N" is population size and "S" is sample size.

Source: Krejcie and Morgan, 1970.