effects, these models are commonly used to examine such wide-ranging topics as the relationship between dose–response relationships in medicine, human capital losses from war, and the effectiveness of job training.

This book is a major contribution to econometrics and social science research because of its thorough coverage of nonparametric and semiparametric methods as they apply to economic models and other social science models. More importantly, this book makes clear much new material relating to discrete data. Even econometricians with little or no background in nonparametric methods could apply these methods to their research. It contains specifics that clearly spell out the steps to implement these methods, and many of these methods were recently implemented in an R package. Consequently, researchers can now easily apply these nonparametric and semiparametric methods in their empirical research. Each of the chapters includes exercises which can easily be integrated into graduate courses in econometrics, but it will be most useful to researchers in econometrics who need a thorough survey of the nonparametric and semiparametric literature.

As the title implies, this book does contain theory, and many of the difficult proofs are relegated to the appendix of each chapter. Each of the chapters provides examples to illustrate the methods used in the chapter, and often these applications are from other areas of the social sciences. Providing a broad range of applications shows the potential applications of these methods to areas other than economics.

The authors have done a remarkable job in providing a thorough presentation of the myriad of nonparametric and semiparametric methods useful in econometrics and the social sciences.

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Sales Forecasting: A New Approach, Thomas F. Wallace, Robert A. Stahl. T.F. Wallace & Co., (2006). ISBN: 0-9674884-1-9 (paper), $44.95, 166 pages

This is a book aimed squarely at company-based practitioners, with no glances from the authors as to possible academic readers. To justify its subtitle of 'a new approach', the authors emphasize the importance of teamwork and process improvement rather than formulas and forecast accuracy. After an introduction stressing why companies need to be concerned with forecasting and how difficult it is to avoid, the second chapter briefly discusses accountability, locating the organisational ownership of the sales forecasts firmly with the sales and marketing departments. Chapter 3 discusses the process of producing a final forecast based on various customer categories and the economic and market influences that affect sales. The conversion of these inputs to a forecast the authors see as arising from people, software (including statistical models), and a structured process. Accuracy is then discussed, with illustrations as to why it is difficult to judge forecasting performance using MAD as a measure. "Stamp out bias", the authors add (a discussion point on their Amazon site, I note). Practical issues such as the level of detail required when forecasting, and the organisational linkages between forecasting, master scheduling and demand management occupy much of the rest of the book. The final substantive chapter is on implementation. The appendix includes a limited list of software companies and an introduction to simple exponential smoothing.

The one thing the book does quite well is focus on some of the practical issues faced by organisational forecasters. The principles the authors offer are mostly sensible. Many company forecasters seem to have the forecasting baton thrust upon them with no hint of training. A reader with just such a task would recognize many of the issues s/he faces in producing a forecast. A naïve student carrying out a project would gain some insight into the messy world of demand forecasting. However, neither would learn very much. Some of what they read would be misleading and inadequate. The book's failure to offer an elementary analysis of trends and seasonal factors, helpful graphs, or the role of judgement are examples of its serious limitations.

Like so many companies I visit, the authors nowhere recognize that a forecaster needs some training in statistics, and that poor software, using poor models (they offer no useful guidance as to effective software), will lead inevitably to bad results. Nor does their reference list point the way to any aspiring reader — one wonders whether the authors themselves have made any attempt to keep up, beyond attendance at APICS; a poor role model for the reader. The one technical issue they do get right is their stress on process improvement. But again, we need to know how to measure it and the authors don't tell us. So who should buy this book? It is of value to educators of demand forecasters (I am one), but it shouldn't be used by the students, as it misses out too much of what is important.

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