The Seventh International Institute of Forecasters (IIF) Workshop on “Flash Indicators” was celebrated from 21 to the 22 of January 2011 in the warm Chalet Orny in Verbier surrounded by the snow of the impressive Alps. Verbier is a well known ski resort and many of the participants took advantage of the beautiful and long tracks of trails to practice this sport during the breaks between the sessions of the workshop. We would also like to ski but, obviously, we stayed at the warm chalet because someone needs to be in charge of the multiple catering services. All skiers were back punctually after each break. They were very happy after being in contact with such wonderful slopes. We also have the opportunity of tasting the raclette, a delicious typical Swiss cheese dish with nice sandwiches made of beef and vegetables. The taste of Switzerland will be with us for a long time.

The project of organizing a workshop in Verbier on Flash Indicators was born in Hong Kong during the 29th International Symposium on Forecasting in 2009 in a meeting between the President of the International Institute of Forecasters, Antonio García-Ferrer, from the Universidad Autónoma de Madrid and Miriam Scaglione from the Institute Économie & Tourisme, HES-SO Valais. Soon, Esther Ruiz from the Universidad Carlos III de Madrid also became involved in the project. The workshop was finally organized by Miriam Scaglione and Esther Ruiz. After many contacts, e-mail messages and telephone conversations, an excellent program was put together with 9 speakers and with their corresponding 9 discussants. Around 50 participants from Canada, France, Italy, Netherlands, Spain, United Kingdom, United States and, of course, Switzerland attended the meeting.

The opening speeches were made by Miriam Scaglione, Antonio García-Ferrer and Hervé Fournier who, as a member of the board of the Development Unit for the Valais Romand, represented the Valais cantonal government. They welcomed the participants and made a point about the

(Continued on page 3)

My Last Edition of The Oracle – Moira Hughes

I have greatly enjoyed being Editor to the Oracle newsletter for the last 5 years (20 editions in total), but as my term as IIF Director has now come to an end, I will be passing the Oracle over to a new Director. It has been a fun and interesting experience for me and I would like to thank all of the members who have contributed to the newsletter over the years. Also thanks to Pam, our Business Manager, she is the “creative” part of the Oracle and has been “just braw” to work with; (please excuse the Scottish expression!)

We have introduced many new ideas such as the special ISF edition, adverts/forthcoming events, member and student profiles and most recently the newsflashes. I hope you continue to contribute to the Oracle whether it be personal news, short articles and we always welcome any new suggestions.

Thanks for your continued support and good luck to my successor

Cheers
Moira
ISF 2011 – Prague, Czech Republic, June 26-29
Deadlines are approaching! Abstracts are due March 4th, and early registration is May 16th! Visit the ISF 2011 website for all of the latest news, deadline dates and registration information. The hotel space in Prague during this time is at a premium! We strongly urge you to book your room soon!
Mark your calendars: ISF 2012 – Boston, USA, June 24-27

IIF Elections
There will be an election for directors of the IIF beginning 21 March 2011. For more information, visit the Election page on our website.
The IIF Board of Directors invites members to send nominations for Fellows of the Institute to Victor Guerrero, guerrero@itam.mx before 20 May 2011. The guidelines approved by the Board for the election of Fellows and a list of current Fellows can be found at: http://forecasters.org/pdfs/NominationGuidelines_2011.pdf

Social Networking
We are continuously searching for ways to increase the networking among our members and the forecasting community. Visit the IIF on Linkedin [search: International Institute of Forecasters group] or ISF2011 on Facebook [search: International Symposium on Forecasting].

Membership Renewals
Membership fees will be increasing on July 1 2011. Renew now and take advantage of a two year membership at today’s low rate. Feel free to contact me to check your membership status: pamstroud@forecasters.org. Or, to renew your membership, visit http://www.forecasters.org/join.html.

On a Personal Note - I have enjoyed working with Moira Hughes and will miss her very much indeed. But, I am comforted in knowing that I have made a very dear friend. Cheers to you, Moira.

We hope you’re enjoying the new, monthly Oracle Flash, keeping you updated on forecasting news, events, job openings, call for papers and other timely news items. I welcome and encourage your feedback and suggestions about The Oracle including submissions and ideas for improvement. All feedback is welcome!
forecasters@forecasters.org

Pam Stroud, IIF Business Director

Foresight News

We’ve got our fingers crossed that the new Foresight website will be live by the time you receive this issue! It’s got a new, clean look, but more importantly, we’ll be changing up the content regularly, making it a useful resource for subscribers and visitors alike. I hope you’ll take a moment to check it out.

Our editorial team is pulling together a terrific Spring issue. In it, you’ll find:
• Forecast Accuracy vs. Profitability
• Getting Your Forecasting and Planning Fundamentals Right: A Case Study
• Forecasting Exceptional Demand
• Being Wrong: Adventures in the Margin of Error, Book Review
• Corporate Prediction Markets: Pitfalls and Barriers
• Postmortems on the US Congressional Elections
• Projecting Success: Don’t Forget the Base Rate

You won’t want to miss it, so be sure your Winter subscription label didn’t say "Last Issue Alert". If it did, click here to renew! And if you’re not sure, email pamstroud@forecasters.org to find out your subscription’s status.

We’ve started posting interesting content from Foresight, the IIF and beyond on Twitter. We’re constantly scanning the web for useful blog posts, news stories, and pointers to what our members and subscribers are publishing. We’ll use this micro-blogging platform to share what we find. If you’re on Twitter, follow @ForesightIIF & join the conversation!

Have you been thinking about contributing an article to Foresight? If so, I hope you’ll contact Editor Len Tashman (lentashman@forecasters.org) for more information.

Kim Leonard for the Foresight Team, kimleonard@forecasters.org

P.S. If your company or organization would like to increase its exposure by advertising on the new Foresight site, please contact Stacey Hilliard for details at stacey.hilliard@forecasters.org. We’re also adding an affordable business card advertising gallery in the journal, so contact Stacey if you’d be interested in this, as well.
The second issue for 2011 contains 28 papers -- a record for the IJF! There's something for everyone, from Gneiting's paper on "Quantiles as optimal point forecasts" to McHale & Morton on forecasting tennis matches. In between, there are papers on forecast combination, exponential smoothing, Markov switching models, prediction intervals for nonlinear time series, density forecasting, leading indicators, now-forecasting, finance, and more.

The third issue for 2011 will be a special issue in two halves: (1) computational intelligence and neural networks; and (2) tourism forecasting. The all-time most cited paper in the IJF is Zhang et al (1998) on "Forecasting with artificial neural networks: the state of the art". But since then, we have published few papers on forecasting with neural networks. This new issue will provide a welcome contribution and should encourage more high quality research in forecasting using CI and NN methods. Tourism forecasting is becoming an increasingly important topic as the role of tourism in the international economy increases. The tourism papers in this issue will set a new benchmark for tourism forecasting studies and will help to considerably advance the discipline.

Rob J Hyndman
IJF Editor-in-Chief

7th IIF Workshop - Verbier, cont’d

need for analytical tools for modeling and predicting flash indicators so that changes in the evolution of the main macroeconomic variables, and mainly in the GDP, can be anticipated. Moreover, Mr. Hervé Fournier stressed the importance of the subject for cantonal government for which one of its main aims is to get timely tourism forecasts for the future Cantonal Tourism Observatory.

The first session, chaired by Robert Fildes, starts with the presentation of Lucrezia Reichlin who talked about "G-20 in real time (Nowcasting)". Lucrezia pointed out the relevance of the short run in prediction and the need of imposing a structure on the available data so that we can keep track of the news. The methodology proposed is based on Principal Component analysis plus the use of the Kalman filter. Her presentation was discussed by Kornel Mahlstein, Economist of Short-Term Economic Analysis at State Secretariat for Economic Affairs (SECO, Swiss Confederation) who focused on the importance of having seasonal data, the comparison of the procedures proposed by Lucrezia with alternative procedures as, for example, ridge equations and the relevance of these procedures for Swiss economic analysis. Then, the discussion was opened to the attendants with a lively debate about the importance of seasonality and nonlinearity among many other topics. The second speaker for the first session was Kajal Lahiri who presented, jointly with George Monokrousos, the paper entitled “Nowcasting US GDP: The role of ISM Business Surveys”. They discussed the use of dynamic factor models together with the Kalman filter to estimate composite indices and the effect of ISM information on nowcasting GDP. The discussant was Urs Müller, director and chief economist of BAKBASEL.

The second session, chaired by Antonio García-Ferrer, started after the ski break. The first speaker in this session was Siem Koopman who presented the paper entitled “Forecasting the US Term Structure of Interest Rates using a Macroeconomic Smooth Dynamic Factor Model”. Siem proposed a smooth dynamic factor model with the loading parameters being smooth functions of maturity. The discussant of this paper was Pilar Poncela who wondered about whether smoothing truly improves forecasting and the effects of the yield curve on macro variables. Then, Mike Clements presented the paper entitled “Real-time Forecasting of Inflation and Output Growth in the presence of data revisions”. He proposed to forecast the post-revision estimates of output by a vintage-based VAR model that incorporates seasonality. This paper was discussed by Tara Sinclair who asked about the relevance of data revisions for flash indicators. She was surprised about the systematic patterns in revisions and about whether the releases could determine output. An important question raised by Tara was whether by exploiting patterns in revisions, flash indicators could disappear in the future. After a wonderful coffee break where participants socialize with each other in a relaxed atmosphere, the last session of the first day was chaired was by Carlo Malaguerra, former Head of the Swiss Federal Statistical Office. In this session Herman Steckler presented the paper “Compositional Differences in GDP Estimates Between recessions and Expansions”. He concluded that data is worse in recessions and that there is an important tradeoff between accuracy and timing. Herman’s paper was discussed by Laurent Ferrara who put forward the view of a central banker. Once more, he pointed out the importance of seasonal adjustment being more difficult to seasonally adjust in recessions than in expansions.

The first day finished with the ‘Official Welcome Aperitif’ offered by the Municipality of Bagnes where the wines were excellent.

Antonio García-Ferrer, with President of the county of Bagnes
Mr. Christophe Dumoulin
(Continued on page 4)
The Oracle, March 2011

7th IIF Workshop-Verbier, cont’d

After this wonderful finish to the day, we left the Chalet Orny to head to the Gala dinner with local musicians playing the traditional instrument Swiss Alphorn, while the participants entered the restaurant. There we tasted the wonderful raclette.

The second day started with the session chaired by Mohsen Hamoudia. The first paper of this session, “Towards an early warning system for euro area,” was presented by Gian Luigi Mazzi who talked about the reconstruction of real-time data bases for Eurostat, putting forward the key principles in the construction of flash indicators. Finally, he described various projects in which Eurostat is involved including the construction of the Euro-mind indicator. The discussant was Gabriel Pérez-Quirós who made a very interesting presentation focusing on the importance of the flow of information from data generators to data users. The second paper of this session, entitled “ASEF: An Automated Short-term economic forecasting”, was presented by Nicolas Steffels, Deputy Head Economic Analysis at the Swiss National Bank who described the fASEF system based on combining many indicators constructed from individual forecasts. Marc Wildi discussed this paper by asking about which GDP should be forecasted, the final or earlier releases. Once again, after this early morning session, skiers went to the mountains coming back on time for the last session of the workshop which was chaired by Bruno Parnisari, Head of Short-Term Economic Analysis at State Secretariat for Economic Affairs (SECO, Swiss Confederation). The first presentation of this session was made by Benoît Quenneville who presented the paper entitled “Testing time series data compatibility for benchmarking” where he put forward several issues related with situations where benchmarking could be no appropriate. Tommaso Proietti was excellent in his discussion by pointing out that benchmarking is an important component of reliability of macroeconomic information (both for practitioners and econometricians). The second paper of this last session was presented by Antoni Espasa with the title “Forecasting disaggregates and aggregates with common features”. He started by pointing out that revisions are not so important for inflation data as they are for GDP and propose forecasting techniques for inflation based on exploiting all information inside CPI data. Marcos Bujosa was the discussant of this paper raising issues related with carrying out too many tests when testing for cointegration using pairwise tests.

After a final coffee break, the workshop had a stimulating end with the Round Table chaired brilliantly by Andrew Harvey. He started by asking about the exact meaning of a flash indicator. After a very lively debate, the final conclusion was that the definition needs to be clarified. The second question raised by Andrew was related with the interpretation of models as coherent ways of weighting the data and whether statistical agencies should use models. The floor discussion ended with a debate about the nature of the data usually used to analyze the macroeconomic. Most participants taking part in this debate agreed that, in general, the numbers usually used for analysis do not really exist but are just indicators of where the variables of interest are. Then the discussion moved towards one of the recurrent topics throughout the workshop, the meaning and importance of seasonality. The final question was: What do we do next? Maybe a workshop on the role of seasonal adjustment in prediction?

One last social event took place on Saturday night. A wonderful dinner was waiting for all in the restaurant La Pergola. After dinner was the time to bid ‘adieu’ and to wish everyone a safe return back home.

All this organization would not be possible without the support of the staff of the Institute of Tourism (HES-SO, Valais), especially the professors Marie-Françoise Perruchoud, Serge Imboden and Catherine Klimek.

Last, but not least, it is important to mention that the International Journal of Forecasting will be publishing a special issue with some of the papers and discussions presented during these two days in Verbier. Also, this workshop has taken place thanks to the financial support of the International Institute of Forecasters, University of Applied Sciences Western Switzerland, Valais (HES-SO Valais), the State Secretariat for Economic Affairs (Swiss Confederation), University of Applied Sciences Western Switzerland (HES-SO), Economic Development Office of the Canton of Valais, Swiss National Bank, Municipality of Bagnes, Verbier-Saint Bernard Tourism Office and Guinnard Immo-bilier et Tourisme SA (Verbier).

Miriam Scaglione and Esther Ruiz (co-chairs)
Our fourth contributor to this new section in the Oracle as to why you became a forecaster (and why you’ve stayed involved) is Michele Hibon. If you would like to share your experiences with other IIF members and contribute to this section then please contact Pam Stroud at forecasters@forecasters.org.

I am graduated in Physics and was not prepared to become a forecaster. When I moved to Fontainebleau with my family in 1975, following my husband who had a position as a paediatrician in the local hospital, I was looking for a job. I heard that INSEAD, an international Business School was developing its Research Centre. Professor Spyros Makridakis was looking for a Research Assistant to help him and work with him on Statistics and Forecasting and I was hired to work with him.

The first important project I did with Spyros in the mid-70s was an Empirical Investigation to examine the accuracy of various forecasting methods using 111 time-series. At that time, it was not easy to process them in the computer we had access to. The memory and the hard disk space available were also serious bottlenecks when carrying out large scale empirical research. I remember I ran programs for the whole weekend to have the results on Monday morning, and I would pray the cleaning woman wouldn’t unplugged the system to plug her vacuum-cleaner! (that happened a couple of times)

After years from working with Spyros, I learnt more about forecasting methods and accuracy measures and when Spyros launched the M-competition, I took an active part in the project and ran several forecasting methods. The results were published in 1982 and since then the paper has been a reference in the area, reaching a very high number of citations and it was voted the favourite paper published in the field of forecasting during the last 25 years. I worked with Spyros on the M2 competition which was published a decade later (1993) then the M3 competition which was published in 2000. Since then I have received hundreds of mails from all around the world to ask me to provide the data.

Since 1982, I have attended the International Symposium on Forecasting, each year. This is a great opportunity to meet Forecasters coming from all around the world.

I met Robert Fildes, Nigel Meade, Keith Ord, Anne Koehler, Herman Steckler with whom I had opportunities to do some research and publish papers, many others with whom I exchanged ideas.

Many forecasters became good friends (Scott Armstrong, Michael Lawrence, Geoff Allen, Marcus O’Connor, Tom Yokum, Len Tashman, Peg Young, Dilek Onkal….)

In the 80’s there were not many women forecasters. My husband Dominique was coming with me to the ISF and I remember him being asked about Makridakis and Hibon’s publication. His answer was “Sorry, I am only Prince Consort, you should ask my wife”

In 2006, Mohsen Hamoudia proposed to organize ISF 2008 in Nice. He asked me to join him in the Organizing Committee. This had been a very intensive and interesting 2 year work in preparation of the symposium and a great satisfaction as the event was a real success.

In 2007 Geoff Allen asked me to stand for the elections as director of the Board. I accepted and was elected. This is a very exiting task and I hope to be re-elected for a second mandate.

Spyros left INSEAD several years ago. After 25 years of work together I felt orphaned but had the chance to do different research since then, with Herman Steckler first, then with Peg Young and Miriam Scaglione on a forecasting competition using Transportation data; and more recently with Sven Crone and Konstantinos Nikolopoulos on the accuracy of neural network forecasting methods.

My life as a Forecaster is not finished!

I have just retired, with an “Emeritus” position, so I am still teaching statistics to the MBA and E-MBA students at INSEAD. I will carry on with some research projects and I do hope I can attend several coming ISFs. It is an active retirement but I am pleased to have more time to spend with my 9 grand-children, and to travel with Dominique and do hiking, our hobby.

When I look back to my professional life I am so pleased to have been a forecaster, I had much interest in the research I have done and so much pleasure in meeting so many interesting and nice people.
What is your current student status? What is your area of study and your particular area of forecasting interest?

I am now working as a postdoctoral research fellow at the Department of Econometrics & Business Statistics, Monash University. My area of research during my PhD candidate was on functional time series visualization and forecasting. The research conducted with my supervisor Professor Rob Hyndman, has now been published as three journal articles. In the first article, we proposed graphical tools for visualizing functional time series, whose graphical representation is a curve, image or shape. The proposed graphical techniques allow users to visualize clearly functional data ordered by time, depth or highest density region. In the second article, we proposed two forecasting techniques for forecasting functional time series. These two approaches assign geometrically decaying weights in estimation and forecasting of functional time series. In the third article, we proposed four dynamic updating methods to improve point and interval forecasts, as the new observations become available. These dynamic updating methods achieved better point forecast accuracy than the benchmark seasonal ARIMA models for forecasting seasonal data.

Now, I am working on an Australian Research Council (ARC) project on "Bayesian bandwidth selection for nonparametric regression with an unknown error distribution". It is a rather computational intensive project. Thanks to the recent development of parallel computing, this kind of research is now plausible.

What attracted you to the forecasting field?

I have always been interested in Statistics. After finishing my Bachelor of Mathematics and Statistics at LaTrobe University, I was given an opportunity to pursue a PhD with a top-up scholarship from Monash University. Having searched around possible supervisors and projects, I met Rob who introduced me to the field of functional data analysis. Indeed, my PhD supervisor was the main reason why the word of forecasting is on my PhD dissertation title.

Other than your studies, are there other projects or organizations in which you are involved?

At our Department of Econometrics & Business Statistics, all PhD students have the opportunity to be a tutor and teach the undergraduate courses. The process of communicating ideas may sound easy, but is actually not. Another seemingly never-ending project is polishing an article on demographic forecasting. The article, which is under revision since June 2010, will hopefully be finished by the end of June 2011. This will fill up a gap in the literature of demographic forecasting.

You attended the ISF 2008-2010. What were your impressions? Was it valuable to you as a student?

The ISF2008, ISF2009 and ISF2010 were all terrific and well-organized. It was great experience to give presentations in front of so many leading experts in forecasting, and also to participate in wonderful social events. I enjoyed the ISF meeting in the past years and believe that it will deliver high-quality of meetings in future. When I was a PhD student, I was able to obtain financial support from the IIF to attend ISF2009 meeting. To my knowledge, the ISF meeting is one of the few meetings that offer full support to the PhD students by assisting their travel and accommodation.

What is your anticipated completion date of your studies? And what are your plans for the future?

The likely completion date of my postdoctoral study will be in July 2013. I have not thought much about what to do in future, since I only plan one-day-ahead. However, I hope that I will be able to work in estimating, modelling and forecasting high-frequency data. I am acceptable to the idea of working abroad for some time.

Tell us about your interests outside of work? Hobbies, family, research

Apart from my research work, I enjoy playing basketball on Sunday to keep my mind and body active once a week. I also enjoy cooking once a week and servicing my car once in a while. In future, I am planning to learn how to play piano.

**CPDF Workshops**

The CPDF certification workshops for demand forecasters in supply chain organizations are being expanded to more international venues in 2011. According to Hans Levenbach, CPDF Program Director, additional workshops have been scheduled for 2011 in Australia South Africa, Saudi Arabia, ISF2011 and the US. These hands-on workshops are also in the planning stages for Canada, India and Brazil.

If IIF members have clients or contacts in public or private demand planning organizations that might benefit from the training, they can encourage them to visit [www.cpdftraining.org](http://www.cpdftraining.org) for details about registration, fees and curriculum content.
Demand Planning: A Three-legged stool
Article submitted by Bob Stahl

During these turbulent and unpredictable times, forecasting is less fun than ever! But forecast we must if we are to manage our companies well. The question is, “how to do it as best we can?”

Remember the story of three blind people exploring an elephant – one discovered a rope (the tail), one a hose (the trunk), and one a wall (the side). It was not until they shared & compared their views that the presence of an elephant became apparent – no single view was sufficient.

Forecasting is much the same way. People in different places in the organization have different views about the future. Each is credible in its own way, but no one view tells the whole story. We might describe these three views as follows:

1. **Market View** – this is expressed by market families, correlated to leading market indicators, and indicates market trends and patterns for the next eighteen to twenty-four months. It’s looks beyond the customers to the markets they serve, and thereby is not limited by the customers’ knowledge, biases, and shortcomings. This market information is used primarily as an input to forecast the company’s volume as part of their Executive S&OP process.

2. **Customer View** – expressed in SKU’s, end items, or orders by customer, by location indicating what each customer will need for the next three to six months. In some cases it’s the customer’s schedule (make-to-order), and in others it’s a company’s forecast (make-to-stock) of what they think their customers will need -- or some combination of the two. This information is used primarily for input to the Master Scheduling practice.

3. **Historical View** – this takes history and uses it to mathematical model a forecast for the future. This can be done in families for the volume (market) view or by SKU for the mix (customer) view. Each of these presumes that the future will to some degree reflect the past, based on statistical trends and patterns that can be observed and modeled.

Reconciling the Various Views

Each of these views could be quite different – each having credibility, but based on very different perspectives. Sometimes one or more of these may have greater credibility than another. Reconciling them into a single view is a human activity that is necessary to get all functional departments operating from the same page. This has become a best-in-class forecasting practice.

Step #2 of the monthly Executive S&OP process is known as Demand Planning, where volume forecasting by family is performed. Reconciliation of the above views into one view is the final activity of this step.

The mechanics of this reconciliation activity are simple and straightforward. The SKU-oriented customer view is aggregated (added up) by market family and then compared to the market and statistical forecasts. This reconciliation activity is often called the Demand Agreement Meeting (the DAM meeting perhaps?). Although conceptually simple, this is not an easy meeting to run, because it brings into focus the potentially divergent views of sales (the customer view) and marketing (the market view) into sharp conflict.

Supported by data, the objective of this meeting is to disagree without being disagreeable, arriving at one set of demand numbers by which to run the business. Among the conclusions that can be arrived at are the following:

- Change the marketing view to conform to the customer view, or vice versa.
- Conclude that the customers are building or depleting inventory and will reverse the trend at some point in the future
- Some combination of the above.

Applying “Puts & Takes”

Once reconciliation has been achieved, there are two things left to do:

- Compare the consensus forecast to the “last call” to the Annual Business Plan
- Determine if there any actions by the company or by the competition that have not been taken into account in the reconciliation process

If the consensus forecast comes up short of the last call, appropriate actions are then developed to bring the forecast to where it needs to be. These actions are called “puts” and are documented, with progress being tracked in future months.

(Continued on page 11)
Dear M4 participants, Dear forecasters,

Many thanks for the initial positive feedback and participation on this ongoing competition. We have more than 50 registered users now and already 7 submissions for the 1st set of Forecasts (High Profile Fortune 500 Companies (Live) Dataset). This is a very challenging part of the competition as you are allowed to gather any data for these companies before you prepare your forecasts, and as benchmarks will also be using forecasts from Bloomberg, Business Week etc.

We decided to extend the deadlines for all the submissions so as to attract as many submissions as possible, and also to use the forthcoming summer – where all the major conferences take place – for advertising this large scale empirical evaluation. So the new deadlines are as follows:

- **December 30, 2010** - Submission deadline for the 1st Forecast of High Profile Fortune (Live) Dataset
- **March 31, 2011** - Submission deadline for the 1st Release (Datasets: Inventory, Finance, High Profile Economics & Finance, High Profile GDP Pyramid I, High Profile GDP Pyramid II)
- **June 30, 2011** - Submission deadline for the 2nd Release (Datasets: Inventory, Finance, High Profile Economics & Finance, High Profile GDP Pyramid I, High Profile GDP Pyramid II)
- **September 30, 2011** - Submission deadline for the 3rd Release (Datasets: Inventory, Finance, High Profile Economics & Finance, High Profile GDP Pyramid I, High Profile GDP Pyramid II)
- **December 31, 2011** - Submission deadline for the 4th Release (Datasets: Inventory, Finance, High Profile Economics & Finance, High Profile GDP Pyramid I, High Profile GDP Pyramid II)
- **December 31, 2011** - Submission deadline for Static Datasets (Datasets: Economics, Business / Industry, Demographics, Climate, Internet & Telecommunications, High Profile Industry Pyramid)

**The Next steps:**
- We will be releasing pretty soon a memo detailing all the rules (metrics, method description requirements, benchmarks), the latest by the first week of January
- I will be contacting each and every of you in person to get some feedback on the process

Looking forward for your submissions and any queries on the process. On behalf of the M4 Competition Team,

Kostas
Dr. K. Nikolopoulos, Professor of Decision Sciences, Bangor Business School
http://m4competition.com/

PS: Apologies for a minor formatting problem with some of the high profile series that was just spotted and fixed, and you were informed with a separate email on the 22nd of Dec.
Call for Papers - Advances in Applied Econometrics

This special issue focuses on methodological breakthroughs in applied econometrics. Innovative theory and innovative applications are invited in the area. Potential topics include, but are not limited to:

♦ New techniques in the analysis of panel data, nonparametric regression, and quantile regression
♦ Advances in computationally intensive techniques (MCMC, Simulated likelihood, etc.)
♦ Innovative applications in banking, finance, credit risk analysis, and risk management
♦ Advances in methodology and applications in measurement of risk, the estimation of economic efficiency, and financial decision making
♦ The development of new computational or theoretical techniques to deal with panel data, empirical finance, and (co-) integrated data
♦ Empirical implementation of state-of-the-art models in econometrics

Before submission, authors should carefully read over the journal’s Author Guidelines, which are located at http://www.hindawi.com/journals/jps/guidelines.html. Prospective authors should submit an electronic copy of their complete manuscript through the journal Manuscript Tracking System at http://mts.hindawi.com, according to the following timetable:

Manuscript Due July 1, 2011
First Round of Reviews October 1, 2011
Publication Date January 1, 2012

Lead Guest Editor
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Free Webinar on Exponential Smoothing

Business Forecast Systems, Inc. has announced a free educational Webinar on Thursday, April 28, 2011 at 2 PM (US Eastern Daylight Time) entitled “Exponential Smoothing Demystified.” In this educational one-hour live session, Eric Stellwagen, IIF Director and co-author of Forecast Pro, will review the ins and outs of this popular forecasting method.

He will begin by reviewing the family of exponential smoothing models and explain how they work. Then, through case studies illustrated with real data, you will learn:

♦ When exponential smoothing models should be applied.
♦ The models’ assumptions about underlying data components including level, trend and seasonal patterns.
♦ How to select an appropriate model using both automatic and manual approaches.
♦ How to interpret the output including the smoothing weights and final values.

To learn more and register for this free event click here.

Call for Research Participants
Forecasting World Events Project

Are you interested in global security and politics, business and economics, public health, science and technology, or social and cultural change? If so, we invite you to participate in a unique, online research study sponsored by the Intelligence Advanced Research Projects Activity (IARPA). The Forecasting World Events Project is part of a federally funded research program investigating the accuracy of individual and group predictions about global events and trends, leading to fundamental advances in the science of forecasting. To support this research, the Project seeks to build a diverse panel of forecasters with interests in any of the above domains. As a participant, you will offer predictions about the questions that interest you most, update those forecasts as often as you like, and interact with your fellow forecasters via optional discussion boards.

The Project is scheduled to run from 2011 through 2013. If selected to participate, you are encouraged to participate throughout this period, though you may withdraw at any time.

Registration is now open at www.forecastwe.org. Following notification, selected participants will begin offering their predictions via an interactive forecasting website.

Sponsored by IARPA’s ACE Program (www.iarpa.gov/solicitations_ace.html), the Forecasting World Events Project is managed by The MITRE Corporation, a not-for-profit manager of Federally Funded Research and Develop-
The International Institute of Forecasters and SAS® Award Two $5000 Grants to Support Research on Forecasting for Year 2011

Over twenty five years of forecasting research has seen major changes in the theoretical ideas underpinning forecasting effectiveness. However, there has been less impact on forecasting practice. For the ninth year, after the award of three grants in 2003, and two in each year 2004 through 2010, the IIF, in collaboration with SAS, is proud to announce financial support for research on how to improve forecasting methods and business forecasting practice. This consists of two $5,000 grants.

The application must include:

- Description of the project (at most 4 pages)
- Letter of support from the home institution where the researcher is based.
- Brief (4 page) c.v.
- Budget and work-plan for the project.

The application deadline is September 30, 2011 and should be submitted to the IIF Office in electronic format to: Pamela Stroud / IIF Business Director / pamstroud@forecasters.org
With regard to the second item above, these could result in puts or takes, such as:

- It has just been determined that a new product from R&D is to be released which will gain market share
- An new aggressive pricing strategy may be planned that will increase volume
- Competition may be doing the same, having an opposite effect
- And so forth.

**Conclusion**

The best view of the future comes from blending the market, customer, and historical views into one set of demand numbers. This open disagreement and reconciliation should happen routinely as part of the Executive S&OP process, and has become best practice. In the words of Brad McCollum, S&OP Manager for Jarden Leisure & Entertainment division, “... because each input has strengths and weaknesses, having all three views brought to the table brings about more educated and better forecasts. Typically ... the more initial disagreement, the better the result.”

**Bob Stahl** has spent 30-plus years as a practitioner and coach to manufacturing companies developing leading-edge processes for their manufacturing, logistics, and supply-chain practices. He is a teacher, writer, and S&OP coach, and has coauthored six books, including *Sales & Operations Planning--The How-To Handbook, 3rd Edition*, and *Sales & Operations Planning--The Executive’s Guide*. Three of his books are used for professional certification. Bob also heads up the consulting practice for TF Wallace & Company, and is the Foresight S&OP Editor.

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**Save the Date!**

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