**Forecasting in Practice Track, Featured Speaker**

**Date:** Monday June 22, 3:30-5:00

**Venue:**

*Role of the Sales Force in Forecasting*

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**Abstract:** It is commonly believed that soliciting input from the sales force on customer level forecasts will improve the overall performance of a company. But this belief is based on three assumptions: that salespeople can accurately predict their customers’ future buying behavior, that salespeople will provide an honest forecast to their management, and that improving customer-level forecasts improves company performance. This presentation looks at literature on the role of the sales force in forecasting (spanning over 50 years!), and finds little evidence in support of these assumptions. It examines various performance incentive systems designed to encourage honest forecasting, and shows that even if accurate customer-level forecasting were possible, it may have little impact on overall company performance. Takeaways:

- Even if a salesperson is capable of developing accurate forecasts for his or her customers, there may be reasons to withhold this information from management.

- Incentive systems have been proposed to encourage honest and accurate forecasting by salespeople, but appear to be in little use.

- Accurate customer-level forecasts are often not necessary for effective supply chain management, so spending time on customer-level forecasting can be a waste of resources.

**Bio:** Michael Gilliland is Product Marketing Manager for SAS forecasting software and author of *The Business Forecasting Deal*. He has more than 15 years of forecasting and supply chain management experience in the food (Oscar Mayer and Kraft Foods), consumer electronics (Iomega), and apparel (Sara Lee, now Hanesbrands) industries. He also worked for three years in forecasting consulting, with clients in transportation, apparel, footwear, high-tech manufacturing, and automotive electronics. Mike holds a BA in philosophy from Michigan State University and master’s degrees in philosophy and mathematical sciences from Johns Hopkins University. He writes *The Business Forecasting Deal* blog at blogs.sas.com/content/forecasting.