



The Oracle

A Publication of the
International Institute
of Forecasters

www.forecasters.org
www.forecastingprinciples.com

A Note from the IIF President

There are various sayings to the effect that all things good take time. Often, this has to be an excuse for things taking longer than they should to materialize. I feel a bit that way about the IIF at present. But changes are underway. Here are a few.

We have gone to a rolling membership year. This should not affect anyone reading this newsletter, but it should become easier to bring new members on board and they will start receiving the benefits of membership immediately.

At next renewal time, we will offer members the option of deleting subscription to one of our journals, either to the International Journal of Forecasting or Foresight, for a reduction of \$15 on the annual membership fee. Naturally, we hope that you find both of these publications useful in your work, and will keep them both, but if one remains unread, then this option might be for you.

Attending an International Symposium of Forecasting will no longer provide you with membership in the Institute. We are returning to the practice we had several years ago where members of the Institute receive a discounted rate when they register for a Symposium. For ISF2007 the discounted rate will apply to all members reading this message. For others, and for future Symposia, we will provide an option to join at the time of registration and receive the member discount. The differential be-

tween member and non-member rates should encourage almost everyone to join the Institute.

Elsewhere in the newsletter you can read about changes at the Forecasting Principles site. And the IIF's own website is being reconstructed and the new and improved version will appear shortly. As part of the change, some pages of the Forecasting Principles site will be moved over. We hope that users will find the two sites well integrated and certainly the best source of information on forecasting to be found anywhere.

Finally, as you will see elsewhere in this newsletter, organizing is well underway for ISF2007, which meets in New York City next June. It is already time to be thinking about submitting an abstract, and for the really early birds, the ISF2007 website will be accepting registration and hotel bookings very shortly. We have obtained a good rate on a block of rooms at the conference hotel, the Marriott Marquis overlooking Times Square, and early booking will ensure that one of them is yours.



October 2006

Volume 8, Number 3
ISSN 1814-1455 (Print)
ISSN 1814-1463

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Major Changes at ForecastingPrinciples.com

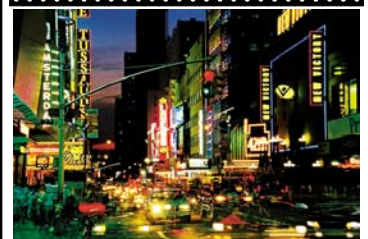
There have been some major changes at **forecastingprinciples.com**:

- The color, layout, function, and content of the site are all improved.
- The red and white color scheme emphasizes the close relationship with the International Institute of Forecasters, and the IIF logo has replaced the old logo.
- Readability is improved by the use of IIF-red as a high contrast background for the white text used in the left-hand menu, by the new three-column layout, and by the use of new fonts. The third column means shorter, hence easier to read, lines of text. Georgia and Verdana fonts are a bit easier to read on screen than the alternatives. Georgia is now used for body text and Verdana for subheadings and menu items. Georgia also does well in hard-print readability tests.
- There is a new menu of some of the site's key features at the top of the page.

- The new third column makes forecasting principles news more accessible
- The Methodology and Selection Trees are now larger in order to make them easier to read. A roll-over feature makes it obvious that you can use the Trees to drill down to more detail. The Trees now provide easy ways to navigate the site, and they have become quite popular with about 3,000 visits per month each.
- Less important material is reduced in length and moved to the bottom of the site.
- The files for the M-Competitions have been restored to the Data page of the site and are in good condition awaiting your use. They include all of the test data along with the validation data for the M-competition, as well as the M2 and M3 competition data. They had somehow disappeared into the ether some months ago and are restored thanks to Michèle Hibon. Michele has also added data for the new T-Competition, which has begun.

Save the Date!
ISF 2007

June 24—27th
New York City USA





From the Desk of the IIF Business Manager



Fall in New England means apple picking, pumpkins and magnificent foliage. However, for many of us on the IIF team, it also means a flurry of planning activities for the upcoming year, 2007.

We have just returned from a spectacularly successful International Symposium on Forecasting in Santander, and we're again in the thick of planning for the next one! Make sure to mark your calendars for the 27th ISF in New York City, June 24-27, 2007. We have an impressive array of speakers, an excellent locale in the heart of Manhattan, and an enjoyable social program planned. For up-to-date news on ISF New York, visit www.forecasters.org/ISF.

The Fall 2006 issue of FORESIGHT is in the mail! New graphics, new features, valuable and stimulating articles – the excellence continues. Congratulations to Len Tashman and his staff! If you are interested in contributing an article to FORESIGHT, contact Len at lentashman@cs.com or visit our website.

The Forecasting Principles website, developed by our own IIF member and founder, J. Scott Armstrong, has recently undergone an impressive revitalization! Please visit our sister site, [Principles of Forecasting](#) to learn more.

We hope you're enjoying the new layout of *The Oracle*. I welcome your input on the new design, as well as your ideas for future improvements and newsletter content. We want to make sure that this member newsletter is meeting your needs.

The next few months will see new happenings at the IIF, including the unveiling of a redesigned website, the IIF Certification Program, new member benefits and more! Please feel free to share your ideas and thoughts for continued improvement. We welcome your input.

Whether it be Thanksgiving, Christmas, Hanukkah, Kwanzaa or a simple celebration of the changing seasons, we at the IIF wish you very happy holidays!

Pam Stroud
IIF Business Manager

(forecastingprinciples.com - Continued from page 1)

Perhaps because of the changes, as well as efforts to promote the site, traffic is currently running at three-times the rate of a year ago. There are many opportunities for developing the site and Kesten Green has now joined Scott Armstrong to help in directing forecastingprinciples.com. With Scott in the US and Kesten down under (he lives in New Zealand, and is associated with the Business and Economic Forecasting Unit at Monash University), the sun will not set on the directors of the site.

IIF members have been a valuable resource in the development of this

site. Practitioners have suggested things that would make the site more useful, and teachers have also make suggestions. The latter area is in need of much more help. For example, we would like to add teaching exercises. Please send suggestions for further improvements to [Kesten Green](#).

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News & Publications of IIF Members

Patrick McSharry and James Taylor, were successful in obtaining a NERC award on Forecasting Risk from Extreme Events (FREE). <http://www.nerc.ac.uk/funding/thematics/free/>

The title of the project is: Quantifying Flood Risk of Extreme Events using Density Forecasts Based on a New Digital Archive and Weather Ensemble Predictions, Department of Engineering Science (www.eng.ox.ac.uk/samp) and the [Said Business School](#), University of Oxford in collaboration with the [European Centre for Medium-Range Weather Forecasting \(ECMWF\)](#) and [Hydro-GIS Ltd.](#) The award of a £300k grant from the Natural Environment Research Council, UK will combine, for the first time, advanced mathematical forecasting techniques, state-of-the-art supercomputer probabilistic numerical weather prediction, and the largest electronic archive of extreme rainfall events in the UK. The project will run for two years and utilise probabilistic forecasting and machine-learning techniques to predict and categorise devastating extreme rainfall events in the UK. The project data and methods will be made freely available over the internet for use by the government, policymakers and researchers.

Mr Ting Yu, a recipient of a SAS-IIF award has provided a summary of his study detailed below:

Many environments contain rich domain knowledge as well as the numerical data that need to be forecasted. It is not easy for most of the regular inductive machine learning algorithms to utilize prior domain knowledge. In this research project, we discussed and analyzed various methods of incorporating prior domain knowledge into inductive machine learning. There were three key issues: consistency, generalization and convergence. Additionally, a new hierarchical modelling method, VQSVM, was proposed and tested over various data sets partially collected from capital markets. The VQSVM utilizes financial domain knowledge to improve the learning process (or estimation) in the methods. The test results are encouraging and demonstrate that prior domain knowledge is valuable to inductive learning machines. The resultant model is less sensitive to the imbalanced data sets than the results of regular methods.

Richard Bracchi and Art Cook have written a Pharmaceutical Forecasting report from a survey conducted with over 4000 Senior Pharma Executives. For further details of the full report, please see www.eyeforpharma.com/forecasting07.



SAS News

SAS Company News

In a press release issued from the Forecasting Summit, SAS announced soaring demand for predictive analytics in business forecasting (<http://www.sas.com/news/preleases/092506/news1.html>). Since its release in late 2005, SAS Forecast Server has been adopted in a wide array of industries including financial services, consumer packaged goods, manufacturing, retail, pharmaceuticals, transportation, hospitality, media, utilities, and communications, as well as by several government agencies and universities.

The SAS Forecasting Solutions Interactive Tour is now available for viewing at http://www.sas.com/technologies/analytics/forecasting/tour/itour_flash.html. The tour demonstrates how SAS forecasting automation makes large-scale forecasting process manageable, enabling analysts to focus on the most important forecasts.

SAS Institute, in collaboration with the IIF, announced sponsorship of two \$5,000 grants to support research in the principles of forecasting. This is the fourth year that SAS has funded grants for research aimed at improving the state of the art in business forecasting principles and practice. The IIF administers the grants and will announce winners in late 2006.

SAS Personnel News

Michael Gilliland, Forecasting Marketing Manager, and Brenda Wolfe, Forecasting Product Manager, have completed a three-part webcast series on "Finding the Flaws in Forecasting." The webcasts have been viewed by over 500 attendees, and are available for free on-demand replay at <http://www.sas.com/events/cm/88169/oview.html>. You can also request copies of the presentation slides, references, and Q&A by emailing stephanie.mccann@sas.com.

Jack Hymanson, Forecasting Solutions Architect, has written a white paper "Enhancing Sales and Operations Planning with Forecasting Analytics and Business Intelligence." The paper explores forecasting and BI technology that can be leveraged to improve an organization's S&OP process. This along with other SAS forecasting white papers can be downloaded at

<http://www.sas.com/ctx/whitepapers/whitepapers.jsp?type=techttopics#1000.1002.0000>.

Michael Gilliland and Michael Leonard, Forecasting R&D Manager, have published "The Future of Forecasting Software" in the 3rd Quarter 2006 issue of SAScom magazine (http://www.sas.com/news/sascom/2006q3/column_tech.html).



International Journal of Forecasting (IJF) News



The July issue of the IJF contained review articles celebrating the 25th anniversary of the International Institute of Forecasters. Articles covered many areas of forecasting from time series to demography, and judgemental forecasting to software. All articles from this issue are now available on-line and free-of-charge, even to non-subscribers. Please go to <http://www.sciencedirect.com/science/journal/01692070> to access this issue.

The October issue is about to go to press. A highlight in this issue is Ev Gardner's landmark paper on "Exponential smoothing: The state of the art — Part II". Part I was published in 1985 in the Journal of Forecasting. This update provides a thorough review of the immense changes in exponential smoothing that have taken place over the last 20 years. Along with the article, we have also included four short discussion pieces from some of the key architects of the new developments in exponential smoothing: Ralph Snyder, Anne Koehler, James Taylor and Richard Lawton. Another paper of interest is Hyndman and Koehler's review of methods for measuring forecast accuracy and their new proposed measure, the MASE (Mean Absolute Scaled Error). Of course, there are many

other papers on diverse topics including density forecasting in electricity demand, election prediction, forecasting series with stable seasonal patterns, and many more. Please look out for the new issue online and in your mail box.

There have been some changes to the editorial board of the IJF in the last few months. Richard Baillie, Larry Brown, Larry Carter and Philip Hans Franses are all leaving the board after many years of service as associate editors. We thank them for their valuable contributions to the journal and hope their post-IJF lives are just as fulfilling! Joining the board are Denise Osborn (University of Manchester) who is particularly well-known for her contributions to time series seasonality in forecasting, Juha Alho (University of Joensuu, Finland) whose expertise is in demographic forecasting and Michael Lewis-Beck (University of Iowa) who will be responsible for papers on political forecasting. We are delighted to have such well-regarded experts on the editorial board and look forward to working with them.

I'd also like to remind Oracle readers that we welcome submissions on all aspects of forecasting. We currently receive a lot of papers on forecasting in finance and economics, but that does not mean we are not interested in other areas. I'd love to see more papers in the following areas:

- Evaluation of forecast performance beyond point forecasts;



(IIF News, Continued from page 3)

- Evaluation of large-scale economic forecasting models used by many governments;
- Hierarchical forecasting where forecasts are required of individual series as well as at various levels of aggregation;
- New product forecasting;
- Computationally intensive methods such as neural networks, boosting and bagging;
- Forecasting of categorical information;
- Forecasting systems and the organisation of forecasting.
- Climate forecasting

- Demographic forecasting
- Environmental forecasting
- Internet traffic
- Environmental forecasting
- Technology forecasting
- Political forecasting

Whatever your area of interest, please send your best forecasting research to the International Journal of Forecasting. We are happy to publish short notes and letters as well as longer research articles.

Rob Hyndman
Editor-in-Chief, International Journal of Forecasting

Certification Program for Forecast Practitioners

Hans Levenbach and Jim Cleary, co-authors of a recent book entitled "Forecasting - Practice and Process for Demand Management" have been working with the IIF to establish a certification program for forecast practitioners. We would like to enlist interested IIF members to become instructors for this course. If you would like to participate and be a presenter, please submit a Curriculum Vitae with your special qualifications in delivering course material to participants from industry and the private sector. All instructional material will be provided. Please submit your CV to Hans Levenbach at hlevenbach@delphus.com. No schedules or time tables have been set

New Forecasting Competition

Michèle Hibon (INSEAD, France), Peg Young (US Department of Transportation) and Miriam Scaglione (University of Applied Sciences, Valais, Switzerland) are initiating a **new forecasting competition – on transportation data**.

This research requires experts in forecasting to practice their techniques on a set of 368 time series (including yearly, quarterly, monthly, weekly, daily and hourly series).

You can download the data from the forecasting website:

<http://www.forecastingprinciples.com/data.html>

For any inquiries, please contact Michèle Hibon at michele.hibon@insead.edu.

Articles & Papers, by IIF Members

Sales on Board!

10 plus 1 tactics to effectively involve Sales in Planning and Forecasting

The High-Tech and Electronics industry is a highly innovative industry with a volatile market demand. Participating companies in the EyeOn network have indicated that the contribution of the Sales and Marketing department in the forecasting process is of utmost importance.

Sales, Marketing and Planning can provide data for forecasting. Each input is valuable to the forecasting process with its own merits. They complement each other in building a consistent forecast.

Plan who knows best!

The "Plan who knows best" principle provides a framework of tactics that help companies to improve the involvement of Sales in Forecasting. The objective served in this area is to obtain the maximal Sales forecasting performance, at the same time reducing the effort spent by Sales in forecasting. EyeOn has interviewed more than thirty High-Tech companies to describe to what extent these companies apply tactics and how they perceive the effectiveness of these tactics:

1. 'Walk the talk' has everything to do with the importance that is granted to forecasting by Business and Sales management. It is a condition for success. This is demonstrated by half-day meetings that cannot be declined or rescheduled, by installing a demand manager or chairing the alignment meetings.
2. Job descriptions will identify all the tasks to be performed by Salespeople. The components of a job description include both selling and

(Continued on page 5)



Articles & Papers, by IIF Members, contd.

(*Sales on Board,* continued from page 4)

- non-selling tasks. Forecasting belongs in Sales perspective to the 'non-selling' tasks'
3. Rewards may help to underpin the importance of forecasting. In general 3 sorts of rewards for reliable forecasts can be distinguished.
 - Financial bonus, although this might lead to gaming
 - Competition, by publishing the Sales forecast accuracy per Sales manager and attaching non-financial rewards.
 - Product availability. Best possible forecasts are rewarded with the best product availability for their customers.
 4. Decouple forecasting from quota setting will help to avoid a bias in the sales forecast. Different units of measurement, different horizons and different aggregation level facilitate this.
 5. Agreement sessions to be held regularly provide a platform for alignment of the forecast between Sales, Marketing, Finance, Planning and Business management.
 6. Provide feedback to ensure Sales keeps motivated to spend their limited time on forecasting. It can improve the ownership of the forecast.
 7. Focus on key-drivers is very well implemented in the interviewed companies (54%). Focus is obtained in different ways:
 - Sales forecasts exceptions as promotions, campaigns or special incidents in the market. Regular business can be forecasted via statistical forecast models.
 - The forecast is generated at high aggregation level. Depending on the decisions a company wants to take, they can shift to a higher aggregation level.
 - In many organizations the 80/20 rule applies.
 - OEM manufacturers ask only for promotion and new product (NPI) planning, because products have a short product life cycle and new products are introduced at a high pace.
 - Distinction between items which are produced to stock versus items produced on order. For stock items, the forecasting is very meaningful for inventory and responsiveness reasons, whereas items produced on order may not need any forecasting.
 8. Easy data entry systems have been adopted by most companies. 74% of them use MS Excel / MS Access as the tool to gather the forecast information from the Sales force. Arguments for this include flexibility, possibility to use it off-line, familiar to Sales people and not too much training required.
 9. Support Sales by installing a forecast manager. A way to get the Sales organization involved is to nominate forecast managers for large key accounts reporting to the key account manager. The forecast manager analyzes sales data and shares the results.
 10. Training to Sales has two main objectives. First, to show the importance of Sales forecasting to the organization. Second, they should be trained in techniques and tools that help them in preparing a high quality forecast.
 11. Statistics as a proposal to Sales is another way to keep it simple for Sales people to provide an accurate forecast. The use of statistical forecasts is limited due to the volatility of the market, the many product introductions and the small size of some of their accounts.

High-Tech companies indicated that the best possible forecast information can be obtained from Sales by focusing, easy data entry and top management commitment!

For reading the full article on 'Sales involvement in Forecasting and Planning,' visit the EyeOn website at www.eyeon.nl or click <http://www.eyeon.nl/index.php?id=67>

References

- Aertsen, Versteijnen [2005]. Responsive planning and forecasting in the high tech industry. An EyeOn White paper
Chen [2005]. Sales force incentives, market information, and production / inventory planning. Management Science, No. 1, January 2005, pp 60 – 75.
Moon and Mentzer and [1999]. Improving Sales force forecasting. The journal of business forecasting, Summer 1999. pp 7 – 12.

Contact

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About EyeOn

In 100 days EyeOn delivers structural improvements in speed, efficiency and output reliability of the planning processes. EyeOn is a consulting firm specialized in designing and implementing planning solutions in complex organizations.



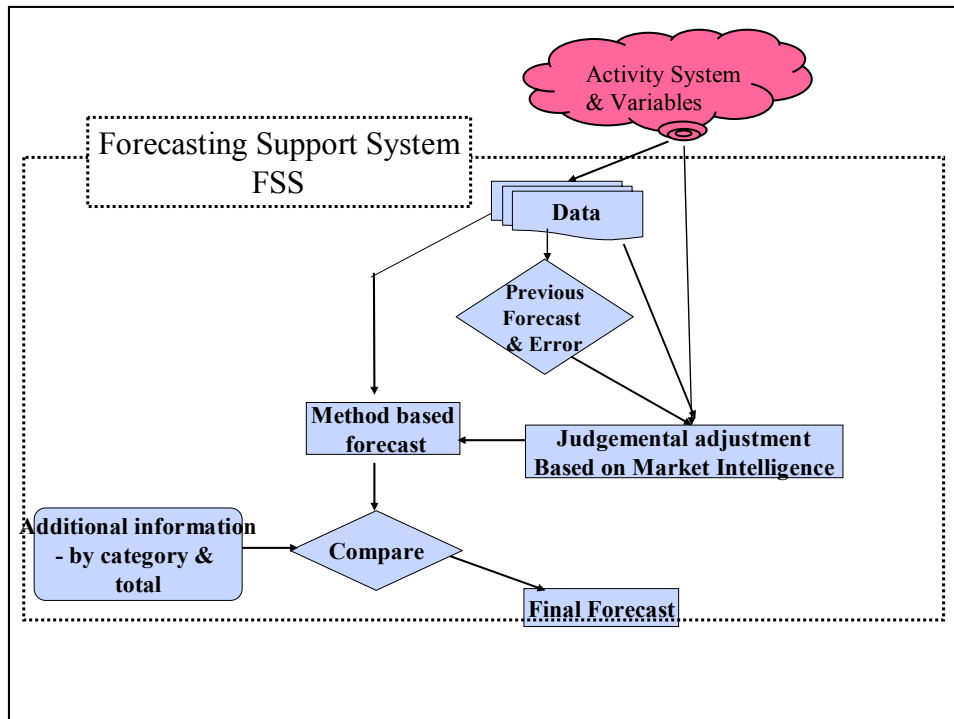
Articles & Papers, by IIF Members

Getting Better Performance from your Forecasting Activity Takeaways from an EPSRC Programme

Key lessons

- Don't confuse your forecasts with your stock holding decision
 - √ If you don't know what your true forecast of demand is, you can never improve your performance.
- Forecasting accuracy is often not measured and monitored
 - √ It should be!
- Benchmark your statistical forecast errors
 - √ Some Statistical Systems forecasts are worse than useless!
- Understood why your forecasts are adjusted
 - √ Too many small adjustments are made leading to no accuracy gains
 - √ 30% of adjustments are made in the wrong direction
- Consider developing your forecasting system to include
 - √ Notes of why adjustments are made
 - √ Summaries of the effects of similar adjustments, e.g. promotions

Funded by the Engineering and Physical Sciences Research Council, Professor Robert Fildes (Lancaster Centre for Forecasting) and Professor Paul Goodwin (Bath University, School of Management) have been investigating how companies can improve their forecasting by using their Forecasting Support Systems (FSS) and processes more effectively. Working with their research associate, Dr Kostas Nikolopoulos and doctoral student Wing Yee Lee, they have observed how forecasts are made in many different types of company. A typical example is shown in the following schema.



A statistical 'method based' forecast is produced based on two or three years of historical data. But the forecaster often thinks they have additional knowledge of what's going on the market. They will make a 'judgemental adjustment based on this market intelligence', the managerial wizardry if you like, to the statistical forecast:

$$Forecast_t = Smooth_t Y_{t-1} + (1 - Smooth_t) Previous Forecast_{t-1} + Other factors_t$$



(Continued on page 7)



(‘Getting Better Performance from Forecasting,’ continued from page 6)

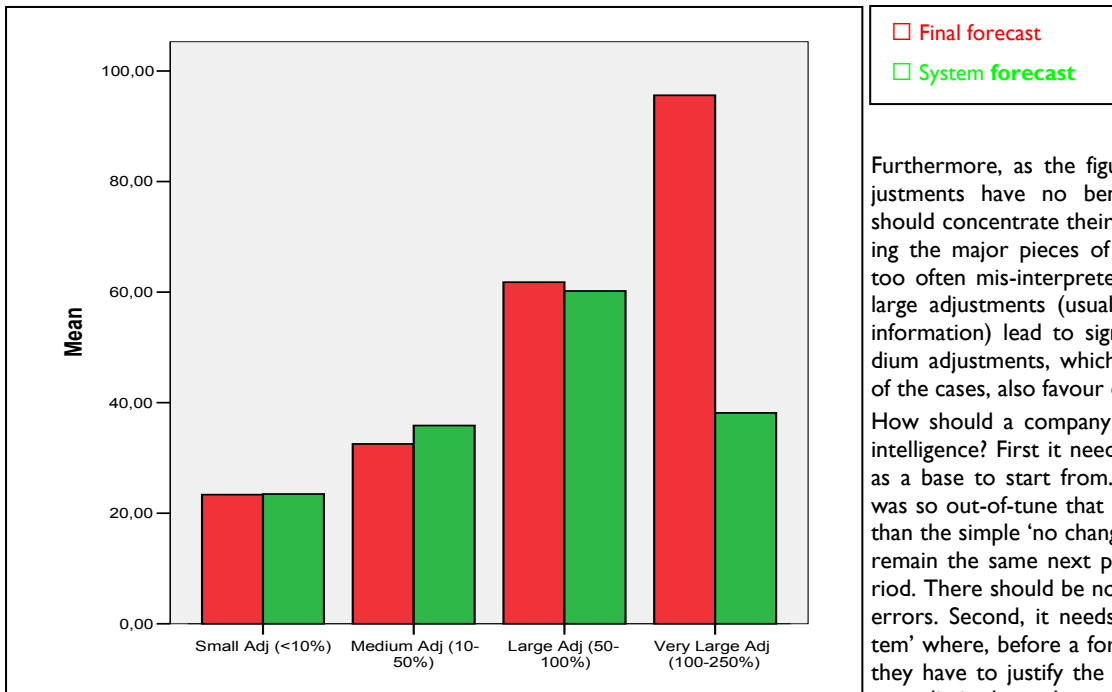
‘Additional information’ such as a top-down category sales forecast may also influence the forecast before a ‘final forecast’ is agreed and passed on to operations, to ensure supply, and to the financial side of the business.

In an examination in four companies of almost 70000 SKU forecasts, 20% were adjusted by teams of forecasters in the participating companies. Overall, they improved on the accuracy of the statistical forecast.

Companies		Statistical Forecast	Final Forecast
A,B,C	MAPE	35.4%	30.8%
	MdAPE	19.6%	15.9%
	N	7154	7154
D	MAPE	34.6%	45.9%
	MdAPE	22.2%	28.7%
	N	5313	5313

But the figures differed substantially between companies (A-D) with one company (D) making no improvement. After discussion, it turns out that they were often combining the forecasts with their decisions as to how much stock to hold.

Further analysis of the data revealed a more complicated picture. In 31% of cases the adjustment made was in the wrong direction, i.e. if the market intelligence was positive, the statistical forecast would be adjusted upward, but the actual sales would be down (and vice versa). Such mistakes are very costly (over 100% relative decrease in forecasting accuracy!).



Furthermore, as the figure above shows, small adjustments have no benefit at all. So companies should concentrate their resources into understanding the major pieces of market intelligence. – it is too often mis-interpreted. It is also clear that very large adjustments (usually associated with external information) lead to significant accuracy gains. Medium adjustments, which count for more than 50% of the cases, also favour of the statistical forecasts.

How should a company improve its use of market intelligence? First it needs an effective statistical FSS as a base to start from. One system we examined was so out-of-tune that it delivered forecasts worse than the simple ‘no change’ forecast that sales would remain the same next period as they were last period. There should be no seasonal component in the errors. Second, it needs an easy-to-use ‘notes system’ where, before a forecaster can adjust the data, they have to justify the proposed change according to a limited number of pre-agreed reasons. The

‘notes’ themselves should be easily summarised and recalled so that the next time similar intelligence is received the forecaster can examine what happened in the past and incorporate the evidence into this latest adjustment.

Do such systems exist? Yes and no; some companies we’ve worked with are in the process of designing new systems to incorporate these features. But major software suppliers often say there is no customer demand for such features. But the evidence from this project on ‘The Design of Effective Forecasting Support Systems’ is clear; companies are incurring unnecessarily large forecast errors with the knock-on effects of poor service and too high stocks, because they don’t analyse the errors they make and don’t require their software suppliers to improve their product.

Working papers which describe this material in more detail are available on: <http://www.lums.lancs.ac.uk/Research/Centres/forecasting/>

If you would like to be involved in an analysis of your data with a view to improving your forecasting system, please contact: Robert Fildes at R.Fildes@lancaster.ac.uk.



Articles & Papers, by IIF Members

How to Get Published

How to get published by Roy Batchelor, Cass Business School, London, UK

"Professor Batchelor, can we come in?

It won't take a moment"

They look so young, so innocent. Buzz off, I say, only nicer. Go knock on Professor Wood's door. He likes to shoot the breeze with new undergrads.

It's too late. They've sat down.

"We're from the Cass press office.

We're here to solve your problem"

I'm now thinking wow; we have more than two people in our press office. That means we are spending $x = n \times y$ where $n > 2$ and salary $y \rightarrow \infty$, which could explain why I can't get δx for software. I say what problem?

"Well Batchelor, you take forever to get your thoughts onto paper, and even then they are just messes of xs and ys.

Consequently, no one knows you".

I protest. Everyone who saw me dance in full highland dress at the Edinburgh Symposium on Forecasting knows me. Even now, distinguished academics from around the world lower their eyes and hurry by as I approach.

"Oh sure, other professors know you. We mean real people. Like, journalists.

Look Roy, we've been through the publications on your website. Frankly, there's a lot of dross there. But we like this one on Fibonacci numbers".

Yes, I say, I was very pleased with the innovative application of semi parametric methods for turning point identification and bootstrap inference in high frequency time series. They look at each other.

"You don't get it, do you?

It's in the Da Vinci Code. Duh".

I say I once wrote a paper on Chaos Theory and that was in Jurassic Park but nobody came calling. They roll their eyes.

"Jurassic Park is SO ancient history

But da Vinci is so THIS YEAR".

And so 1476, I quip. They blank me again.

"Whatever. Just give us the abstract of the paper and we'll sex it up.

And let me show you how to turn you mobile phone on, for when the journos start calling. Make sure you say "Cass" a lot".

I settle down to some serious research aimed at getting me to a conference in Hawaii in 2008, but within a day the phone starts ringing. Articles appear in The Guardian, The Telegraph, The Dow Jones News service, and the New Zealand Herald. Some spell my name right. The Independent headline is *Arrivaderci Fibonacci* which is a lot shorter and more to the point than the abstract for my journal article. The man from The Economist has actually read the paper, and calls me with corrections and improvements. My inbox fills with threatening emails from the Fibonacci fan club.

I ring the Cass press office. Good job, I say, you got me my 15 minutes of fame.

"No problema, Prof, though you should know it only takes 10 seconds, 20 tops, to read one of these babies.

And do we have some cool stories this week from the Management faculty, one on football transfer fees, one on price discrimination in the high-end handbag business. We figure we can get this out next to a photo of Victoria, or Coleen, or Kate, or some random babe. Why can't you Finance guys push stuff like this?"

I say I'll think about it. Meanwhile could you maybe call the Editor of the Journal of Finance, or indeed any refereed journal? But it's too late. They've hung up, moved on.

Magic Numbers in the Dow by Roy Batchelor and Richard Ramyar (who did all the hard work) isn't published anywhere yet, but you can read all about it in The Economist, 22-29 September 2006, p 75 *inter alia*, and there is a link to the paper at <http://www.cass.city.ac.uk/magicnumbers>



Forecasting Events

CALL FOR PAPERS:

The 27th Annual International Symposium on Forecasting, June 24-27, 2007, New York City

The [27th Annual International Symposium on Forecasting](#) will be held on June 24-27, 2007 at the Marriott Marquis Times Square, New York City. Papers on all aspects of forecasting are welcome. The objectives of the symposium are to help disseminate knowledge about new developments in statistical and judgmental forecasting methods and to promote discussion about forecasting among academicians and practitioners. The organizers welcome the attendance of delegates from diverse fields, including Economics, Finance, Business, Public Policy, Statistics, Climate and Environment, Information Systems, Psychology, Demography, Political Science and Energy.

The conference will include featured talks by internationally acclaimed speakers Robert Engle, Charles Manski, M. Hashem Pesaran, Kevin Trenberth, J. Scott Armstrong, Robert Fildes, Paul Goodwin, David Hendry, Stephen Penman, Allan Timmermann, Victor Zarnowitz and Arnold Zellner. [Kajal Lahiri](#) and [Terrance Kinal](#) are the General Chair and Program Chair of the conference, respectively.

Papers may be submitted online, at the link provided above.

The deadline for electronic submission of abstracts is March 2, 2007.

Conference Program & Papers available from Bayesian Econometric Methodology Conference, September 8-9, 2006

There was a very interesting conference at the Bank of Sweden that took place in September. The Bank is employing "dynamic stochastic general equilibrium" (DSGE) models along with data and Bayesian methods to forecast, etc. The conference program and downloadable papers are provided at: <http://www.riksbank.com/templates/Page.aspx?id=20335>

The APICS International Conference & Exhibition Orlando, 29-31st October 2006

The above conference <http://www.apics.org/education/conference/index.asp> is expected to draw 3000 attendees, and will feature educational tracks on Forecasting and Business Intelligence. SAS is a major sponsor of the event and is hosting the "Victory Lane Lounge" featuring SAS forecasting and business intelligence product demos. Several SAS employees and customers will be speaking at the conference:

- Jack Hymanson will present on "Enhancing Sales and Operations Planning with Forecasting Analytics and Business Intelligence."
- Brenda Wolfe, Forecasting Product Manager, will present on "Exploring the Intersection of Large Scale Forecasting, Time Series Mining, and Visualization."
- Christina McKeon, Product Marketing Manager for Business Intelligence, will present on "Using Business Intelligence to Get Better Answers Faster."
- SAS customer Jody Porrazzo, Director, Direct Access Health Analytics at Surveillance Data Inc., will present on "Volume Fore-

cast and Budget Reimbursement in Healthcare."

- SAS customer Carl Lambert, Vice President, Forecasting and Business Intelligence at TD Meloche Monnex, will present on "Leveraging the Value of Your Data – A Business Intelligence Approach."

Michael Gilliland will be facilitating "Idea Exchange" sessions on "Consumer Products & Retail Forecasting" (jointly facilitated with Mary Cote of Cavendish Farms) and on "Lean Forecasting." Jody Porrazzo will also be facilitating an Idea Exchange on "Business Intelligence."

SAS sponsored and exhibited at Forecasting Summit (Boston, September 25-27, <http://www.forecasting-summit.com>). Customer Jody Porrazzo presented on "Seasonality and Disease: The Pharmaceutical Supply Chain and the Weather." SAS and IBM teamed up to offer the Forecast Server "Test Drive," delivering private demonstrations of SAS Forecast Server running on IBM hardware.

SAS will be exhibiting at the European Supply Chain Forecasting Conference (Amsterdam, November 16-17, <http://www.ibf.org/conferences.cfm?fuseaction=conferenceDetail&conID=151>). SAS Forecast Server customer Neil Fragley, Head of Strategic Forecasting at BT Retail, will be presenting on "The Challenges of Forecasting Strategy" with Sukhdev Dlay of SAS/UK.



Forecasting Events

4th International Institute of forecasters' Workshop, January 03-05, 2007

Puc-Rio – Rio de Janeiro, Brazil

Reinaldo Castro Souza is organising a 3 day workshop on Risk, Volatility and forecasting in Energy and Financial Markets. For details and registration contact:

www.webzip.com.br/workshop or email iifbra@ele.puc-rio.br

Workshop on Quantitative Finance, January 25-26, 2007

Department of Applied Mathematics University Ca' Foscari of Venice, Italy

The present edition is the eighth one of an increasingly successful initiative whose aim is to set a common forum of ideas and discussions among researchers and practitioners interested in finance. As in the previous edition of the workshop, we wish to particularly encourage an international participation of young researchers and both theoretical and applied contributions.

We welcome contributions in any of the following subjects:

- Mathematical Finance
- Financial Economics
- Computational Finance
- Econometrics and Statistics of Financial Markets
- Corporate Finance

⇒ Papers (even in preliminary form) should be submitted before November 24, 2006.

⇒ Notification of acceptance will be received by December 23, 2006.

⇒ Each accepted paper will be assigned to a discussant.

⇒ The deadline for Registration is January 14, 2007 (there is no participation fee).

E-mail: wqf2007@unive.it

For further information, please visit the web-site <<http://caronte.dma.unive.it/QuantitativeFinance2007>>

<http://caronte.dma.unive.it/QuantitativeFinance2007>.

Eyeforpharma - Pharma Forecasting Excellence Summit, 8-9th March 2007, Monaco

Eyeforpharma's Forecasting Excellence Summit presents eminent Pharma specialists, and key industry professionals, ready to impart their views and knowledge on the most relevant subjects in Pharmaceutical Forecasting.

The summit will sharpen your competitive edge and refocus your energy on the issues that matter most to you. At the Summit:

- Discover how you can improve your profit margins quickly and effectively despite increasingly restrictive market conditions.
- Leave with a cohesive action plan designed to harness and utilise the inherent potential your business has
- Stay on track with the latest Pharma developments
- Network with a massive 700 industry professionals in two days!

With forecasting now more widespread and standardised than ever, organizations are grasping the importance of accurate predictions to facilitate decision-making strategies. This three-day summit, tailored to meet the specific needs of senior marketing, research and forecasting executives, draws on the experience of

global pharmaceutical companies and discloses how they effectively predict future developments.

Topics covered at the Summit include:

- Up-to-the-minute forecasting methods and practices
- Demand planning
- Financial modeling
- Enterprise forecasting
- The job of the forecaster: a changing role
- Understanding and modeling uncertainty
- In-market forecasting
- New product forecasting
- Long term perspectives on pharma—where are things headed?

For a detailed agenda and information about sponsoring this conference contact:

Richard Bracchi

Via Richard@eyeforpharma.com or

Via +44 (0) 20 73 7203



November 15th - 16th 2006, Doubletree Hotel, Philadelphia PA, USA

Total Market Forecasting in Pharmaceuticals 2006

Register your interest at: www.market-forecasting.com/usa

The first event of its kind in the US, Total Market Forecasting in Pharmaceuticals 2006 will discuss:

- The impact of Medicare Part D
- Putting new methodologies and techniques into practice
- Best practices in building and managing a new product forecasting function
- Dynamics, drivers and direction of the pharmaceutical market

This unique meeting brings you:

- Speaker panel consisting of top experts from manufacturers and biotechs such **Sanofi-Aventis, Johnson & Johnson, Procter & Gamble, Astrazeneca, Amgen, Medimmune, Genzyme** and many more.
- In-depth case-studies allowing you to benchmark your future strategy
- Forecasting techniques, best practices and new developments throughout the industry.
- More involvement, with extra Q&A's allowing you to exchange your views and opinions with your fellow delegates

FORESIGHT readers receive a 10% discount off the conference fee!

For more information visit: www.market-forecasting.com/usa, call us on +44 (0) 20 7753 4268 or email events@vibeevents.com (quoting reference "FOREAD").

The Oracle

Published by:
The International Institute of Forecasters
53 Tesla Avenue
Medford, MA 02155

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The International Institute of Forecasters (IIF) is the preeminent organization for scholars and practitioners in the field of forecasting. The IIF is dedicated to stimulating the generation, distribution and use of knowledge on forecasting. Membership, including a subscription to this newsletter, is USD120.00 for one year, USD40.00 for students.

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