Forecasting in Practice Track, Featured Speaker
Date: Tuesday June 23, 1:45 - 3:00
Venue:

Harnessing your Judgment to Achieve Greater Forecast Accuracy

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Abstract: All forecasting involves judgment to some extent. But what should be the balance between management judgment and computer-based forecasting? What is the best role for judgment? Can the accuracy of judgment be improved? Do meetings of groups of people produce more accurate judgmental forecasts than individuals?

This talk will look at the strengths and limitations of forecasts based on management judgment compared to forecasts obtained from computer algorithms. It will show where judgment can make the best contributions to improving accuracy and where its application is best avoided. It will then evaluate the effectiveness of different methods that have been proposed for improving the value of management judgment in forecasting so that a blueprint for best practice can be identified.

- Combinations of computer-based forecasts and judgmental forecasts often improve accuracy.
- However, judgmental interventions can be biased by motivational and psychological factors and they are made too frequently in many organizations.
- Simple methods exist for combating some of these biases and their use can significantly improve forecasting accuracy.

Bio: Paul Goodwin is Emeritus Professor of Management Science, University of Bath. He has advised a wide range of organizations on forecasting, including British Telecom, the UK’s Department of Health and Department of Work and Pensions, South Western Electricity, Waitrose, Catchbull and a major US pharmaceutical company. With Robert Fildes he conducted a major UK government-funded study into the role of management judgment in demand forecasting in supply-chain companies. Until recently he was an editor of the International Journal of Forecasting and he is currently the Editor of the ‘Hot New research’ column for Foresight. In 2013 he was elected as a Fellow of the International Institute of Forecasters.