contents

“Knowledge of truth is always more than theoretical and intellectual. It is the product of activity as well as its cause. Scholarly reflection therefore must grow out of real problems, and not be the mere invention of professional scholars.”

John Dewey, University of Vermont

3  Note from the Editor

forecasting perspectives

4  The Impact of Strategy on Supply Chain and Forecasting

forecasting principles and methods

12  Forecast Process Improvement at Shell Lubricants

collaborative forecasting and planning


forecasting practice

32  Mission-Based Forecasting: Demand Forecasting for Military Operations

38  Sales Forecasts for the Consumer Chain: Are We Kidding Ourselves?

forecasting support systems

42  Off-the-Shelf vs. Customized Forecasting Support Systems

Article Coding: Managers (MGR), Modelers (MOD), Planners (PLN)
Foresight, an official publication of the International Institute of Forecasters, seeks to advance the practice of forecasting. To this end, it will publish high-quality, peer-reviewed articles, and ensure that these are written in a concise, accessible style for forecasting analysts, managers, and students.

Topics include:
- Design and Management of Forecasting Processes
- Forecast Model Building: The Practical Issues
- Forecasting Methods Tutorials
- Forecasting Principles and Practices
- S&OP and Collaborative Forecasting
- Forecasting Books, Software and Other Technology
- The World of Forecasting: Applications in Political, Climate and Media Forecasting
- Case Studies

Contributors of articles include:
- Analysts and managers, examining the processes of forecasting within their organizations
- Scholars, writing on the practical implications of their research
- Consultants and vendors, reporting on forecasting challenges and potential solutions

All invited and submitted papers will be subject to a blind editorial review. Accepted papers will be edited for clarity and style.

Foresight welcomes advertising. Journal content, however, is the responsibility of, and solely at the discretion of, the editors. The journal will adhere to the highest standards of objectivity. Where an article describes the use of commercially available software or a licensed procedure, we will require the author to disclose any interest in the product, financial or otherwise. Moreover, we will discourage articles whose principal purpose is to promote a commercial product or service.

Foresight is published by the International Institute of Forecasters, Business Office: 53 Tesla Avenue, Medford, MA 02155 USA
©2016 International Institute of Forecasters (ISSN 1555-9068)
With our 43rd issue, Foresight welcomes new Associate Editor Chris Gray, who joins longtime Associate Editor Stephan Kolassa as the main guardians of quality assurance in Foresight publications.

Chris is President of Gray Research, a founder of Partners for Excellence (http://www.partners-forexcellence.com/) and a founder of Worldwide Excellence Partners (WWXP), a global confederation of independent experts devoted to sharing knowledge and experiences on proven, profitable management processes. He has authored or coauthored six books, written dozens of articles and software evaluations, and run numerous seminars and workshops covering S&OP, demand planning, MRP, enterprise software, lean manufacturing and other supply chain issues. Chris is a past President of the North Shore chapter of APICS and was certified as a Fellow (CFPIM) by APICS in 1980.

His three books in the 1980s, including MRP II Standard System, A Handbook for Manufacturing Software Survival (which he coauthored with Darryl Landvater), have defined the standards for resource planning software. He also developed and taught the MRP II Software Survival Course, a class covering software evaluation and selection, software trends, and the role of systems people in implementing effective systems.

In 2006, Chris and fellow Partner of Excellence John Dougherty published Sales & Operations Planning—Best Practices, a book based on their examination of planning practices in 13 companies around the world that became a highly influential text on S&OP. In one of two reviews in Foresight’s Winter 2009 issue, John Mello wrote, “Showing how S&OP really has made a difference in the corporate world is what sets this book apart from those that merely describe how S&OP works, or is supposed to work.”


Stephan Kolassa’s day job at SAP AG in Switzerland is Research Expert, responsible for statistical and time series forecasting of SKU/store level data in the retail sector, as well as price optimization, assortment planning, and replenishment. Stephan is a member and current Secretary of the Board of Directors of the International Institute of Forecasters, publisher of Foresight. He is a prolific contributor of methodological research to a range of scholarly journals.

In his spare time, he has authored or coauthored nearly a dozen articles and commentaries for Foresight covering forecast accuracy metrics, benchmarking, simplicity in modeling, and forecasting support systems. As Associate Editor he has reviewed and edited more than 50 invited and submitted articles.

Stephan and coauthor Enno Siemsen’s new book, Demand Forecasting for Managers, has just been published by Business Expert Press and will be reviewed in Foresight’s Winter 2017 issue. The book is intended as an introduction to forecasting for the non-expert, such as a manager overseeing a forecasting group or an MBA student.

Stephan and family, including 7-year-old twins Sophie and Philipp, live in Ulm, Germany. When he is not commuting between Germany and Switzerland, Stephan enjoys reading, playing the piano, and providing inferential statistics consulting to his wife Iris’s psychology PhD students.