

c o n t e n t s

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

FIRST AMENDMENT TO THE UNITED STATES CONSTITUTION

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PREVIEW OF FORESIGHT ISSUE 79

In 2023, *Foresight*'s Issue 68 ran a seven-article special feature on the question "Does Forecast Accuracy Even Matter?" **Johann Robette**'s lead article in that feature used a simulation experiment to illustrate that better accuracy does not guarantee monetary benefits. He also found that much forecast improvement effort is wasted. Now Johann and coauthor **Alexandre Warembourg** continue the discussion and introduce the concept of *forecast desirability*. With new experiments and decision simulations, they suggest how to "triage" time series to identify those most likely to provide business value if improved.

At the *Foresight* Practitioner Conference last March, teams from the five finalists for the IIF Award for the Impact of Forecasting in Practice presented their results. While Wayfair took the \$10,000 prize, all five teams have provided *Foresight* with papers describing their projects and the subsequent impact on their various organizations:

- **Wayfair** describes their hierarchical forecasting engine that ensembles top-down time series and bottom-up machine learning forecasts to predict monthly demand for millions of products. Forecast error and bias were reduced, while forecast stability improved, yielding a financial impact in the tens of millions of dollars.
- **HP** shows how it pairs large-scale machine learning forecasts with human insight, creating a human-in-the-loop process forecasting 18,000 SKUs across over 170 countries.
- **Ipiranga** forecasts at multiple levels and different time horizons to manage fuel distribution in Brazil. Its application reduced forecast error while significantly improving operating cash flow.
- **Maersk** utilizes a statistical/ML-based automated forecast system to support granular and efficient repositioning of empty containers. They describe a simulation-based paradigm for conducting synthetic experiments to assess the monetary value of their forecast.
- **OpenGrid Europe** forecasts hourly gas flows using a hybrid approach combining ML, time series analysis, and optimization. This adaptive system has shown its resilience and computational efficiency, while reducing forecast error and ensuring energy reliability.

These papers illustrate the practical application of various forecasting approaches to deliver value to their businesses. **Chris Fry** introduces the finalist papers with an overview of the competition.

In 2013 Rob J. Hyndman and George Athanasopoulos published their widely influential *Forecasting: Principles and Practice*, a freely available online text that illustrated forecasting with practical examples in R. Now, after teaming up with coauthors from Nixtla and Amazon, they've published a third edition of the book, *Forecasting: Principles and Practice, the Pythonic Way*. This Python-based edition, available both online and in print, introduces new AI-based forecasting capabilities to the practitioner's toolbox. **Jim Hoover**, chair of the *Foresight* Advisory Board, provides an in-depth review.

FORESIGHT ADVISORY BOARD AND EDITORIAL UPDATES

Please welcome George Monokroussos to the FAB. George is head of Wayfair's Demand Forecasting Science team and has previously published in *Foresight*, the *International Journal of Forecasting*, and elsewhere. His Wayfair team – winners of the IIF Award for the Impact of Forecasting in Practice – describe their solution in this issue.

Stepping away from the board, after three and a half years of service, is Nicolas Vandeput of SupChains. Nicolas is now in the midst of running his second forecasting competition, the VN2. See his discussion of the VN1 in *Foresight* Issue 77, and look for his account of the VN2 in 2026.

Also leaving *Foresight*, from her role as Judgmental Forecasting Column Editor, is Shari De Baets. Shari served as a CE for nearly three years, and has made major contributions to the IIF through engagement in the initiation of the Early Career Forecasters group and the Forecasting Impact podcast. Shari was featured in a *Foresight* Spotlight in Issue 71.

—Mike Gilliland
Dragonfly Farm
Seagrove, N.C.
USA



Stray dog shows up; jumps fence; lets himself in through doggie door; decides to stay.

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