



The Oracle

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of Forecasters

www.forecasters.org
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A Note from the IIF President

Our constitution says that the role of the President is "to carry out all duties required by the Constitution and Bylaws and the Board". The first two turn out to be delightfully vague and the Board so far has not required anything specific. It sounds as though this could be a ceremonial post limited to composing the occasional newsletter item and presiding over the odd meeting. But Lars-Erik Oller, the previous occupant of this post, observed once that the presidency was consuming half of his time. I didn't believe him, though I can say that it often feels that way, and as with many administrative positions, the effort should lead to a greater sense of accomplishment than actually occurs. Part of the reason is the global nature of our Institute, with directors in six countries and activities in two more, and much effort is needed just to keep on top of what is going on. You can't just walk down the hallway and consult, as you would with a colleague. It is therefore a happy state of affairs to find myself temporarily across the hallway from Director Robert Fildes. He it was who assured me that the first draft of this newsletter lacked excitement, so if it now has it, he can claim the credit.

The election for directors of the Institute is just around the corner, and there is an announcement in this newsletter inviting you to submit the names of additional candidates. We are always looking for people willing to volunteer their time to work as directors and if you are interested this is a time to put modesty aside and to contact the chair of the nominating committee, Lars-Erik Oller, yourself.

Elsewhere in this newsletter you will find reports of things that are happening or are being planned in

your Institute. Plans are moving forward for an outstanding Symposium in New York, the most cosmopolitan city in America. Please note that the deadline for abstract submission is fast approaching. Right after submitting your abstract is a good time to register. We have obtained a very good room rate from the Marriott Marquis and its position overlooking Times Square is hard to beat.

In other matters, you may have noticed the new look and closer integration between the IIF website and the forecasting principles website, which is now being managed by Kesten Green and supported more directly by the IIF. Improvements are always possible and sometimes the needs are more easily seen by those not so directly concerned with operation, so if you have a suggestion please send it to Pam Stroud, who is also the webmaster, at forecasters@forecasters.org. And, as you can also see elsewhere in this issue, certification has taken a step forward, with the first IIF-approved program now available. We should all want to increase our knowledge of forecasting methods and practices, and some of us would like formal recognition of our abilities. Certification is intended to provide that recognition.

Finally, I look forward to seeing as many of you as possible in New York, at ISF2007!



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Nominations for IIF Directors



There will shortly be an election of directors of the IIF. The election will take place in March. Retiring directors are: Marcus O'Connor, Eric Stellwagen and Moira Hughes.

Eric and Moira have expressed a willingness to stand again. Accordingly, the list of candidates submitted by the Nominating Committee is Michele Hibon, Moira Hughes and Eric Stellwagen.

As required by Bylaw 3, clause 4, of the Institute's bylaws, I am informing you of the list of candidates and invite you to submit petitions for additional nominations within the next four weeks. Any nomi-

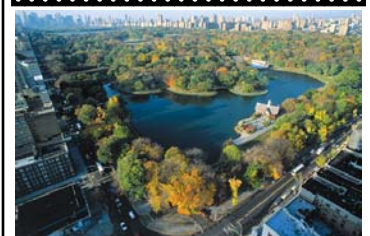
nee must be a member of the Institute and the Bylaw further states that "Such petitions should be supported by at least ten signatures of current members, and a brief biography". For the purposes of this bylaw, an email message from a member nominating a candidate will be regarded as a signature on a petition. After March 1, I will send you information on how to vote in the election and biographies of the final slate of candidates.

The bios for the nominees can be found on page 4 of this issue.

Sincerely,
Geoff Allen

Save the Date!
ISF 2007

June 24—27th
New York City USA





From the Desk of the IIF Business Manager



On behalf of the IIF, I'd like to wish all of our members a very happy new year! The IIF is forecasting an exciting and productive 2007! Let me share some of the events, news and activities we have planned.

The 27th ISF in New York City, June 24-27, 2007 is quickly approaching! This is the premier event for both the IIF and the international forecasting community. We have an impressive array of speakers, an excellent locale in the heart of Manhattan, and an amazing gala event, a dinner cruise around the island of Manhattan. For up-to-date news on ISF New York, visit <http://www.forecasters.org/ISF>

If you haven't visited our new Web site, please take a moment and do so. You'll see improved navigation, visuals and content. We welcome your input on the new design, as well as your ideas for future improvements. A new feature is an area called Job Opportunities, where members can place forecasting-related job openings within

their organizations. Listings can be placed for up to 90 days, and this service is FREE for members. For more information and to post, simply contact me at forecasters@forecasters.org

The IIF Election of Board Members will begin in early March. Nominations are now being accepted – see page 1 for more information. Once the candidates are confirmed, you will have the opportunity to vote at our secure, online site. Stay tuned at <http://forecasters.org/elections.html> for updated instructions on voting procedures.

The Spring 2007 issue of FORESIGHT is in the mail! Len Tashman and his staff always provide us with valuable and stimulating articles – the excellence continues! If you are interested in contributing an article to FORESIGHT, contact Len at lentashman@forecasters.org or visit our Web site.

Don't forget to register for the ISF! I look forward to meeting you all in the Big Apple!

Pam Stroud

News & Publications of IIF Members

Rob Hyndman, Director of the Monash Business and Economic Forecasting Unit in Australia, also IIF Director and IJF Editor in Chief has recently been awarded the Moran Medal for his outstanding contribution to statistical science. The Australian Academy of Science awards the medal, usually every two years, for outstanding research in statistical science by an Australian under the age of 40. The academy's citation says that Professor Hyndman has won the 2007 Moran Medal for "substantial contributions to several areas of statistics".

"The breadth of his research is remarkable for someone of his age. His theoretical and methodological work covers applied probability, time series, statistical inference, forecasting, non-parametric estimation and statistical graphs," it says.

"He has recently proposed a new method for forecasting age-specific mortality curves, which has already had a major impact with all official Australian cancer forecasts now using this method."

Rob will be presented with the Moran Medal at a ceremony in Canberra on 3 May 2007 and our congratulations go to Rob for such an outstanding achievement.

Aris Syntetos (Centre for Operational Research and Applied Statistics, Salford Business School) has recently initiated a Forecasting project funded by the Engineering and Physical Sciences Research Council (EPSRC, UK) 'On the Development of Theory-Informed Operationalised Definitions of Demand Patterns'. The project (EP/D062942/1, £166k) will run for two years with the contribution of one Research Assistant – **Zied Babai** (previously with the Industrial Engineering Department of Ecole Centrale Paris). It is essentially a simulation intensive investigation (theory-data loops) the objective of which is to produce theoretically sound and commercially viable demand classification solutions for forecasting (and stock control) purposes. Qualitative insight and relevant data will be offered by the two industrial collaborators: Computer Sciences Corporation (CSC) and Brother International, UK. The methods used, data and results will

progressively be added on a freely available dedicated web-site run by the University of Salford (to be introduced in the next couple of months). More companies are currently being sought for participation in the project in terms of exchange of ideas and qualitative input. In return, the companies will be supplied, at the end of the project, with reports consisting of tailored-made suggestions. Any enquiries may be addressed to Aris Syntetos at: a.syntetos@salford.ac.uk

Jonathon Karelse, Senior Marketing Analyst with Yokohama Tire, who leads the forecasting activities from the Vancouver, Canada head office, wishes to share the news with other IIF members that after a full business cycle of hybrid forecasting – i.e. statistical baseline with management adjustments subject to correction coefficients – Yokohama Tire (Canada) Inc. has reduced mathematical average forecast error on 1,000 active SKUs by more than 40%, and on some high-volume items by more than tenfold. Any enquiries may be addressed to Jonathon Karelse at: Jonathon.Karelse@yokohama.ca

Irfan Ahmed wishes to report on the Eid Gathering Party given by the Pakistan Statistical Association. Eid-ul-Fitr is a religious festival of Muslims which is celebrated after one month of fasting of the Holy month of Ramadan. The Faisalabad Chapter of Pakistan Statistical Association arranged an Eid Gathering Party in the Department of Mathematics & Statistics, University of Agriculture, Faisalabad on Saturday, the 9th December 2006. Researchers, M.Phil. (Statistics) students, academicians and working statisticians from various departments/institutions attended the party. At this occasion, Mr. Khalid Mahmood, Deputy Director General, Federal Bureau of Statistics, Islamabad delivered a lecture on "Pakistan Social and Living Standard Measurement Survey". He emphasized on designing of questionnaires and Sample Design.



4th International Institute of Forecasters' Workshop

January, 03-05 | 2007
PUC-Rio - Rio de Janeiro | Brazil

Chair: Reinaldo Castro Souza, PUC-Rio - Brazil

The 4th IIF workshop on "Risk, Volatility and Forecasting in Energy and Financial Markets" took place at PUC-Rio (Catholic University of Rio de Janeiro, Brazil) on the first week of January 2007 (3-5/01/07).

The first day (03/01) was entirely dedicated to an 8 hour short course entitled: "System Identification and Forecasting Neural Networks with Applications in Econometrics" taught by Prof. Hans-Georg Zimmermann from Siemens AG, Germany. The two remaining days were dedicated to the actual workshop. A total of 10 papers were presented during the two workshop days. The speakers and respective discussants were:

- Alexandre Pinto Alves da Silva (COPPE, UFRJ), *On Electric Load Forecasting and Neural Networks*. Discussant: Hans Georg Zimmermann (Siemens AG, Germany).
- Antoni Espasa (Universidad Carlos III, Spain), *Eighteen Years Experience in Data Adjustment and Forecasting Daily and Hourly Electricity Consumption*. Discussant: Monica Barros (PUC-Rio, Brazil)
- Emil Pelikan (Czech Republic), *Regional Numerical Weather Prediction Models and their Applications in Energy Consumption Forecasting*. Discussant: Plutarcho Lourenco (CEPEL, Brazil)
- Eric Nowak (University of Lugano), *Omega Based Portfolio Optimization: A Simulation Study on Private Equity Investments*. Discussant: Tara Baydia (PUC-Rio, Brazil)
- Erik Larsen (University of Lugano), *Behavioural Models of Energy Markets*. Discussant: Marina Figueira (PUC-Rio, Brazil)
- Hans-Georg Zimmermann (Siemens AG, Germany), *Price Forecasting in Energy Markets*. Discussant: Alvaro Veiga (PUC-Rio, Brazil)
- Patrick McSharry (University of Oxford), *Wind Power Density Forecasting Using Ensemble Predictions and Time Series Models*. Discussant:

(Continued on page 4)

SAS News

SAS Company News

A new version 1.4 of the award winning SAS Forecast Server software was released in December. SAS Forecast Server provides large-scale automation of the forecasting process through an easy to use GUI. Since its initial release in November 2005, SAS Forecast Server has been adopted by over 100 customers, including CN Rail (<http://www.sas.com/news/preleases/121406/news1.html>) and UK grocer Waitrose (http://www.sas.com/offices/europe/uk/press_office/press_releases/august2006/waitrose.html).

SAS customers can now register for an on-demand e-learning lesson "Viewing and Generating Basic Forecasts Using SAS Forecast Studio 1.4" at http://www.sas.com/apps/elearning/elearning_category_welcome.jsp.

SAS Personnel News

Udo Sglavo, formerly Product Manager for SAS Forecast Server at SAS EMEA office in Heidelberg, Germany, has taken a new role as a member of the Technology Global Practices. In his new position Udo will be responsible for supporting the analytics offering of SAS – focusing on forecasting and optimization. His main task will be to maintain and expand the leadership position of SAS in the area of analytics.

Ed Katz, formerly Solution Architect for SAS Forecast Server for SAS America's Analytics Practice, has taken a new role as a member of the Supply Chain Global Practices. In his new position Ed will be responsible for definition and supporting the Service Intelligence offering of SAS – focusing on finished goods forecasting and supply optimization.

Michael Gilliland, Product Marketing Manager for SAS Forecasting software has written a white paper "The Lean Approach to Business Forecasting" and co-authored "Enhancing Business Intelligence with Forecasting." These along with other SAS forecasting white papers can be downloaded at <http://www.sas.com/ctx/whitepapers/whitepapers.jsp?type=techtocics#1000.1002.0000>.

Michael Gilliland has published "Numbers from On High: Evangelical forecasting may not be such a blessing" in the November 21, 2006 issue of APICS e-News. Mike also presented on the topic of lean forecasting to the APICS Triangle chapter in November.

The January 2007 CRM Magazine cover story "Forecasting a Flap" featured quotes from SAS forecasting product manager Brenda Wolfe and Mike Gilliland (<http://www.destinationcrm.com/articles/default.asp?ArticleID=6541>).





(IIF International Workshop, Continued from page 3)

Lilian M. de Menezes (Cass Business School, England)

- Siem Jan Koopman (Vrije University), *Periodic seasonal Reg-ARFIMA-GARCH models for daily electricity spot prices. Discussant: Cristiano Fernandes (PUC-Rio, Brazil)*
- James W. Taylor (University of Oxford), *Short-Term Load Forecasting in European Countries Using Methods Based on Exponential Smoothing and Principal Component Analysis. Discussant: Marcelo Medeiros (PUC-Rio, Brazil)*
- Maxwell Stevenson (University of Sydney), *Short-Term Temperature Forecasting and its Implications for Network Load Management. Discussant: Luiz Felipe Amaral (IEPUC, Brazil)*

In addition, a round table was organized in the afternoon of the

second day where the speakers (all of them professionals in the electric sector in Brazil) had 15 minutes to present their experience on load forecasting), followed by an open discussion among the participants.

There were 43 participants in the short course and 77 in the workshop. We had full house on both days of the workshop and the audience was mainly composed of graduate students, university lecturers and professors and practitioners from various Brazilian private and public electricity companies.

As a final word, the participants evaluated very positively the workshop, particularly the level of the presentations, the depth of the discussions and the general organization of the event. It was also announced by Dr James Taylor and Dr Antoni Espasa that the papers presented at the workshop will by refereed for possible publication

IIF Board of Directors, Nominees

Michèle Hibon is Lecturer and Senior Research Fellow at Insead, France, in the department of Decision Sciences. She has been working in the field of forecasting for many years, and conducted with Spyros Makridakis the M-, M2, and M3 competitions which have become a reference since then and have been used by many forecasters. She has published several papers in the IIF; most of them have reached a high number of citations.

Spyros and Michele's paper on M-competition received the award of the favorite paper over 25 years at the 25th International Symposium on Forecasting, in San Antonio, in June 2005.

IIF Board of Directors Statement of Activity

My research focuses on accuracy of forecasting methods and I am initiating a new forecasting competition on Transportation data.

I attended most of the 26 past ISF meetings, and I am a member of the organizing committee of ISF'08 which will be held in Nice, France.

The symposia give a great opportunity of sharing knowledge in the forecasting field. Planning and Organization of symposia are my proposed contributions to IIF.

I also wish to spread the interest to our institute in France, at a larger scale.

Moirá Hughes is a Senior Lecturer in Statistics in the School of Accounting, Economics and Statistics at Napier University, Edinburgh. Having gained a BSc (Hons) in Mathematics at Edinburgh University and a

PhD in forecasting from Napier University, she has actively been involved with the IIF both in terms of research and conference organisation for many years. She has co-organised the 18th International Symposium on Forecasting held in Edinburgh, Scotland in 1998 and the 22nd International Symposium on Forecasting held in Dublin 2002. She is currently serving her first term (2002-2007) on the IIF Board of Directors. Her duties include acting Secretary to the Board and editor of the Oracle newsletter.

IIF Board of Directors Statement of Activity

I will continue to support the Board in terms of secretarial duties. The Oracle newsletter provides IIF members with news about other fellow members, new forecasting activities and initiatives, conferences and workshops and much much more, and I will be happy to continue as editor if re-elected onto the Board. Having helped organise two symposiums in the past, I also see my role as advising on future symposiums and helping to make the future ISF's as successful and enjoyable as they have been in the past.

Eric Stellwagen is the CEO and co-founder of Business Forecast Systems, Inc., a market-leading firm focused on providing software solutions and education to business forecasters. He is the co-author of the Forecast Pro software product line which is currently in use at more than 25,000 companies worldwide. He consults widely in the area of practical business forecasting, spending 20-30

days a year presenting workshops on the subject, and has worked with many leading firms including Coca-Cola, Kraft, Merck, Nabisco, Owens-Corning and Verizon. He has presented seminars and workshops under the aegis's of many groups including the Institute for Professional Education, the American Production and Inventory Control Society, the University of Wisconsin, the University of Tennessee, the Institute for Business Forecasting, the World Research Group, the International Institute of Research, the Electric Power Research Institute, the International Communications Forecasting Association and the International Institute of Forecasters. Eric received his B.A. in Mathematics from Oberlin College in 1984 and has spent the last 23 years working in the field of business forecasting.

IIF Board of Directors Statement of Activity

I feel that I bring a needed business perspective to the board of directors and have focused my efforts to date in two primary areas. The first is marketing the IIF as an organization, with a particular emphasis on practitioner outreach and membership recruitment within the business forecasting community. The second is working to improve, formalize and document IIF's business operations to facilitate continuity of routine operations within our constantly changing organization. I am also currently serving as Treasurer and if re-elected would be happy to continue doing so.





Certification Program for Forecast Practitioners

Announcing a New IIF Educational Workshop

Get Your Career Off Right! Earn a Professional Certification for Forecasting and Demand Planning
CPDF: "Certified Professional in Demand Forecasting"
Attendance is limited and seats fill up fast...register now!

Knowing the basic "ins and outs" of demand planning is critical for any business. At a CPDF Certification Workshop, you'll hear from the most experienced forecasting practitioners and enjoy an interactive, hands-on learning experience. Whether you are new to demand planning or not, you will gain valuable information that will benefit your company and you in your career.

For professionals with specific functional experience, the CPDF Certification Workshop provides insight into all the facets of demand planning, from data sourcing and structuring forecast data, analyzing forecasting models to creating a final forecast for Sales & Operation Planning. For people who are new to the field -- at either managerial or operational levels -- the scope and perspective of these courses are indispensable.

Who Should Attend?

- Newcomers to the demand planning management field
- Experienced professionals who'd like to increase their forecasting knowledge
- Executives from other corporate areas who've been placed in positions that now manage demand planning activities

What You'll Learn

Using an interactive workshop structure, you'll define the demand planning and forecasting cycle and its significant impact on all aspects of business and gain an understanding of how all the components of the Sales & Operations planning process work together.

You'll cover the following units:

Identifying Customer Needs	Creating Forecasting Models
Analyzing The Business Environment	Advanced Modeling Approaches
Creating Drivers of the Forecasting Process	Selecting Appropriate Techniques
Identifying Sources of Data	Using Accuracy Measures
Demand Forecasting – A Structured	Evaluating Forecasts, Models and Forecasters
Displaying and Summarizing Time Series	Creating Forecast Ranges
Approaching Regression Models	Creating the Final Forecast Numbers
Documenting and Communicating	

What is CPDF Certification All About?

The CPDF qualification will address multidimensional roles in product/service demand forecasting such as data validation, database management, data display, quantitative and qualitative projection technique creation, model execution, forecast accuracy measurement, model and forecaster performance analysis, organization, and collaborative planning.

A certification can be earned at three levels:

BASIC – completion of Basic Curriculum (65 classroom hours/50 independent hours).

MASTER – completion of Basic + Intermediate Curriculum (additional 35 classroom hours/25 independent hours) – one case study.

ELITE – completion of Basic + Intermediate + Advanced curriculum (additional 15 classroom hours/10 independent hours) – one case study and one self-administered exam - IIF Certificate of Forecasting Practice.

For more details on the complete CPDF Certification program, go to www.forecasters.org or www.delphus.com



DELPHUS



Forecasting Crime, Draws on Social Science Theories

Paper Published by Wilpen Gorr
H. John Heinz III School of Public Policy and Management
Carnegie Mellon University



My co-authors (Jacqueline Cohen and Andreas Olligschlaeger) and I have just published "Leading Indicators and Spatial Interactions: A Crime-Forecasting Model for Proactive Police Deployment" in *Geographical Analysis* (January, 2007, Vol. 39, Issue 1). It's not the first paper to use both time and

space lags in a forecasting model, but it does draw very nicely, we think, on theoretical models of crime to produce a successful, short-term, causal forecast model that police can use for crime prevention. I think that you'll enjoy reading about how social science theories informed forecast model building in this case—the theories are fascinating and informative.

Let's start with the time dimension. "Broken windows" is one of the better-known theories of crime. It suggests that tolerated minor incivilities and infringements on the law, and physical signs of decay and disorder in a neighborhood—such as abandoned cars and broken windows—send signals to criminals of a good place to be. Police are not doing their job well and inhabitants are not being vigilant, so criminals are less likely to be caught in such a neighborhood.

The implication of this theory is that crimes "harden" over time, starting with lesser crimes and later turning to serious crimes. Thus, lesser crimes should lead serious crimes—and it's serious crimes that police most want to prevent. So, for our crime forecasting research we set about identifying lesser crimes that might be good leading indicators of serious crimes with the help of four crime analysts in two different police departments. Simple assaults, emergency calls for shots fired and illegal drug dealing, disorderly conduct, public drunkenness, and other lesser crimes made the list for murder, aggravated assault, robbery, and rape. We proceeded to build panel models to forecast serious violent crimes and also serious property crimes across neighborhoods with time lags of the lesser crimes in the same neighborhoods.

Now, let's turn to the spatial dimension. For our purposes, we wanted to draw on spatial theories of how different neighborhoods interact in regard to crime. We found two opposing theories—crime displacement and crime attraction. Police and researchers have long worried that crackdowns and enforcement in one area merely displace criminals and crime to other areas. A related literature on travel time or distance to crime locations by criminals suggests that displacement will not be far, when it occurs. This finding also applies to the opposite effect of crime attractors, that criminals generally do not travel far to opportunities. Besides neighborhoods with "broken windows", there are other crime attractors; for example, bars and taverns, holiday shopping areas, rock concerts, and so forth. We thus devoted a good deal of research time to identifying the smallest areal units that still have enough observations to yield reliable-enough coefficient estimates in our models while being small enough to capture spatial interactions.

We reasoned that spatial lags of lesser crimes would be good indicators for both crime displacement and attraction. For a given neighborhood, we sum the number of lesser crimes in contiguous or surrounding neighborhoods for various time lags to produce space lags. The lesser crimes are data collected as police offense reports and emergency calls for service; hence, enforcement takes place and displacement is a possibility. If displacement is the result, the estimated coefficients for space lags are positive, increasing crimes in a neighborhood. If crime attraction in adjacent neighborhoods is the operant behavior, then the estimated coefficients for spatial lags is negative, decreasing crimes in a neighborhood. Turf and rivalries between newly displaced or attracted criminals and pre-existing criminals in an area are factors leading to serious crimes.

In our estimated models, we found that some significant spatial lags of crimes are consistently indicators of displacement and others are attractors, and that these make sense. Moreover, we found that our models were surprisingly successful at forecasting large crime increases. If our leading indicators jumped up, then about a third to half the time the serious crimes would jump up next month as forecasted. The spatial lags fine-tuned these forecasts for local conditions. Note that police are used to working on leads, many of which do not pan out. So, the ability to accurately forecast large crime increases some of the time is valuable. Also note that we did a careful comparison with straw man and competitive methods.

We have found no other crime forecasting model in our own comparative research or elsewhere that is successful at all for serious violent crimes—the most important case for police. These crimes had been unpredictable. It turned out that our multivariate forecast model is quite strong for serious violent crimes, even better than that for serious property crimes. Also, a feature of serious violent crimes that usually makes them hard to forecast is to their advantage using our model: Serious violent crimes are about an order of magnitude less in volume than their leading, lesser crimes. (Serious property crimes are about the same order of magnitude in volume as their leading indicators, so the theory does not help as much in that case.) This brings another crime theory comes into play. The "routine activities" theory suggests that for the most part crime isn't planned, but just happens. When new criminal actors move into an area, they bring all of their bad habits and behaviours with them and commit a wide range of incivilities and crimes when opportunities arise and guardianship is low. By chance alone, the first crimes seen are thus lesser crimes, simply because they are so numerous. Then, with a much smaller overall chance of occurrence, serious violent crimes occur later. This makes the leading aspect of our lesser crimes perform better in this case.

One last note is on the nonlinear aspect of our models. Our early research on the leading indicator models used our home-grown, research-version, highly-tuned neural network software—it produced the excellent forecast results in the *Geographical Analysis* paper, clearly dominating linear models and other methods. I've switched to commercial software in ongoing, follow-up research, using Neuralware's Predict package. At the push of a button, Neuralware Predict finds a good nonlinear specification and makes slightly more accurate forecasts than our research software. So I recommend this package

(Continued on page 7)



(Forecasting Crime, Continued from page 6)

because it can be implemented easily by police or other practitioners. See <http://www.neuralware.com/>. Talk to Jack Copper at +1 412.278.6280 who has been really helpful (I don't own stock in the company or get any commissions!).

In summary, I am happy to say that social science is at work in crime forecasting, drawing on both time and space contexts. I'm also very pleased to have had considerable financial support from two grants awarded by the National Institute of Justice, Office of Justice Programs, U.S. Department of Justice to work on crime forecasting models. Stay tuned to my Web page, CrimeForecasting.org on Scott Armstrong's ForecastingPrinciples.com Web site for developments.

Research Program on Forecasting

The Research Program on Forecasting supports research, teaching, and dissertation supervision in forecasting as part of the Department of Economics and the Centre for Economic Research at The George Washington University. The current research interests of program members include a wide range of studies on the methodology of forecasting and forecast evaluation as well as preparation of macroeconomic and microeconomic forecasts. In addition, program members have supervised dissertations that focus on the theory and application of forecasting.

For further details see: <http://www.gwu.edu/~forcpgm/>.

New Forecasting Competition — A Reminder

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> (T-competition)

For any inquiries, please contact Michèle Hibon at

michele.hibon@insead.edu.

You can submit forecasts for a subset of series in order to enter the T-competition.

If you choose to forecast some categories of series rather than others, you will need to explain why.

Note that the deadline for submitting your forecasts have been extended to February 28, 2007

Books for Review

The following list of books are currently available for review in the IJF. If you would like to review any of these books please email Dick van Dijk at djvandijk@few.eur.nl

Applications of Artificial Intelligence in Finance and Economics (Advances in Econometrics Vol. 19), J.M. Binner, G. Kendall and S.H. Chen (eds), JAI Press, 2005, hardback, 246 pages. ISBN 0-7623-1150-9.

Econometric Analysis of Financial and Economic Time Series - Part B (Advances in Econometrics Vol. 20), Dek Terrell and Thomas B. Fomby (eds), JAI Press, 2006, hardback, 378 pages. ISBN 0-7623-1273-4.

Modeling and Forecasting Electricity Loads and Prices – A Statistical Approach, Rafal Weron, John Wiley & Sons, 2006, hardback, 192 pages. ISBN 0-470-05753-X.

Modern Linear and Nonlinear Econometrics, Joseph Plasmans, Springer-Verlag, 2005, hardback, 382 pages. ISBN 0-387-25760-8.

Why Stock Markets Crash: Critical Events in Complex Financial Systems, Didier Sornette, Princeton University Press, 2005, paperback, 421 pages. ISBN 0-691-11850-7

Nonparametric Econometrics: Theory and Practice, Qi Li and Jeffrey S. Racine, Princeton University Press, 2007, hardback, 768 pages. ISBN 978-0-691-1261-1.

The Economics of Financial Markets, Roy E. Bailey, Cambridge University Press, Cambridge, 2005, paperback, 528 pages. ISBN 0-521-61280-2.



Call For Papers

The 22nd European Conference on Operational Research (EURO 22)

Prague, July 08 – 11, 2007

Main Stream: Production Management and Supply Chain Management

Call for Papers for the FORECASTING Stream

The European Conference on Operational Research (EURO) is being held this year in Prague on 8th – 11th of July. Under the main stream 'Production Management and Supply Chain Management' there is a dedicated stream on demand/sales **forecasting** for planning and control of the supply chain being organised and contributions are invited in this area. Abstracts may be submitted electronically, by the 28th of February, 2007 at: <https://www.euro-online.org/euro22/display.php?page=welcome>

Should you have any enquiries please feel free to contact:

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Aris A. Syntetos, Centre for Operational Research and Applied Statistics, Salford Business School, UK

Tel. No. + (44) (0) 161 2955804; e-mail. a.syntetos@salford.ac.uk

The 49th Conference of the UK Operational Research Society (OR 49)

Edinburgh, September 04 – 06, 2007

Call for Papers for the Stream on FORECASTING AND INVENTORY MANAGEMENT

There is a dedicated stream on 'forecasting and inventory management' in the forthcoming 49th National Conference of the UK Operational Research Society, and the organisers would like to invite theoretical and/or empirical contributions in this field. If you wish to present a paper in this stream, you may submit your abstract electronically at:

http://www.orsoc.org.uk/conference/papersubmission/conference_submit.asp?cid=14

sending also an e-mail to either of the organisers. If you would like to submit an abstract but are not ready yet to do so, then please get in touch with either of the organisers below:

John E. Boylan, School of Business and Management, Buckinghamshire Chilterns University College

Tel. No. + (44) (0) 1494 605130; e-mail. john.boylan@bcuc.ac.uk

Aris A. Syntetos, Centre for Operational Research and Applied Statistics, Salford Business School

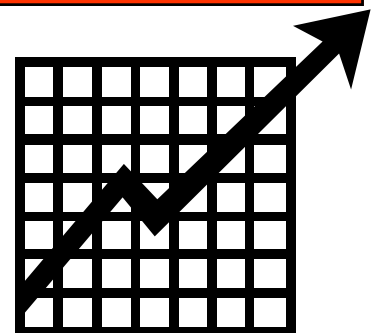
Tel. No. + (44) (0) 161 2955804; e-mail. a.syntetos@salford.ac.uk

Forecasting Events

One Day Meeting on Economic Forecasting - 16 March 2007

The Department of Economics, Oxford University, are holding a one day meeting on Economic Forecasting, on 16 March 2007.

If you would like to attend, or have any questions, please contact Jennifer Castle (jennifer.castle@nuffield.ox.ac.uk)





International Symposium on Forecasting

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. 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 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, Herman Stekler, Allan Timmermann, Victor Zarnowitz and Arnold Zellner.

REGISTRATION:

[Registration](#) for the conference is well underway. Register before May 1st and enjoy the member benefits of early registration.

CALL FOR PAPERS:

Papers on all aspects of forecasting are welcome. 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.

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

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

TRAVEL AWARDS:

As in previous years, the IIF will grant several travel awards to enable people from all over the world to attend the International Symposium on Forecasting. These awards are intended to supplement other sources of funding and do not typically cover all expenses. They are primarily for students in the area of forecasting and secondarily for non-student forecasters.

The deadline for electronic submission of travel grant applications is March 1, 2007. Applicants will be notified by April 12, 2007 of the decision on their submission. To learn more about this opportunity, go to <http://www.forecasters.org/isf/fin-support.html>

ISF General Chair, [Kajal Lahiri](#)

Program Chair [Terrance Kinal](#)

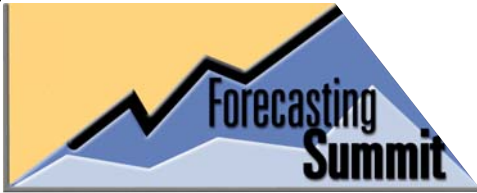
Financial Forecasting in a Global Economy

Register by May 1st and SAVE!
Visit www.forecasters.org/ISF





Forecasting Events, contd.



Forecasting Summit 2007

www.forecasting-summit.com

Presented in cooperation with the IIF, the Forecasting Summit is THE conference where forecasters can learn from both fellow forecasters and world-class forecasting experts. The Summit brings together forecasters from a wide range of industries and

disciplines to hear about best practices, learn about the latest research, acquire new skills, gain insights for dealing with real-world forecasting issues, and exchange ideas and share knowledge about forecasting. The conference is presented two times a year.

The first conference of 2007 is just around the corner: **February 12-14, at the Disney BoardWalk Inn in Orlando, Florida, USA.** Professor Arnie Barnett of MIT Sloan School of Management will kick off the conference with the keynote address "Where Are We Going? Some Pathways to Successful Forecasts."

The next Forecasting Summit will be held **September 17-19, 2007 at The Seaport Hotel in Boston, Massachusetts USA.**

For further information, visit www.forecasting-summit.com



SAS Forecasting Events

- In November 2006, Professor Paul Goodwin of Bath University delivered the webcast "Suspend Your Judgment! Eight Reasons to Trust Statistical Forecasting" on BetterManagement.com. The webcast is archived and available for free review at <http://www.bettermanagement.com/seminars/seminar.aspx?l=14252>.
- SAS will be exhibiting at the upcoming Forecasting Summit (Orlando, February 12-14, <http://www.forecasting-summit.com/>). Attendees can view a demonstration of SAS Forecast Server, or attend presentations by SAS Forecasting customers Union Pacific Railroad and the U.S. Coast Guard.
- SAS will be exhibiting at the upcoming IBF Supply Chain Forecasting Conference (Phoenix, February 25-27, <http://www.ibf.org/conferences.cfm?fuseaction=conferenceDetail&conID=172>). Michael Gilliland will be speaking on "Worst Practices in Business Forecasting" with Mary Cote, Supply Chain Planning Manager, Cavendish Farms. Mike will also be facilitating a roundtable discussion on Consumer Products forecasting.
- Michael Gilliland will be facilitating the 5th Annual Consumer Products & Retail Forecasting Forum, in conjunction with the

IBF Best Practices Conference (New Orleans, April 25-27, www.ibf.org). In addition, Mike will be speaking on "What is Best-in-Class Forecasting?" with Scott Roy, Director of Demand Planning at Wells Dairy.

- SAS Institute will be hosting the **F2007 Business Forecasting Conference June 4-5, at SAS Headquarters in Cary, NC.** The inaugural F2006 event drew nearly 350 forecasting professionals across a broad range of industries, government, and academics. Attendees are invited to attend post-conference training June 6-8. The conference will include six keynote speakers and 18 session talks covering practical applications, methods, tools and successful case studies in business forecasting.

Keynote speakers include:

Hans Levenbach, Delphus, Inc.

Tom Mentzer, University of Tennessee

Eric Stellwagen, VP and Co-Founder, Business Forecast Systems, Inc.

Len Tashman, Managing Editor, Foresight Magazine Charles Chase, Noted Corporate Forecaster, Independent Consultant

For updated information on speakers, registration, training and conference events, please visit our

Web site, www.sas.com/f2007.





Forecasting Events, contd.

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 phar-

maceutical 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



The 2006/07 Forecasting Competition for Neural Networks & Computational Intelli-

Objectives

Forecast a set of II or III time series as accurately as possible, using methods from computational intelligence and a consistent methodology. We hope to evaluate progress in modelling neural networks for forecasting & to disseminate knowledge on "best practices". The competition is conducted for academic purposes and supported by a grant from SAS & the International Institute of Forecasters (IIF).

Methods

The prediction competition is open to all methods of computational intelligence, incl. feed-forward and recurrent neural networks, fuzzy predictors, evolutionary & genetic algorithms, decision & regression trees, support vector regression, hybrid approaches etc. used in financial forecasting, statistical prediction, time series analysis

Publication of Results

In order to facilitate interdisciplinary research & submissions from different academic disciplines, the results will be presented at various conferences in 2007 at various locations in Europe, USA and Asia and in different disciplines of neural

networks, engineering, computer science, management, statistics and operational research in order to limit a publication & submission bias through disciplines, locations and submission timing. Authors may choose to attend one or more conference workshops, where the approaches are presented. All those submitting predictions will be invited to participate in sessions at the International Symposium on Forecasting, ISF'07, New York, International Joint Conference on Neural Networks, IJCNN'07, Orlando (pending), International Conference on Data Mining, DMIN'07, Las Vegas (pending) and / or a European and Asian conference yet to be agreed. Each workshop will provide numerous best paper & best submission awards by dataset for students and non-students. All submissions will be invited to submit papers to the conference special sessions and a full publication in an edited book "Advances of Neural Forecasting", subject to acceptance (pending). The most successful authors will be invited for a joint submission to the highly acclaimed International Journal of Forecasting (ISI SCI, DBLP etc. indexed).



Forecasting Events, contd.

OxMetrics™ in Washington, DC



2 - 11 April 2007

Timberlake Consultants, the publisher and distributor of OxMetrics™ would like to invite you to attend the following events. This is a rare opportunity to meet and listen to four of the main developers of OxMetrics™.

OxMetrics™ is a modular software system providing an integrated solution for the econometric analysis of time series, forecasting, financial econometric modeling and for the statistical analysis of cross-section and panel data. The OxMetrics modules are: Ox Professional™, PcGive™, STAMP™, G@RCH™, PcGets™ and TSP/GiveWin™. Four of these modules (PcGive, STAMP, G@RCH, OxProfessional) have been grouped in a single product OxMetrics Enterprise Edition™.

OxMetrics Enterprise Edition™ is a single product that provides a very powerful and cost effective tool for modeling work. Some unique features in the OxMetrics software are:

- Ease of use coupled with the power of an object-oriented programming language
- Autometrics - automatic variable selection
- Rotational 3D graphs
- Support for most languages
- Easy integration in user applications

FREE Seminar - 6 April 2007:

Introduction to OxMetrics™ 4 - The new generation of OxMetrics™

Seminar Program

Presentations by OxMetrics Developers

- OxMetrics 5 - The new generation of OxMetrics (Jurgen Doornik)
- Automatic Econometric modeling with OxMetrics (David F. Hendry)
- The new Multivariate STAMP 8 (Siem Jan Koopman)
- Developments in G@RCH (Sébastien Laurent)
- Autometrics in PcGive 12 (Jurgen Doornik)

Presentations by Users

- Constructive Data Mining with OxMetrics (Neil Ericsson, Federal Reserve Board)
- Modeling Energy with OxMetrics (Fred Youtz, GWU)
- A report on Forecasting the Peromyscus maniculatus Population in the Northwestern United States (Robert Yaffee, NYU)

COURSES

No experience with OxMetrics is required, but a reasonable level of econometrics will be assumed. Computers are available for practice work. Participants are invited to send their own data in Excel format prior to the start of the course.

Econometric Modeling using PcGive™ - 2 April 2007

Jurgen Doornik - The objective of this course is to allow the user to make effective use of the many facilities of the OxMetrics system and PcGive. Some hands-on experience forms part of the course. This course covers Dynamic Econometric Models, ARFIMA, G@RCH and the use of Autometrics™ (automatic selection of variables).

Forecasting and Analysing Time Series using Kalman filter methods within OxMetrics™ - 3-5 April 2007

Siem Jan Koopman - This course aims to provide a thorough understanding of structural time series models, unobserved components, state space, the Kalman filter, signal extraction and forecasting. The course also pays attention on how to interpret and report results using the STAMP™ and SsfPack™ software packages. However, you do not need to be a STAMP™ user. Developers of other software packages, e.g. EViews™, ForecastPro, have followed the work done by the STAMP™ and SsfPack™ developers when implementing this type of models.

OxProgramming - 4-5 April 2007

Jurgen Doornik - The objective is to provide sufficient training to allow the participants to start writing their own Ox programs. No prior programming experience is required.

Modeling and Forecasting Volatility with G@RCH models - from Theory to Practice - 9-11 April 2007

Sébastien Laurent - The course aims to provide the background on financial econometric modeling methods and demonstrate, using financial data, how to interpret and report the results. The course will cover Univariate and Multivariate G@RCH models and will also show how to analyse high frequency time series, including intradaily (Realised volatility).



TIMBERLAKE CONSULTANTS LTD

Further details and registration from Timberlake Consultants US office
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Websites:

<http://www.timberlake.co.uk>
<http://www.timberlake-consultancy.com>



Forecasting Events, contd.

The 2007 Budgeting and Forecasting Masters Summit June 7-8, 2007 Arlington, VA USA

This event will feature top industry speakers and comprehensive and interactive best practice sessions. From rolling forecasts to rule-based forecasting, learn the best methodologies to develop a winning forecasting strategy. Receive an in-depth and hands on look into the way leading organizations deploy cutting edge budgets and methodologically- advanced forecasts.

Top Five Reasons You Can't Miss This Year's Summit:

1. **Accurately** Budget and Forecast for Precision Financial Management
2. **Identify** Forecasting Methods and Tricks to Enhance Your Company
3. **Facilitate** the Process of Transitioning from Traditional to Rolling Forecasts
4. **Manage** and deploy financial resources more effectively
5. **Maximize** the Efficiency and Accuracy of your Budgeting Process



Website: <http://www.asmiweb.com/events/b198.html?Source=fore&Campaign=b198>

Contact (To Register or Exhibit)

Paul Rogers
PRogers@ManagementWeb.org
858-874-6876

Special Discount!: IIF Members receive 20% off . Please mention code B198-IFF when registering.



The Oracle

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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, USD55.00 for students.

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