



Letter from your President...



"Deep within my heart lies a melody, a song of old San Antonio...". The words have become a fact after the splendid symposium we held "...beside the Alamo" (see picture below).

Robert and Scott started by offering us a historic cavalcade of the IIF during its first quarter of a century. Eminent keynote and featured speakers, and indeed the entire program, helped to make this anniversary symposium extra festive. There were 280 registered participants and more than 200 abstracts, excluding keynotes and featured speakers. In other words, a great success; thanks to Benito and Tom!

The Board of IIF meets at the ISFs, the only occasion when the Directors convene in the same physical location; in the virtual world contacts are frequent, including electronic meetings. We took several steps forward this time. First and foremost: the first issue of

FORESIGHT- The International Journal of Applied Forecasting had been distributed to all participants and now the Board decided to continue to publish it. We also decided to be our own publisher, at least until the end of 2006. A committee was appointed to continue publisher negotiations. The second issue of the Journal should be on your desk when you read this. New orders for the Journal are coming in every day. We know we have a treasure in this journal. Please, help to convince practitioners, colleagues and libraries that this is the case!

We can be proud of the **International Journal of Forecasting**, too. It is now the most cited journal of its section. The number of pages per volume has increased from 540 in year 2000 to 785 in 2005!

The Board decided to hire a Business Manager. A hiring team was set up to come up with a proposal to the Board, which has now unanimously chosen Pamela N. Stroud (pstroud@comcast.net) for this important post. Welcome on board, Pamela! She will take over many of the duties that are now handled by volunteers, mainly by Directors, who have seen their IIF workload growing exponentially.

The rules for granting a "Forecaster Certificate" were approved by the Board. IIF is sending out word that universities may apply to provide the required courses. An IIF subcommittee will advertise the program and scrutinize the applications.

Another subcommittee is working on a long-term plan for IIF. Why are we here, what should we do and where are we heading? These are questions an organization should sometimes ask itself, and what could offer a better reason than a silver anniversary?

(cont.d/



The economy of IIF is solid, which makes it possible to start new projects like the ones mentioned here. But the Board is well aware of the tough laws of economics and is not letting ambitions overrule sound judgment. After all, many of us are economists and judgmental forecasters.

The IIF workshops are becoming more frequent. The one on demographic forecasting in Salamanca, Spain in July was a great success. The next workshop is on the future of economic forecasting in Leipzig, Germany, December 16-17, (contact: Mr. Nico Koppo, koppo@wifa.uni-leipzig.de), followed by a workshop on electricity forecasting (contact: Reinaldo de Souza, reinaldo@ele.puc-rio.br) in Rio de Janeiro in January 2006.

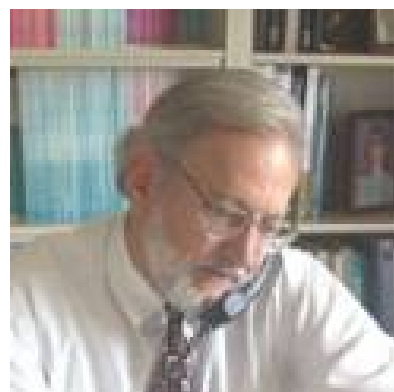
Looking a bit further into the future, as we are in the habit of doing, we see the ISF in Santander, Spain, June 11-14, 2006 (see www.isf2006.org). Please, think about streams or panels relating to your interests and send suggestions to Antonio García-Ferrer (Antonio.Garcia@uam.es) before December 18. Remember also to prepare the report on your forecasting research so that you can submit your abstract by February 28, 2006. See you in the Royal Castle of Santander!

The post of President-Elect has been vacant for some time. In San Antonio the Board unanimously elected Geoff Allen to become my successor on May 1, 2006. Good luck Geoff!

Lars-Erik Öller, President of the IIF

Wilpen Gorr elected as a Fellow of the International Institute of Forecasters

Wilpen L. Gorr has been elected as a Fellow of the International Institute of Forecasters (IIF) in recognition of his contribution to forecasting and the work of Institute. Wilpen is Professor of Public Policy and Management Information Systems at the H. John Heinz III School of Public Policy and Management, Carnegie Mellon University. He is also a past Editor of the *International Journal of Forecasting (IJF)*. His research on forecasting, geographic information systems and crime analysis has been supported by a series of grants from the U.S. National Institute of Justice and the Sloan Foundation. His publications have appeared in the *International Journal of Forecasting*, *Management Science*, *Geographical Analysis*, *the Journal of Geographical Systems*, *Criminology*, *the Journal of Criminal Justice* and other journals.



One of Wil's most important contributions to the IIF was to be a General Chair of ISF 1993 when a successful symposium was essential for the survival of the IIF. Wil organized the symposium in Pittsburg in 1993 in a manner that ensured the financial success of the event and put the IIF on a sound financial basis where it has remained ever since.

In addition to being an Editor of the IJF, Wil was an Editor of a special section on crime forecasting in a 2003 issue. He and Richard Harries edited a special section with six papers. He also served on the Board of Directors of the IIF for many years.



Awards made at ISF 2005

ISF 2005 in San Antonio, Texas marked 25 years of successful international symposia on forecasting and, to reflect this, several awards were made. These were based on the votes of a large number of practitioners and academics, including participants of the ISFs that took place between 1999 and 2004. The awards are set out below.



Favorite paper or series of papers from the past 25 years:

Michele Hibon and Spyros Makridakis--The M-competitions

Favorite Book for the past 25 years: Scott Armstrong (Editor) (2001) *Principles of Forecasting* (Kluwer)

Second favorite: S. Makridakis, S. Wheelright, and R. Hyndman (1998) *Forecasting Methods and Applications* (Wiley)

Third Favorite: Box, G and G.M. Jenkins, (1970) *Time Series Analysis, Forecasting and Control* (Holden Day)

Favorite ISF Merida 2003

2nd favorite: Sydney 2004

3rd favorite: Istanbul-two years

4th favorite: Delphi 1990

5th favorite: Boston 1987



And thank you to the organizers of ISF2005 for a great symposium!



More Pictures of ISF 2005



The IIF's Board of Directors at the end of their board meeting. Also present was Nigel Meade who took this photograph.



IIF President, Lars-Erik Öller, receives a framed copy of the first issue of *FORESIGHT*



Bruce D. McCullough displays his award for the best paper published in the IJF in the period 2000-2001



Nobel Laureate, Daniel Kahneman, delivers his keynote speech



Signs of a healthy debate



At home on the ranch



Meet the IIF's new Business Manager: Pam Stroud



Pam Stroud became the IIF's Business Manager on 1 October. Pam is a marketing professional with fifteen years of corporate and private consulting experience, specializing in database and direct marketing. She has worked as Direct Marketing Manager for Agfa Medical Imaging and as a Product Marketing Manager for Polaroid Corp. She was also Senior Program Designer at Digitas, a marketing services agency.

Pam's new role will initially involve work on the Institute's membership list, website and accounts.

News and publications of IIF Members

Elaine Deschamps After eight years with the Washington State Caseload Forecast Council, which produces forecasts for the state budget, Elaine Deschamps is moving over to the other side of the budget process to work as senior fiscal analyst for the Senate Ways and Means committee. In her new position she'll help write legislation and the state budget. Her research on organizational politics of forecasting will now emphasize the role of the forecast *user* rather than forecast *producer* in the budget making process. Her new email is: deschamp_el@leg.wa.gov

Hans Levenbach and James Cleary's new book, *Forecasting: Practice and Process for Demand Management*, (see last issue of the *Oracle*) has now been published by Duxbury. This text introduces students to the principles, applications, and methods of demand forecasting. It focuses on how managers and planners predict future customer demand for their business's products and services, emphasizing that forecasting is a structured process, rather than a series of disconnected techniques. The text incorporates computing throughout the book, featuring Microsoft® Excel applications, including a professional Excel add-in, and data sets on CD. More details can be found at <http://servicedirect.thomsonlearning.com>

Alfred G. Cuzán (acuzan@uwf.edu) invites comments on a paper (co-authored with Mike Bundrick), "Fiscal Policy: An Implicit Factor in the Trial-Heat and Time-for-Change Models?," available at <http://www.uwf.edu/govt/facultyforums/documents/fiscalasimplicitfactorinTFCandTHmodelswithendnotes9-27-05.pdf>

Scott Armstrong and Kesten Green examine the evidence on forecasting methods for demand and sales and provide guidance in a forthcoming book chapter: Armstrong, J. S., & Green, K. C. Demand forecasting: Evidence-based methods, forthcoming in *Strategic Marketing Management: A Business Process Approach*, L. Moutinho & G. Southern (eds.) There are opportunities for organizations to improve performance, as many do not use the methods that forecasting research has shown to be superior. The chapter is intended for practitioners and is available as a working paper from <http://www.buseco.monash.edu.au/depts/ebs/pubs/wpapers/>. The authors welcome peer review as they intend to keep an up-to-date version of the chapter available on the internet.

Chris Chatfield has recently published a 'popular' survey of time-series forecasting in the RSS magazine, *Significance* (Sept 05, pp 131-133).

Nada Kulendran and Kevin K.F.Wong's paper "Modelling Seasonality in Tourism Forecasting", will appear in the *Journal of Travel Research*, Volume 44, No. 2, November 2005 issue.



Books for Review

The following books have been received for review in the *International Journal of Forecasting (IJF)*. Please contact the IJF's Book Review Editor, Dick van Dijk (djvandijk@few.eur.nl), if you are interested in reviewing any of them.

Sales Forecasting and Management, John T. Mentzer and Mark A. Moon, Sage Publications, Thousand Oaks, 2005, Paperback, 347 pages. ISBN 1-4129-0571-0.

The Economics of Financial Markets, Roy E. Bailey, Cambridge University Press, Cambridge, Paperback, 528 pages. ISBN 0-521-61280-2.

Business Forecasting (8th ed), John E. Hanke and Dean W. Wichern, Pearson / Prentice Hall, Upper Saddle River, 2005, Paperback, 535 pages. ISBN 0-13-122856-0.

Practical Business Forecasting, Michael K. Evans, Blackwell Publishers, Oxford, 2005, Paperback, 501 pages. ISBN 0-631-22066-6.

Modelling Non-Stationary Economic Time Series – A Multivariate Approach, Simon P. Burke and John Hunter, Palgrave/MacMillan, 2005, Paperback, 253 pages. ISBN 1-4039-0203-8.

Economic Forecasting, Nicolas Carnot, Vincent Koen and Bruno Tissot, Palgrave/MacMillan, 2005, Paperback, 315 pages. ISBN 1-4039-3654-4.

Opportunity to be listed as a consultant

Members who wish to be listed as forecasting consultants on the Principles of Forecasting web site can do so by downloading the consultants' questionnaire from the website and then submitting it to the IIF. The site can be found on www.forecastingprinciples.com. Select the "For Practitioners" page to find the link to the form.

Political Forecasting Group formed

On September 2, 2005, at a working breakfast organized at the American Political Science Association (APSA) conference in Washington, D.C., half a dozen political scientists decided to form a **Political Forecasting Group**. (For a list of participants, click [here](#)). The purpose of the PFG is to promote the study of forecasting of political events and to foster communication among members of any discipline interested in such work. Our initial objective is to build up an e-mail list of scholars interested in any aspect of political forecasting. We will inform each other of developments in the field and opportunities for presenting papers, share data sets, circulate drafts of papers for comment and discussion, and engage in other types of scholarly exchanges. Next, we will aim to gain recognition as a Related Group of the APSA. Anyone interested in joining the group please e-mail [Alfred G. Cuzán](#) or [Randy Jones](#), specifying areas of interest in political forecasting and, if available, attaching a short bibliography of most recent articles or conference papers.



On a Forecasting Research Project Supported by a SAS/IIF Grant Award

The SAS/IIF Research Grants Committee acknowledges the receipt of the following letter from a previous SAS Forecasting Research Grant recipient (Dr. Brajendra Sutradhar, Memorial University – Canada, email: bsutradh@math.mun.ca) and encourages other awardees to send their views for publication in the *Oracle*.

In 2004 I was awarded a SAS/IIF grant for US \$5k for the research proposal 'Best Practice Recommendation for Forecasting Counts'. The research was completed in early 2005 and some of the results were presented in the ISF05 meeting held in San Antonio, Texas. The main objective of the research was to find the best possible method for forecasting a future count, based on a time series of counts. To highlight the main findings of the research I provide here the abstract of the report that I submitted to the IIF.

Abstract:

The existing techniques of forecasting a future count either treat the time series of counts as a Gaussian time series or use a random effects based dynamic Poisson model. The normality based approach may not yield results valid forecasting, whereas the random effects based model usually generates a complex correlation structure for the time series of counts which may be impractical to use for forecasting. Moreover, when the time series contains moderately large or large counts, the later random effects based models are known to be inefficient in forecasting a future count, based on such a time series of large counts. In this report, I have proposed an observation-driven non-stationary correlation model to fit a time series of counts with possible over dispersion. Analogous to the Gaussian time series techniques, I developed suitable forecasting functions to forecast future counts. The proposed forecasting approach is simpler than the existing approaches and it was shown through a simulation study that this approach provides satisfactory forecasting for a future count, irrespective of the cases whether time series contains small or large counts. Thus, the proposed approach may be recommended as the best practical approach for forecasting a count. The forecasting methodology is illustrated by analyzing a U.S. time series of polio counts.

Remarks

While more research work is needed in this direction, it seems to me that the model and the forecasting methodology proposed in this research should be very appealing to the SAS users involved in forecasting.

With regard to the SAS grant, I must say that this grant was useful in that it allowed me to receive some computational assistance from a graduate student who is primarily supported by my NSERC research grant. Most importantly, this grant was extremely useful toward my travel to the ISF meeting where I presented the findings of this research.



Special Session on Forecasting in Logistics of Production and Inventory

12th IFAC Symposium on Information
Control Problems in Manufacturing,
Saint-Etienne, France, May 17-19, 2006

Special Session on
"Forecasting in Logistics of Production and Inventory"

Topics include

- Forecasting in supply chain management and service parts systems
 - Statistical forecasting methods in manufacturing
 - Artificial neural networks in industrial research
- Forecasting in production systems modeling and simulation
 - Industrial data analysis and forecasting

Submission

Accepted contributions will be published in INCOM Proceedings by Elsevier. Further submission instructions are available on the symposium website (<<http://www.emse.fr/incom2006>>).

Deadline for submission is tight: November 15. Please express your intention of submission now to pashkevich@emse.fr <<http://us.f547.mail.yahoo.com/ym/Compose?To=pashkevich@emse.fr>>.

Nominations of possible future IIF Directors

The Nominating Committee welcomes suggestions for people who may wish to become Directors of the International Institute of Forecasting. Please contact Robert Fildes (r.fildes@lancaster.ac.uk) for details. The list of candidates will be determined in January.

New Editor for the *Oracle*

Moira Hughes will take over from me as Editor of the *Oracle* starting with the next issue which will be published in February. Moira can be contacted on M.Hughes@napier.ac.uk. Thank you to everyone who has supported the *Oracle* over the last few years.

Paul Goodwin



Thinking well is what you do.

FORESIGHT

The International Journal of Applied Forecasting



Here's a new idea!

Add Foresight to your university or company library!

You'll get articles on forecasting applications, useful tutorials, and informative case studies, written for practitioners and students in a concise accessible style.

Ask your librarian to order Foresight for your students and colleagues. Download the convenient Library Recommendation Form on the next page. Low library rates are \$195 per year.

Foresight is published by the IIF.



SPECIAL LIBRARY RATE \$195/YR

Individual and multi-subscriptions are also available.

For a FREE copy or to subscribe to Foresight

[credit card payments accepted]

Click www.forecasters.org

Call Toll Free Worldwide 866.395.5220

Email Bill Wicker, Managing Editor, at billwicker@adelphia.net

FORESIGHT is published three times annually in February, June and October. A one-year subscription to FORESIGHT includes all three issues of the journal plus a FREE digital version of each issue available as a downloadable pdf.

NO. OF SUBSCRIPTIONS	PRICE PER SUBSCRIPTION*
1	\$ 95
2-5	\$ 75 each
6-10	\$ 70 each
11-15	\$ 65 each
16-20	\$ 60 each
21+	Call for pricing.

*Domestic / in US dollars. Includes mailing.
*Canada and Mexico, please add \$4 per year.
*Other countries, please add \$10 per year.

FORESIGHT: The International Journal of Applied Forecasting

A PUBLICATION OF THE INTERNATIONAL INSTITUTE OF FORECASTERS



Library Recommendation Form

Please bring to your librarian along with a copy of FORESIGHT.

TO: Librarian / Library / Acquisition Committee

FROM: _____

POSITION: _____

DEPARTMENT: _____

Please place an order for this journal. I plan to make use of this publication in a course and consider it a needed reference source in business forecasting.

Signature _____

Date _____



To order FORESIGHT
(credit card payments accepted)

Online:
www.forecasters.org

Toll Free Worldwide:
866.395.5220

Email:
Bill Wicker, Managing Editor
billwicker@adelphia.net

Mail:
FORESIGHT
140 Birchwood Drive
Colchester, Vermont 05446
USA

