# Important developments –including a new practitioner journal.

The IIF reminds you of its existence when Oracle appears in your e-mail, when four times a year the IJF drops down on your desk, and of course once a year when we meet somewhere in the world for an ISF, such as the wonderful city of Sydney. Thanks Michael Lawrence & Co. once more for an excellent conference and the new forecasting song! (See page 5.)

But to keep the activities going the Directors are working almost daily on IIF issues. When I was first elected to the Board in 1993, there was no e-mail and the Board had a 2 hour afternoon meeting the day before the ISF started. Soon the meeting expanded, eventually flowing over to the next day. In Sydney, the Directors devoted one and a half days to discussing IIF issues and making decisions. But not even that was enough to deal with all the matters that demanded our action. It was decided to hold an extra Board meeting in Boston on September 25-26. When you get this Oracle, the Board is holding an electronic meeting to discuss the decisions made in Boston, a necessary step because we were one short of a quorum.

Why then this bubbling activity? The answer is that IIF is becoming a mature international association with ambitions to become even better. The main reason for meeting in Boston was that in Sydney we decided that we have to reach out to practitioners better then before. We came to the conclusion that IIF has the necessary intellectual and material resources to start a new journal, explicitly directed toward forecasting practitioners. There are lots of them out there and they don't get much support, ideas and encouragement from experts. Recall that the IIF was once founded on the principle of building a bridge between the academic and the practical worlds. I am happy to announce that a mock-up of a first issue of the journal already exists. The final product will be distributed at ISF 2005. You are kindly invited to help us to find a good name for the journal, now using the pseudonym IIFPJ. In particular, I'd like to encourage all of you to write for this journal and send your paper to Len Tashman (lentashman@compuserve.com). But, please, save the Greek alphabet for the IJF! Len is volunteering as Editor for 2005. Thanks Len! **(continued..**

The new publication raised the question of general layout of IIF journals, brochures, websites, etc. It should be easy for anyone to see that they are all IIF products. Now it isn't much more than the 'I' in the acronyms. Ann McLaughlin, who planned the IIFPJ layout, was asked to supply a cost estimate for doing the job.

The IIF is finally getting a convenient web address: forecasters.com. If it isn't working now, it will very soon. It was also decided to develop the website. A link to the CIRET Institute will be introduced and CIRET will add ours on their site. We have much in common, but slightly different geographical distribution of membership, so hopefully both will profit. The IIF is supporting Scott Armstrong's website and its further development. If you haven't visited his site yet, go to http://www.forecastingprinciples.com.

Our reach to the scientific community has also improved. Last year we started IIF Workshops -small conferences with a theme- for invited researchers. Now there is a list of willing organizers of workshops. The next will be on demographic forecasting and will be held in July 2005 in Salamanca, Spain. If you are prepared to organize a workshop, North Americans, please contact Benito Flores (BFlores@CGSB.TAMU.EDU); for the rest of the world, Antonio Garcia-Ferrer (Antonio.Garcia@uam.es) is in charge. As yet, we have no offers from North America.

I signed a new contract between the IJF and Elsevier in Boston. The contract includes some improvements for the IIF. It expires on December 31, 2009. Don't forget to submit your good work to the IJF.

For a long time now we have been planning to grant the right to selected universities to issue a Forecaster's Certificate. The IIF would provide the curriculum and the universities would take care of teaching and examining. The certificate would be issued in the name of the IIF. I foresee progress on this issue.

All this work has been done on a voluntary base. But there is a limit to how much can be accomplished by people using their spare time or time during which they are paid to do something else. With almost exponential growth in work load the Board decided to find out if a part-time manager could be hired to take care of some of the duties.

Herman Stekler has resigned from the Board as of November 1, 2004, due to health reasons. His term would have expired on April 30, 2005. Thanks Herman for an outstanding service to the IIF! We look forward to seeing you at ISFs and reading about your research in IJF!

The Editor of Oracle, Paul Goodwin is Herman's successor until the end of April 2005. Welcome on Board Paul!

See you all next year in San Antonio, TX.

Your President                                                                                                          **Lars-Erik Öller**

## From Your IIF Membership Secretary, Geoff Allen

This is the first ORACLE of the new membership year and a chance to welcome all new members, and those who rejoined after an absence. There are some delays in receiving the membership list from an ISF, entering it into our database, and transmitting the batch of names to Elsevier, as they have asked us to do. We have almost completed that task, so rest assured that your copy of the latest issue of the International Journal of Forecasting will shortly be on its way to you. If you record your customer ID number from off the wrapper of the *Journal*, you will be able to access the electronic version on-line, both forthcoming issues, before they are printed, and past issues. Once you have the number, simply go to the website at https://cs.sciencedirect.com/activate/intfor/members  and follow the instructions there.

If you were a member of the IIF in the year that ended June 30, 2004, then issue number 3 of the *Journal* will be the last one you will receive. To avoid a break in your subscription, please renew your membership for the 2004-05 membership year. If you cannot find the membership form we sent you, or if you never received it, you will find one at  http://www.ms.ic.ac.uk/iif/institute/application/application.htm
We can accept credit card payments (VISA® and MasterCard®) though at this time you will need to print then mail or fax the completed form (to the address or number on the bottom of the form). We are currently investigating on-line registration and the security issues that go with it.

Finally, if you have problems, particularly if you have not been receiving issues of the *Journal* that you were expecting, please let us know (allen@resecon.umass.edu or talenda@resecon.umass.edu ) That is the only way we know there is a problem, and we will be happy to get to the bottom of it

**Geoff Allen**

## Transportation forecasting –special issue of journal

The Bureau of Transportation Statistics (BTS), an agency in the U.S. Department of Transportation, is pleased to announce that the BTS Journal of Transportation and Statistics (JTS) will be publishing a special issue on transportation forecasting, which should become available in November 2004.  The co-editors of this special issue are familiar names to the IIF community:  Keith Ord (Georgetown University) and Peg Young (BTS).  The topics within this issue of JTS encompass both air and surface transportation, both time series and econometric models, both U.S. and international topics.

If you wish to get a copy of this issue, as well as get a subscription to this free journal, please email Marsha Fenn, managing editor of the Journal, with your mailing address.  Her email address is: Marsha.Fenn@bts.gov.  You can get additional information on the Journal by accessing the following website:
http://www.bts.gov/publications/journal_of_transportation_and_statistics/

**Peg Young**

## Patented forecasting methods and commercial links.
## Have your say!

You may have noticed an article by  T.R. Willemain, C.N.Smart and H.F Schwarz in the latest issue of the IJF, where a patented algorithm is presented ("A new approach to forecasting intermittent demand for service parts inventories", IJF, 20(3) pp 375-387) . This has raised questions among members as to whether it is correct to publish something patented by a company in the IJF. Michael Lawrence wrote a rejoinder to the paper but it would be useful to canvas the views of all the members on this issue.

In addition, the IIF has been running a series of Forecasting Summits in collaboration with a forecasting software company.  These Summits have been designed to allow forecasting professionals and researchers to share knowledge and ideas and have been successful in attracting a wide range of participants from both business and academic  institutions.  But to what extent should the IIF engage with private companies and also non-profit organisatiions? Should it stick to the policy rule that can be found on the IIF web sites shown below?

http://www.ms.ic.ac.uk/iif/institute/collaboration/collaboration.htm

If you have  thoughts on either, or both, of these issues, please send them to the Oracle Editor on mnspg@bath.ac.uk. We hope to publish your views in the February issue of the newsletter.

## Forecastingprinciples.com regains top ranking on Google

A search on October 17, 2004 showed that forecastingprinciples.com had regained the top ranking out of 2,580,000 sites on a search using the word "forecasting." The International Institute of Forecasters moved into 3rd place and the site for the Makridakis, Wheelwright and Hyndman's book, *Forecasting,* was in 5th place. Forecastingprinciples.com was also first on Yahoo (out of 3,430,000 sites), MSN, and Teoma.

Credit for the high ranking is due in large part to support by the International Institute of Forecasters and Kluwer Academic Publishers for

- Improved versions of the Delphi Software and the Forecasting Audit by Jason Cotton
- The interactive "Methodology and Selection Trees" created by John Carstens
- The updated Forecasting FAQ, with help from Kesten Green,
- The Neural Nets Special Interest Group by Sven Crone, and
- The Political Forecasting Special Interest Group (aka Pollyvote.com) created by Alfred Cuzán and Randy Jones.with help from Catherine Verdi

Please send suggestions for additional improvements to armstrong@wharton.upenn.edu.. This is a good deal - - you make the suggestions and we do the work.

**Scott Armstrong**

- o  *Scott Armstrong's Advertising Principles site (advertisingprinciples.com)  received the MERLOT award as the best online learning resource in the area of business and management for 2004.  It currently ranks second among two million sites on a Google search for "advertising" and "principles."*

# Photos of ISF 2004 Sydney, a song and â

<u>To be Sung to the tune of "Waltzing Matilda"</u>

Once a jolly forecaster camped at the Shangri-la,
Under the shadow of Sydney Harbour Bridge
And he sang as he networked at the Symposium of Forecasting
"Who'll play the Bernoulli Game with me?
Who'll play Bernoulli? Who'll play Bernoulli ?
Who'll play the Bernoulli Game with me? "
And he sang as he networked at the Symposium of Forecasting
"Who'll play the Bernoulli Game with me?"

Down came an investor, with lawyer and accountant,
"Tell us the trend in the Stockmarket." they said
And he sang his reply "Just give me the history and
The standard deviations will appear for me.
Standard deviations. Standard deviations.
The standard deviations will appear for me."
And he sang his reply "Just give me the history and
The standard deviations will appear for me."

The history, he discovered, was full of random numbers.
So he spiced up the mix by adding in some more.
And he sang as he cranked the output from the Jenkins Box
"This needs inspired imagination from me
Inspired Imagination. Inspired Imagination.
This needs inspired imagination from me."
And he sang as he cranked the output from the Jenkins Box
"This needs inspired imagination from me."

"Your forecasts have failed us. We're taking you to court." they said
But he sprang into the harbour to get away.
And his voice may be heard as you cruise round Sydney Harbour
"I'm off to San Antonio. Ya' all come with me!
Off to San Antonio. Off to San Antonio.
I'm off to San Antonio. Ya' all come with me!"

And his voice may be heard as you cruise round Sydney Harbour

"I'm off to San Antonio. Ya' all come with me!"

**Sarah Lawrence, (with some 'terminological' help from Michael Lawrence, further 'inspiration' by Key Note Talks of Stephen Brown and Clive Granger, and last minute edits by the ISF Organising Committee 'Choir' )**

*Many thanks to Peg Young for supplying the top four photographs here, those on pages 1& 3 and the top photograph on page 6.*

# ISF 2004 Sydney: facts, figures and more pictures

**Many thanks to the organising committee**:

Michael Lawrence, UNSW, Chair
Marcus O'Connor, Sydney University, Local Arrangements
Rob Hyndman and Ralph Snyder, Monash University, Co Programme Chairs
Max Stevenson, Sydney University, Exhibition
Allan Layton, Queensland Univ. of Technology, Treasurer
Ron Bewley, Commonwealth Bank of Australia



Michael and Sarah Lawrence

**Several delegates**, including Herman Stekler and featured speakers, David Harvey and Derek Bunn, were sketched by IIF President : Lars-Erik Öller……





David Harvey

$$y_t = \alpha + \beta_1 f_1 + \beta_2 f_2 + \varepsilon$$
$$t = fore cast$$
$$H_0 : \beta_2 = 0$$
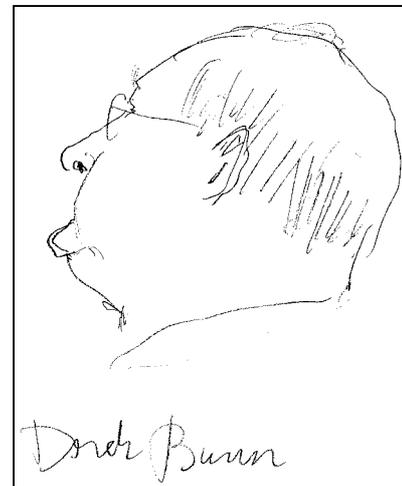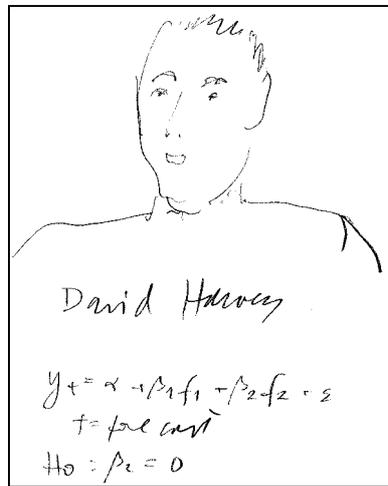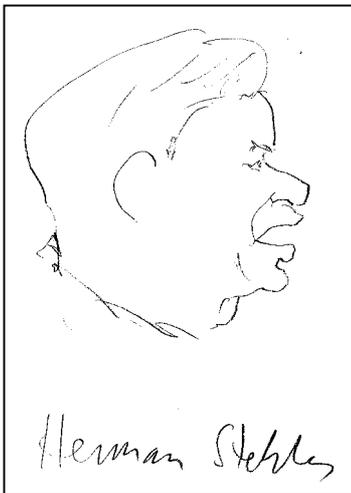


**The main countries represented were:**

| | |
|---|---|
| Australia | 116 |
| USA | 51 |
| U.K. | 38 |

**There were 259 papers presented**.

Of these:

- 11 were posters
- 248 were talks

*Thanks to Michèle Hibon for the photograph of the panel*



Keith Ord, Jerry Shan, Antonio Garcia-Ferrer and Michèle Hibon at the end of a panel discussion

# New Editor-in-Chief of the International Journal of Forecasting

On 1 January 2005 Rob Hyndman will succeed Jan de Gooijer as Editor-in-Chief of the International Journal of Forecasting. Rob is Professor of Statistics and Director of the Business & Economic Forecasting Unit at Monash University, Australia. He lives in Melbourne, Australia, with his wife and four children aged between 8 and 13.

He completed a Science honours degree at the University of Melbourne in 1988 and a PhD on nonlinear time series modelling at the same university in 1992. After lecturing at his alma mater for two years, he moved to Monash University as a lecturer in 1995 where he has been ever since. He was promoted to a personal chair in 2003.

Rob has published widely on forecasting topics, particularly on non-Gaussian and nonparametric forecasting, and exponential smoothing. His 1995 paper on highest density forecast regions has changed the way non-linear forecasts are reported. In 1997, he showed (with Grunwald and Hamza) that many commonly used non-Gaussian state space models are degenerate and unable to be used to obtain prediction intervals. He provided some new tools for non-Gaussian time series modelling in a 2000 paper introducing conditional linear autoregressive models. In recent years, Rob's most influential work has been a series of papers on exponential smoothing methods for which he (with Snyder, Koehler, Ord and Grose) has developed a stochastic modelling framework allowing computation of prediction intervals, maximum likelihood estimation and the use of information criteria for model selection.

Rob is the coauthor of the third edition of "Forecasting: methods and applications" (Wiley, 1998) with Makridakis and Wheelwright. This is the leading textbook in Business Forecasting, well-known to forecast practitioners and researchers around the world, and has been described as "the Bible of forecasting".

Many university lecturers will also be familiar with his "Time Series Data Library", providing a web-based resource of 800 time series for student projects.

Rob has served on the editorial board of the IJF since 2002. In addition he has served as Theory and Methods Editor of the "Australian & New Zealand Journal of Statistics" since 2001.

He has consulted with many companies in the forecasting and time series area for 20 years, and has worked with more than 250 different clients. His recent consulting work has involved forecasting electricity demand, child abuse rates, investor risk tolerance, and failure rates of electronic equipment.

# …and a new Book Review Editor

**Dick van Dijk** will take over as the Book Review Editor of the International Journal of Forecasting, also on 1 January 2005. Dick is based at the Econometric Institute at Erasmus University in Rotterdam, Holland.

If you have suggestions of books that might be reviewed in the IJF, or would like to write a review, then Dick can be contacted at the following email address: djvandijk@few.eur.nl

# Forecasting methods to fight terrorism

As some of you know, Scott Armstrong and I have been conducting research on how best to predict the decisions people will make in conflict situations. Situations such as hostile takeover attempts, union-management disputes, military confrontations, and so on. It seems reasonable to us that what we have learned would be applicable to fighting terrorism. It is, however, a common belief that terrorists' decisions, for example suicide terrorism, are irrational and therefore unpredictable. Is this true?

According to evidence from studies presented at the International Conference on Countering Suicide Terrorism (Sprinzak 2000) suicide attacks *are* rational. For a start, they are cost effective. The attacks are relatively easy and cheap to mount (neither escape nor rescue is required), and mass casualties and extensive damage can be achieved. The effect extends beyond immediate damage and casualties to affect the wider public and thereby influence the decisions of national leaders. Another benefit is that dead terrorists can't reveal the whereabouts of leaders. While those of us who enjoy life find it hard to believe, people do kill themselves all the time. Terrorist leaders make rational calculations to exploit such vulnerable people for their own ends.

We argue that suicide terrorism appears irrational to some because people use the wrong method to predict the decisions people will make: unaided judgement. In our research, the overall accuracy of experts' unaided predictions was indistinguishable from chance (Green and Armstrong 2004).

Fortunately, two methods we have developed can provide accurate forecasts for conflict situations. They are simulated interaction (a type of role playing) and structured analogies (a formal analysis of historical knowledge). Structured analogies forecasts based on two or more analogies reduced forecasting error across eight conflicts by 39% compared to chance, and simulated interaction forecasts by 48%. The modal simulated interaction forecasts were the same as the actual decision for seven of the eight conflicts, and the modal forecast was similar to the actual decision in the case of the eighth. In other words, decisions that people may be tempted to regard as irrational, based on their unaided judgement, are in fact consistent with normal human behaviour as evidenced by both formal analysis of historical information and by the decisions of role players.

We suggest that terrorism conflicts are not qualitatively different from other conflicts. For example, they are no further from the experiences of female undergraduate students than a Middle Eastern dispute we used in our research. In that conflict, Iraqi and Syrian leaders had arranged assassinations and were preparing for war. Of the ten groups of students who took part in simulated interactions, nine made the same decision as those leaders did when they met.

We need good forecasts of terrorist leaders' decisions in order to choose the best strategies for fighting terrorism. Structured analogies and simulated interaction are the best methods available.

### References

Green, K. C. (2004). Further evidence on game theory, simulated interaction, and unaided judgement for forecasting decisions in conflicts. (Monash University working paper.) Draft available in full text from www.conflictforecasting.com

Green, K. C., & Armstrong, J. S. (2004). Structured analogies for forecasting. (Monash University working paper.) Draft available in full text from www.conflictforecasting.com

Sprinzak, E. (2000). Rational fanatics. *Foreign Policy*, September/October, 66-73.

**Kesten Green**

# Forecasting Summit

**Forecasting Summit 2004**, which was held September 27-29, 2004 in Boston, Massachusetts was a great success. The conference facilitated interaction between scholars and practitioners about how to improve forecasting performance, and there was much learning and exchange of among the participants.

Several IIF members—including Ken Kahn, Roy Pearson, Len Tashman, Roy Batchelor, Paul Goodwin, John Boylan and Peter Fader—presented "Tutorials and Perspectives" sessions and pre-conference workshops. The reviews of the Summit were outstanding, as reflected in the comments of attendees:

*"Finding out what I didn't know was helpful. This will give me targets for the development and direction of my team. I also learned a variety of methods for communicating with my internal customers"*

Andrew Sarratt
Capital One Bank

*"While I am responsible for forecasting and planning, the Forecasting Summit brought me much needed information to do it better. The conference was very worthwhile—I'll be back."*

Darwin Huber
Honeywell

*"It was enlightening to hear that other have had the same struggles as my company and to hear how they overcame those issues."*

John Carter
Hill-Rom

## Upcoming Forecasting Summit in February 2005

Due to the ongoing success of the Forecasting Summit, two conferences will be held annually beginning in 2005. The first is scheduled for February 14-16, 2005 in sunny Orlando, Florida, USA.

The two-day main conference includes tutorials, Q & A sessions, lectures, practitioner presentations and hands-on sessions, with an entire track once again being presented by IIF members. In addition, the conference features a variety of optional pre-conference workshops, enabling in-depth exploration of important topics in forecasting. Topics to be presented by IIF members in February include the Delphi method, forecasting for conflicts and rules for forecasters.

The agenda for February is nearly complete and can be viewed on the Forecasting Summit site—the final brochure will be available in a few weeks. Attendees with academic affiliation can register at the reduced fee of $895. For more information visit the Summit site at www.forecasting-summit.com

**Holly Stanton**

# Delphi freeware improved

We have just completed an update of the Delphi freeware to enhance its flexibility and ease of use.

As you know, Delphi incorporates procedures to overcome groupthink. It helps to gain the benefits of people without the detrimental aspects created by face-to-face meetings (as described in Surowiecki's recent book, *The Wisdom of Crowds)*. In addition, Delphi saves time. It can be used whenever groups face important decisions that involve choosing among alternative actions, such as hiring new employees. It can also be used when experts have information relevant to forecasting, such as such as for new products.

The program, which

      * instructs people how to apply Delphi,

      * provides links to key papers,

      * distributes surveys and reminders, and

      * summarizes results

can be found under "software" at http://forecastingprinciples.com

Here are some of the improvements. With the new version, administrators can now:

      1. ask open-ended questions.

      2. ask questions without also requiring confidence intervals.

      3. see anonymous results when round is complete.

      4. view current anonymous results along with comments as the round is in process.

      5. identify which experts have responded so that reminders will not be sent to them.

      6. retrieve latest version as automatic back-up is provided

The new version is also kinder to the expert panel. Experts can:

      1. receive invitation e-mail without logon. Just use the link.

      2. find a lost invitation "Experts: Lost invitation e-mail? Click here to have it resent!"

If you have suggestions for additional changes that you would like to see, contact armstrong@wharton.upenn.edu

**Scott Armstrong**

## SAS grants to support research in forecasting

Twenty years of forecasting research has seen major changes in the theoretical ideas underpinning forecasting effectiveness. However, there has been less impact on forecasting practice. In collaboration with SAS, the IIF is proud to announce the second year of financial support for research on how to improve business forecasting principles and practice. This consists of two (or more) $5,000 grants. Applications should be submitted to the IIF Office of not more than 4 pages before 30th October 2004 although later submissions may be considered. The contact details are: P. Geoffrey Allen, Department of Resource Economics, University of Massachusetts Amherst, MA 01003 USA, allen@resecon.umass.edu

Criteria for the award of the grant will include likely impact on forecasting principles and practice. For a description of primary research needs, see: www.marketing.wharton.upenn.edu/forecast/researchers.html

Consideration will be given to the track record of the researcher. The awards will be made through a sub-committee appointed by the IIF directors. The results of the application will be made within about 8 weeks of the closing date.

Grant recipients are required to submit a paper reporting on their research for possible publication in the International Journal of Forecasting. Full details are available on the IIF and Forecasting Principles web sites:
http://www.ms.ic.ac.uk/iif/index.htm
or http://www-marketing.wharton.upenn.edu/forecast/welcome.html

In 2003/4 three grants were awarded. Details of the awards can be found on the IIF web site.

**Robert Fildes**

## New website for neural network forecasting

The Centre for Forecasting at Lancaster University has launched a new internet portal on business forecasting with artificial neural networks (NN) for researchers and practitioners.

Contrary to information portals on NN models in all application domains, www.neural-forecasting.com aims to focus on information & knowledge specific to the application of NN in forecasting. Resources include a regular newsletter, mailing lists for open discussions, updated information on conferences with special focus on NN & forecasting (through sessions or competitions), software simulators suitable to NN forecasting, recommended books, papers and bibliographies on neural forecasting etc. A free CD-Rom information pack is available from the website, combining some 20+ public domain & commercial software simulators with benchmark datasets and introductory publications.

We encourage comments regarding the structure & content of the webpage, and welcome contributions of content in all areas, including references to research groups, individual researcher profiles, papers & technical reports and tutorials to the website or directly to sven.crone@neural-forecasting.com. "

**Sven Crone**

# News from Tom Yokum And Benito Flores, Co-chairs of ISF 2005.

## "Silver Anniversary conference speakers explore the past and future of the forecasting discipline"

At the San Antonio Silver Anniversary International Symposium on Forecasting, June 12-15, 2005, key invited speakers will tackle certain germane issues and their progress in forecasting over the past 25 years. Present "25 year" speakers and topics include:

| | |
|---|---|
| J. Scott Armstrong and Robert Fildes | History of the IIF/ISF & future research. |
| Len Tashman | Software development |
| Michael Lawrence | Judgment |
| Peg Young and Brian Sloboda | Transportation |
| Michele Hibon | M-competition |
| Ruey Tsay | Box-Jenkins |
| Geoff Allen and PVAB Swamy | Econometrics |
| Fred Collopy and Monica Ayda | Rule Based |
| Nigel Meade and T. Islam | Diffusion models |
| Nadia Sanders | Practice |
| Everette Gardner | Exponential Smoothing |

We will have more announcements of both 25 year speakers and invited speakers during the coming year. Please see isf2005.org.

### Prediction Markets highlight Practitioner's Track at ISF 2005

Several sessions are planned exploring a new area of interest in forecasting. Justin Wolfers, Assistant Professor at Wharton will talk extensively about prediction markets. Prediction or information markets can harness dispersed information to better forecast. Justin will lend a practical slant on employing markets to improve corporate forecasting. Papers are sought on the use of prediction markets, not only in their traditional markets of sports and politics, but in other areas. Contact Justin at Jwolfers@wharton.upenn.edu.

Alfred Cuzin (University of West Florida) will organize discuss a sessions that will evaluate alternate approaches to forecasting elections. We expect participation by those involved with polling, Delphi, betting markets and econometric models. Motivated by the 2004 U.S. presidential election, http://politicalforecasting.com is the most popular page on the forecastingprinciples.com site. Send ideas about potential papers, panel discussions, exhibits, or other ways you want to contribute.

### Early Registration and Reduced Price available now at ISF 2005.org

Registration for San Antonio's International Symposium on Forecasting, June 12-15, 2005 is open now at isf2005.org. Registration now provides the lowest price for the conference and includes all social events. The conference is being held at the Hyatt Regency, which is on the famous riverwalk in downtown San Antonio and a short block from the Alamo. Early registration lasts until December 31, 2004. Abstracts are due February 28, 2005.

- Note that early applications for IIF scholarships to go to Texas are advised

## Forthcoming event

The Fifth Annual World Class Forecasting Conference will be held by the Sales Forecasting Management Forum at the University of Tennessee on May 10-12, 2005. For details see: http://bus.utk.edu/ivc/forecasting/events.htm

## Publications by IIF members

- Ben Vogelvang's book "Econometrics, Theory and Applications with EViews" Prentice Hall (Pearson Education) (ISBN: 0273683748) is due to be published around now. Details of the book can be found on: http://www.pearsoned.co.uk/Academics/Book.asp?prodID=100000000038386&d=EC&sd=

  The book is designed for economists who are confronted with results of quantitative economic research and who need to know how models arise, and what the underlying assumptions are, in order to understanding what may (or may not) be done in applied research. The book combines econometric theory with the practice of econometrics by demonstrating and exercising its use with the software package Eviews, using many examples and screenshots.

- Eduardo Loria and Luis Brito "Is the Consumer Confidence Index a Sound Predictor of the Private Demand in theUnited States? Forthcoming in the journal: *Estudios de Economía Aplicad*a, Centro Lawrence Klein, Universidad Autónoma de Madrid, España.

- John T Mentzer, and Mark A. Moon, "Understanding Demand," *Supply Chain Management Review*, 8 (May/June, 2004), 38-45.

- Victor E. Jennings & Conrad W. Lloyd-Smith & Duncan S. Ironmonger, "Global projections of household numbers using age determined ratios".This paper can be found on: http://www.economics.unimelb.edu.au/research/workingpapers/wp04/914.pdf

## Hot cited paper

Scott Armstrong's paper, "Reaping the Benefits of Management Research: Lessons from the Forecasting Principles Project" as published in the journal Interfaces volume 33 for NOV-DEC, 2003 was named as the most frequently cited new paper in economics and business by ISI (Institute for Scientific Research). Here is their description of a hot new paper.

"Every two months, *ISI Essential Science Indicators* Web product lists a new crop of what it calls hot papers in science. Hot papers are selected by virtue of being cited among the top one-tenth of one percent (0.1%) in a current bimonthly period. Papers are selected in each of 22 fields of science and must be published within the last two years.

Here Special Topics highlights the most-cited of these new entries [in economic and business], which is, in addition, not more than one year old. Since new hot papers are very recent scientific contributions that are receiving recognition during a current period, they may signal important new trends in research and serve as leading indicators of scientific advance.

http://www.esi-topics.com/nhp/2004/july-04-ScottArmstrong.html "

The full-text version of the paper is posted under "current projects" at http://jscottarmstrong.com along with a reply to commentators.

## New improved forecasting "methodology" and "selection" trees

**Kesten Green and I have been revising the "Methodology Tree for Forecasting" and the "Selection Tree for Forecasting Methods" on the forecastingprinciples site.With support from the International Institute of Forecasters, we have made some important changes:**

1) The Methodology Tree is more detailed than the original tree as it explicitly displays sixteen methods versus eleven on the original. Specific attention is now given to:

   - Prediction markets
   - Delphi
   - Expectations
   - Neural Nets
   - Simulated interaction
   - Structured analogies

2) The Selection Tree provides a more effective scheme for selecting forecasting methods for a problem. In addition to explicitly covering more methods, improvements have been made in the decision nodes. Also, the nodes are explained more clearly (simply click on the branch).

3) The two trees integrate the information on the site for those who wish to learn about forecasting methods (Methodology Tree) and those who want to find the best methods for their situation (Selection Tree). You can now click for links to
   - software.
   - literature, and
   - consultants.

In effect, the trees provide a new and easier way to navigate to relevant information of the site. We think this will help students, researchers, and practitioners.

During this development phase, the Methodology and Selection Trees are provided only on the first page of http://forecastingprinciples.com Note that the Selection Tree is now displayed on the main menu below the Methodology Tree.

The development of the trees has been time-consuming. We have received useful suggestions from others, particularly Steve Rieber. We now seek suggestions on how to make the Methodology and Selection Trees more useful to forecasters, students, and researchers. For example, you might have web sites or full-text papers that we could link to.

**Scott Armstong**

\* *Scott Armstrong was, the Honorary Simon Visiting Professor at the Manchester Business School, UK in May 2004*

## Page masters wanted

Scott Armstrong is looking for more people to be page masters for his Forecasting Principles web site. These pages will provide the best way to link to people in various areas. The response to the current pages has been favorable. For example, the politicalforecasting.com site gets about 500 visitors per day, far more visits than the main site. The site, by page masters Alfred Cuzán and Randall Jones, is the top-tanked site of 310,000 sites on Google. Conflictforecasting.com, run by Kesten Green, also gets many visitors. It is the top ranked site for a Google search using "conflicts" and "forecasting" (of 79,000 sites).

Gap Inc. is a leading international specialty retailer offering clothing, accessories and personal care products for men, women, children and babies under the Gap, Banana Republic and Old Navy brand names. Gap brand includes Gap, GapKids, babyGap, GapBody and Gap Outlet.

# SR-407104 – Forecast Manager – International Group

San Francisco, CA

**Job Responsibilities:**
- Set-up initial forecast parameters
- Monitor and edit parameters as needed to meet changing business needs
- Inventory Optimization experience preferred
- Develop store and size profiles and advise when appropriate adjustments are needed
- Develop and manage scorecard accuracy program including developing scorecard reporting process, coaching end-users on scorecard functionality and analysis and cross-functional and leadership team on scorecard results and recommendations
- Manage forecast accuracy by diagnosing issues, reviewing with appropriate teams and assisting in the development of action plans to increase accuracy
- Conduct and communicate Insight analysis to help maximize sales for future season
- Provide coaching and training to consistently improve end-users' forecasting competency
- Serve as the demand forecast expert to end-users by trouble-shooting forecast and functional issues, advising end-users on alert generation and resolution, curve profiles and Grade creation
- Serve as IT liaison to address Demand Forecast system issues and modification

**Job Requirements:**
- 6+ years of experience with a min. of 3 - 5 years of retail analysis experience
- Inventory management, replenishment buying, demand forecasting and/or retail planning and the cyclical nature of the retail business experience needed
- Superior mathematical and statistical aptitude with experience in a non-academic environment
- Able to gather, manipulate and interpret data; solve problems; predict trends; and establish priorities
- Strong technical aptitude including the ability to learn company systems and tools
- Flexible and able to adjust in an ever-changing global retail marketplace, interacting with people on different levels
- Ability to communicate (verbally and written) issues, performance and complicated concepts to all levels of the organization in a non-mathematical language
- Solid interpersonal skills: able to build relationships with individuals on cross-functional team and IT group. Ability to influence others
- Self-motivated: able to make quick calculated decisions, follow through with responsibilities and accept responsibilities for the results
- Results-focuses: use performance targets and goals to drive own activities as well as help team success

Please send referrals to:
Sim Dort
Gap Inc
E sim_dort@gap.com
P 650.874.6122
F 650.874.7815