

## Abstract

Globalization and intensive world-wide competition along with the technological advancements create an entirely new business environment for the manufacturing organizations. Initially, manufacturing companies have accomplished massive productivity gains through the implementation of lean production in response to this intensifying competition (Askarany & Yazdifar, 2012). This study thus sought to establish whether strategy forecasting has a relation with the manufacturing firms' performance in Kenya through the case of Central Kenya region. The research adopted a descriptive survey research design. The study used questionnaires as the tools for data collection. In the study, all (110) questionnaires were administered to the sampled respondents with 82% response rate. The study concluded that business trends strongly affect the performance of manufacturing firms in central Kenya. This was because items on business trend like management capacity to analyse trends, company reputation, sales trends and technological development trend had much relationship on firm performance. Seasonal trends affect firm performance. The study recommends that there is need to sensitize the staff in the manufacturing firms on the strategic goals in relation to forecasting. The study also recommends that management of the manufacturing firms should also factor seasonal variations which were found lowly relating on firm performance and that management should invest in capacity building.