I want to begin my preview of the Summer 2012 issue by welcoming Mike Gilliland and Jerry Shan into the Foresight fold.

Mike Gilliland, Product Marketing Manager at SAS Institute, is the journal’s new Editor for Forecasting Practice. Mike has held forecasting-management positions in the food, electronics, and apparel industries for more than 15 years, was a columnist on “Worst Practices in Business Forecasting” for Supply Chain Forecasting Digest, and is the author of The Business Forecasting Deal: Exposing Myths, Eliminating Bad Practices, Providing Practical Solutions, reviewed in our Fall 2010 issue. Mike holds a BA in philosophy from Michigan State University and master’s degrees in philosophy and mathematical sciences from Johns Hopkins University.

Joining Foresight’s Practitioner Advisory Board is Jerry Shan, a Principal Scientist in Hewlett-Packard’s Information Analytics Lab. Jerry earned a PhD in statistics from Stanford University in 1995 and has created dozens of patent applications on predictive analytics and modeling. He is the coauthor of past articles in Foresight on life-cycle forecasting for new products (Summer 2008) and spare-parts forecasting (Summer 2009).

The Summer 2012 Issue

Forecastability is a topic of great interest for organizations seeking to benchmark forecasting performance and to determine the degree to which improvement is possible. Foresight’s Spring 2009 issue included a series of articles that defined the dimensions of the forecastability problem and offered some metrics to compare the forecastability of different products. Sean Schubert, who leads strategic improvement initiatives at the Valspar Corporation, a global leader in the paint and coatings industry, now carries the ball forward with his article “Forecastability: A New Method for Benchmarking and Driving Improvement.” Sean shows how to create internal benchmarks based on the modeling of product-specific attributes, which he calls forecastability DNA.

In the Fall 2011 issue, we introduced Alec Finney’s column, The Forecasting Meeting, in which Fred the Forecaster, Colin the Controller, and Stan the Supply Guy get together to sort out their current forecasting problems. Their first meeting dealt with the challenges of preparing “The Senior Managers’ Monthly Forecasting Report.” In this issue, the powers that be have requested that forecasts be accompanied by narrative that affords transparency to the figures and the process, challenging Fred, Colin, and Stan to deal with these “Questions from On High.”

“Forecasting Software: Improving the User Experience” by Stavros Asimakopoulos continues Foresight’s emphasis on forecasting support systems (FSS). A lecturer, consultant, and researcher on FSS, Stavros details what he considers to be the critical improvements required to give our software solutions the stamp of usability, making the user experience (UX) less costly, more productive, and more creative.

Not quite all predictions for our future on this planet fall into the “glum” category. Long-Term Forecasting Editor Ira Sohn offers a review of an amazingly optimistic new book: Peter Diamandis and Steven Kotler’s Abundance: The Future Is Better Than You Think. Ira calls the book a welcome antidote to the prevalence of pessimistic oracularity around us, noting that “the authors exude unconditional confidence and optimism about the next 40 years.” They make the case that science and technology will deliver abundance – “adequate amounts of the basic human needs (water, food, energy, health care, education, and, yes, freedom) – to the less fortunate 85-90% of the planet’s population.”

In our section on Forecast Model Building, Maryam Mohammadi pour, John Boylan, and Aris Syntetos offer an authoritative discussion of “The Application of Product-Group Seasonal Indexes to Individual Products.” They show that the forecasting of new or highly variable seasonal products can benefit from the use of aggregate seasonal indexes, such as those for an entire
product group. However, they point out that there may be better ways to form product groups for seasonal forecasting than the company’s standard product groupings.

The U.S. presidential election is only months away, a lead time when we can count on “Reliable Forecasts of the 2012 Presidential Election,” according to Foresight’s election expert, Randy Jones. We are constantly “informed” that the race is close, but the different forecasting approaches seem remarkably in agreement on the outcome. And Allan Lichtman’s “never been wrong” model tells us that the question “Does Obama Keep the Keys to the White House?” is an easy call.

The creation of the hemline index by George Taylor in 1926 began the legend that rising hemlines in women’s fashions suggest a rising economy and a bullish market, while a drop in hemlines portends bearishness. Since women’s hemlines are falling to ankle length this year, could this mean that another recession is in the works? Not so, say Marjolein van Baardwijk and Philip Hans Franses of the Econometric Institute at the Netherlands’ Erasmus School of Economics, whose research seems to finally answer the question “Hemlines and the Economy: Which Goes Down First?”

**NEW THIS ISSUE:**
**FORESIGHT ARTICLE CODING**

If you scan this issue’s Table of Contents, you’ll see we’ve created a classification system for each article. Here is our coding:

- **MODELERS** – Of particular interest to those generating statistical forecasts
- **PLANNERS** – For those who apply forecasts to business processes
- **MANAGERS** – Perspectives for managing the forecasting process and making investment decisions
- **GENERAL** – General interest forecasting issues

While we hope, of course, you’ll read every article, we think our new coding system may help you set priorities.

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**UPCOMING FEATURES IN FORESIGHT**

**Why Should I Trust Your Forecasts?**
by M. Sinan Gönül, Dilek Önkal, & Paul Goodwin

_Should I trust your forecasts? The answer appears to lie in the quality of interaction and communication between the forecaster and the user. Get that right and the effort that you put into your forecasts won’t be wasted on distrustful users._

**S&OP: Reaching Its Potential**
_A collection of articles from the S&OP track at the 2012 International Symposium on Forecasting, with an introductory article:_

- **S&OP Principles: Foundation for Success**
  by Bob Stahl and Tom Wallace

- **Forecasting for Revenue Management**
  by McKay Curtis
  _Basic principles of revenue management and a case study of their application at Walt Disney Parks and Resorts_