

# FORECASTING SUMMIT 2002

Boston, MA USA ♦ September 23-25, 2002



If you can attend only one  
conference or professional  
education event in  
2002—THIS IS IT!

## Contributions from:

Adexa

ECR Consultants

Heineken USA

ISO New England

Oliver Wight Company

St. Joseph Health Systems

The Wharton School

Agilisys

Emyco

Hobart Corporation

KCI Computing

PUMA North America

StrataView

University of Tennessee

CEP Systems

Epicenter Consulting

Horizon Organic Dairy

Libman Company

Silvon Software

Tennant Company

Vista Bakery

Business Forecast Systems, Inc.

## Forecasting Summit 2002

This 3-day event is an ideal opportunity to meet with and learn from fellow forecasters and forecasting experts representing a wide range of industries and disciplines. A multi-track format with the flexibility to move freely between tracks allows you to customize your conference to suit your interests and needs. The conference features educational lectures, tutorials, round-table discussions, hands-on computer workshops, case studies, user presentations, live data analysis sessions, open Q&A, and general sessions.

Several social events are scheduled to encourage networking. Don't miss this chance to share experiences, ideas and techniques with other forecasting practitioners in Boston during New England's spectacular fall season.

### A Unique Opportunity to:

- ✓ *Learn valuable forecasting skills from experts in the field.*
- ✓ *Discover the latest trends in forecasting*
- ✓ *Obtain firsthand knowledge on how leading companies approach forecasting*
- ✓ *Compare your company's forecasting practices with those of corporations from around the world.*
- ✓ *Network with a diverse group of forecasting professionals.*

***“This is the best conference that I have ever attended.”***

**– Ben Deyi, Merck & Co.**

***“Overall, an absolutely 5-star conference...I'll be back.”***

**- Mark Fortais, Fournier Pharma**

## Keynote Addresses



### **Forecasting Methods: How to Apply Cumulative Knowledge**

J. Scott Armstrong  
The Wharton School  
University of Pennsylvania

Research over the past half century has produced many useful findings about forecasting methods. In this presentation, noted author and researcher, Dr. J. Scott Armstrong will explore how structured approaches can be used to implement these findings and improve your forecasting process. Scott will also review advances in forecasting software and share his vision of where future development should focus.



### **How to Present Forecasts to Management**

Dr. Peter Mueller  
President and CEO  
Epicenter Consulting, Inc.  
formerly VP of I&T, Aventis Pharmaceuticals

The best forecast is worthless if it's not actually used. In this luncheon address Dr. Peter Mueller will teach you effective techniques to sell your forecasts to management. Peter will explain all of the fundamentals to making a powerful presentation that will dramatically increase the impact of your forecasts in the decision making process.



### **Forecasting and the Bottom Line**

Kenneth B. Kahn, Ph.D.  
Dept. of Mktg, Logistics, & Transportation  
University of Tennessee

One of the major questions that corporations ask is “what is the bottom-line value of forecasting?” In this luncheon presentation, Dr. Kenneth Kahn addresses this question presenting both corporate experiences and results from his current research in the pursuit of “dollarizing” forecast accuracy.

Something for everyone...

Broaden your skills...

Share ideas...

Keynote Addresses  
General Sessions  
Educational Lectures  
Tutorials  
Round-Table Discussions  
Open Computer Workshops  
Case Studies  
Live Data Analysis Sessions  
Practitioner Presentations  
Hands-On Training  
Q&A Sessions



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***“Excellent offerings—at times it was hard to decide what sessions to go to since all choices proved to be good. Thank you for the excellent program.”***

**– Chris Christos, Boral Bricks**

***“The conference was very good. It was well organized, informative and well worth the cost. There were some very useful talks and an excellent knowledge base.”***

**– Gary R. Orlowski,  
Benjamin Moore & Co.**

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Network...

Forecasting Summit 2002 is the ideal forum to meet and exchange ideas with other forecasting professionals. To encourage networking the conference includes daily breakfasts, daily luncheons and two evening social events.

**Welcome Reception**

On Monday evening join your fellow attendees on the balcony overlooking Boston harbor for drinks and finger food. This event offers a chance to unwind and socialize after a long day of forecasting.

**Wine and Cheese Social at the New England Aquarium**

On Tuesday night attend our private reception in the West Wing of the New England Aquarium. This bi-level exhibit gallery features unusual and exotic creatures and habitats from around the world. We'd like to thank Heineken USA and Agilisys, Inc. for their generous sponsorship of this event.



## TRACK 1: SEMINAR TRACK



The seminar track features educational sessions on various forecasting approaches, detailing both how they work and how they are applied. Topics are presented using a combination of lecture and real-world examples drawn from a wide range of industries.

Len Tashman, professor emeritus, of the University of Vermont will present the seminar track for the third straight year. Evaluations from previous conferences have been universally excellent, citing Len's ability to effectively relate the topic of forecasting to a business practitioner audience.

### Introduction to Business Forecasting

Properties of data ♦ Overview of methods ♦ Selecting an appropriate forecasting method

### Forecast Accuracy and Evaluation

Out-of-sample evaluation ♦ Error measurement statistics ♦ Findings from forecasting competitions

### Exponential Smoothing Models

Pros and cons ♦ The Holt-Winters family of models ♦ How and when to use ♦ How the models work ♦ Parameter optimization ♦ Model diagnosis

### Event Models

Modeling promotions, strikes and other noncalendar-based events ♦ How and when to use ♦ How the models work ♦ Customizing event variables to best suit your needs

### Batch and Multiple Level Forecasting

Data characteristics ♦ ABC (pareto) classification of data ♦ Measuring accuracy across multiple time series ♦ Product vs. geographical hierarchies ♦ Top down vs. bottom up approaches ♦ Other reconciliation strategies ♦ Adjustment for seasonality ♦ The role of forecasting in DP and SCM

### Dynamic Regression (Parts I & II)

Pros and cons ♦ When to use ♦ The model building process ♦ Ordinary least squares ♦ Leading indicators ♦ Lagged variables ♦ Cochrane-Orcutt models ♦ Hypothesis testing ♦ Dummy variables

### Box-Jenkins

Pros and cons ♦ How and when to use ♦ Automatic identification procedures ♦ Differencing ♦ Model diagnostics

## TRACK 2: TUTORIALS

### New Product Forecasting Considerations and Issues



Dr. Kenneth B. Kahn  
Professor, University of Tennessee

Forecasting new products is quite different than forecasting established products. This tutorial delineates these distinctions and presents considerations and issues that pertain specifically to new product forecasting. Included in the presentation are industry benchmarks on the new product forecasting process and new product forecast accuracy.

### The Role of Forecasting and Demand Planning in S&OP

Colleen Crum  
Principal,  
The Oliver Wight Companies



This tutorial will demonstrate how to integrate forecasting and demand planning into the Sales and Operations Planning process, focusing on the forecasting and demand planning information required to support S&OP as well as the roles and responsibilities in balancing demand and supply. Best practices that have emerged in integrating forecasting and demand planning in the S&OP process will also be detailed.

### Risk Analysis

Dr. Sam O. Sugiyama  
Principal, ECR Assessment Consultants



The purpose of a risk assessment is to identify and quantify the exposure the decision maker faces if he or she proceeds with the decision. The decision maker can then compare the exposure to his or her willingness to accept it (this is called "risk appetite").

This tutorial will demonstrate risk assessment procedures using simple examples and a step-by-step approach to clearly illustrate the techniques.

## TRACK 2: ROUND TABLE DISCUSSION

### Round Table Discussion: Forecasting Practices at CPG Companies

Moderator: Charles W. Chase Jr.  
VP/Chief Knowledge Officer, Heineken USA



Visit [www.forecastpro.com](http://www.forecastpro.com)  
conference information

## TRACK 2: LIVE DATA ANALYSIS

### Live Data Analysis: Forecasting a Product Hierarchy

Tom Pilcher  
Industrial Engineer, Vista Bakery  
Eric Stellwagen  
VP, Business Forecast Systems



In addition to its own quality "VISTA" line, Vista bakes many private labels. In this session Tom and Eric will work with three Vista product lines that break down into over 6,000 SKU/Customer combinations, exploring alternative forecasting approaches and grappling with such issues as varied promotional schedules, a 4-4-5 production schedule, and a complex data hierarchy.

### Live Data Analysis: Forecasting Using Regression

Dr. Azhar Qureshi  
VP, Clinical Quality, St. Joseph Health System  
Eric Stellwagen  
VP, Business Forecast Systems



In this session, Azhar and Eric will work their way through the process of building regression models for forecasting demand and capacity in a hospital network.

### Open Q&A with Eric Stellwagen



Eric Stellwagen  
VP, Business Forecast Systems

This session will offer attendees the opportunity to bring their forecasting questions to Eric Stellwagen of BFS. Eric is the

Vice President and co-founder of BFS. He consults widely and has worked with many leading firms including Coca-Cola, Kraft, Merck, Nabisco, Owens-Corning and Verizon.



Moderator: Dr. Peter Mueller  
President and CEO, Epicenter Consulting  
formerly VP of I&T, Aventis Pharmaceuticals

*om for up-to-the-minute  
information.*

## TRACK 3: PRACTITIONER PRESENTATIONS

### Hints for Extending Your Forecasting Success as Your Business Changes

Carolyn I. Allmon  
Manager of Forecasting and Inventory Control,  
Tennant Company



In this session, Ms. Allmon will speak about her experiences maintaining a successful forecasting process for one business unit and one product line while extending that success to additional product lines globally and to additional business units in a changing environment.

### Practical Applications of Multiple Regression Using Syndicated Retail Data

Charles W. Chase Jr.  
Consultant

This session will focus on the implementation and integration of sales forecasting and marketing analysis. It is a systematic approach that combines both market theory and statistical techniques to produce structural analysis, program evaluation, and sales forecasts, all of which provide actionable decision support analysis.

### Laying the Foundation for a Successful Forecasting Project

P. Craig Davidson  
Controller,  
PUMA North America



As a company, PUMA North America is committed to improving forecasting. The company has laid the foundation for the forecasting system by implementing Forecast Pro on a test basis, developing an organizational structure to support effective decision making, and integrating their data warehouse into the forecasting model. This presentation of PUMA's experiences will help companies to avoid the common mistakes of implementation by giving practical advice on how to start such a project.

*"The hands-on training and educational lectures were a powerful combination. Thanks for another useful and informative conference."*

*- Matt Laws, Sprint PCS*

*"The presentations were very helpful in providing insight into what other forecasters and industries are doing to improve their forecasts...Great Job!!!"*

*- Jim Martek, Visteon  
Climate Control Systems*

### Development of a Collaborative Demand Planning Process in a Complex Modeling Environment

Jim Bradley  
Master Scheduler, Horizon Organic Dairy



Horizon Organic implemented Agilisis Demand Planning Software in October of 2001. The original, simple forecasting model was expanded in steps to include input from all stakeholders. The final model will include full performance tracking, integration of long-term marketing plans with short-term production plans, collaborative input from external cooperators, and causal modeling. Demand patterns in the organic industry exhibit rapid growth, marked seasonality, and strong response to promotional events.

## Electric Power Forecasting at ISO New England: Development and Integration of a Multi-Layered Process

Dan O'Connor  
Senior Economic & Load Analyst,  
ISO New England



ISO New England manages the New England region's electric bulk power generation and transmission systems. In this session Dan will discuss how they integrate Forecast Pro XE into a multi-layered forecasting process. Topics will include the development of benchmark forecasts, when to use and not use expert selection, multi-level models at the state and regional level and appropriate time-series or econometric techniques for forecasting energy sales by electric revenue class.

## Statistical Forecasting, Forecast Collaboration and Sales & Operations Planning at Hobart Corporation

Randy M. Howard  
Manager, Specialty Parts, Hobart Corporation



Hobart Corporation needed a tool to support their Sales & Operations Planning process. The requirements for the tool were that it provide solid, understandable statistical forecasts for non-statisticians, have the capability to organize related products into groups, have a simple and friendly interface that could be learned quickly, and have the ability to apply and document judgmental changes to the statistical forecasts. This talk will cover the role played by Forecast Pro Unlimited for forecasting finished goods, service parts, and accessories at Hobart.

## Forecast System: Sell It Before You Buy It

Roger J. Canuel  
Manager, Information Technology,  
The Libman Company



In this day and age it would seem that there is little need to convince (or sell) an enterprise's management of the significance of having a good forecasting system in place. In this presentation, Mr. Canuel will address the need to "sell" management that forecasting is an absolute necessity in the world of business, and is the axis about which entire ERP systems revolve. Mr. Canuel will also discuss some of the precautions to take to ensure that a forecasting system is used to its full potential after it is installed.

## Improving the Forecasting Process at Grupo Emyco

Luis Gerardo Martínez Oñante  
Demand Planning Manager, Grupo Emyco



Grupo Emyco is the leading shoe manufacturer in México and a major distributor of well-known brands such as Gran Emyco, Lady Emyco, Hush Puppies, Caterpillar, Sketchers and Florsheim. This presentation will explain how Emyco improved its forecasting accuracy by developing a process that combines statistical forecasting, operational adjustments and judgmental overrides.

## TRACK 4: SOFTWARE TRAINING



Hands-on training sessions teach you to use Forecast Pro effectively. Each participant will be provided with a PC loaded with Forecast Pro and Microsoft Excel. With the help of experienced Forecast Pro trainers, you'll work through a variety of forecasting exercises using real data. Sessions range in complexity to allow both new and experienced users the opportunity to hone their skills. The agenda specifies which versions of Forecast Pro will be used (Standard, Extended or Unlimited).

The open computer workshops allow you to immediately apply what you've learned at the conference to your own forecasting challenge. Rather than formal lecture or examples, these sessions feature expert Forecast Pro trainers who circulate and assist you as you work with Forecast Pro and your own data.

The hands-on training sessions include:

- ✓ Forecast Pro Overview
- ✓ Forecast Pro Unlimited Introduction (Parts I & II)
- ✓ Setting Up Data and Saving Your Work
- ✓ Building Custom Models
- ✓ Creating Event and Multiple Level Models
- ✓ Building Dynamic Regression Models
- ✓ Open Computer Workshops

## Conference Venue

Forecasting Summit 2002 will be held at the beautiful Long Wharf Marriott, located on Boston's spectacular waterfront. The hotel offers a host of on-site amenities including an indoor pool, whirlpool, sauna and 24-hour health club. Attractions such as Faneuil Hall, Quincy Market, the Freedom Trail, the New England Aquarium and Boston's North End are all within walking distance. Subway service (the "T"), water shuttle to the airport, harbor cruises and ferry service to Salem, Gloucester and Provincetown are all available right outside the hotel doors.



Until September 2, 2002 a reduced room rate is available for conference attendees. Be sure to mention you are with the Forecasting Summit when registering. After the 2<sup>nd</sup>, the rate will be subject to availability. Contact the hotel at (800) 228-9290 or (617) 227-0800 to reserve your room today.

## Corporate Sponsors



# FORECASTING SUMMIT 2002

September 23-25, 2002 🌀 Boston, Massachusetts



## Registration Form

### Attendee Information:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

City/State/Zip: \_\_\_\_\_ Country: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

### Registration Fees (choose from the following):

One Attendee.....\$1,395

or

One Attendee with Early Bird Discount.....\$1,345

or

One Attendee with Team Discount.....\$995

Sign up 3 or more attendees *at the same time* and pay only \$995 per attendee. Names of the other attendees must be listed below to receive this price:

#1 \_\_\_\_\_ #2 \_\_\_\_\_

I wish to bring a guest to the Welcome Reception and the Wine and Cheese Social at the New England Aquarium Plus \_\_\_\_\_  
(\$25 guest fee).

Guest's Name: \_\_\_\_\_ Total: \_\_\_\_\_

### Payment Method:

- Check or money order attached
- Purchase Order attached (available for U.S. companies only)
- Visa       MasterCard       American Express

Card # \_\_\_\_\_ Expiration date: \_\_\_\_\_

Signature: \_\_\_\_\_

*(Please fill out one form per attendee)*

### Registration

Seats are limited. The conference registration fee is \$1,345 if payment is received by August 1, 2002 and \$1,395 after that date. Fee includes all sessions, conference documentation, daily continental breakfast, daily luncheons, Welcome Reception and Wine and Cheese Social at the New England Aquarium. Speaker and team discounts are available. *Discounts may not be combined.*

### Substitutions/ Cancellations

Personnel substitutions may be made at any time. The registration fee is fully refundable on cancellations made prior to August 23, 2002. Cancellations between August 23 and September 9 are subject to a \$195 administrative charge. Registrants who fail to attend or cancel after September 9 are responsible for the entire conference fee. In case of conference cancellation, BFS liability is limited to refund of conference registration fee only. Program content subject to change without notice.

To register: **Fax in this registration form or contact us at:**

**Business Forecast Systems, Inc.**  
**68 Leonard Street**  
**Belmont, MA 02478 USA**  
**Phone: (617) 484-5050**  
**Fax: (617) 484-9219**  
**E-mail: [info@forecastpro.com](mailto:info@forecastpro.com)**  
**Web: [www.forecastpro.com](http://www.forecastpro.com)**

**SUNDAY, SEPTEMBER 22, 2002**

7-9 PM

**Pre-Conference Registration****MONDAY, SEPTEMBER 23, 2002**

7:30-8:30

**Registration and Continental Breakfast**

8:30-9:00

**Welcome and Opening Remarks**

9:00-10:30

**Keynote Address - Dr. J. Scott Armstrong "Forecasting Methods: How to Apply Cumulative Knowledge"****Track 1  
Seminar Track****Track 2  
Tutorials & Round Tables****Track 3  
Practitioner Presentations****Track 4  
Software Training**

10:45-12:30

Introduction to Business  
ForecastingRole of Forecasting and Demand  
Planning in S&OP

Tennant Company

Overview Session (Std, XE)

12:30-2:00

**Luncheon Address - Dr. Peter Mueller "How to Present Forecasts to Management"**

2:00-3:30

Forecast Accuracy and Evaluation

Software Demonstrations  
Adexa & CEP Systems

Charles W. Chase Jr.

Forecast Pro Unlimited Intro  
Part I

3:30-4:00

**Afternoon Break and Refreshments**

4:00-5:30

Exponential Smoothing Models

Pharma Round Table

PUMA North America

Forecast Pro Unlimited Intro  
Part II

6:45-8:45

**Welcome Reception****TUESDAY, SEPTEMBER 24, 2002**

8:00-9:00

**Continental Breakfast**

9:00-10:30

Event Models

New Product Forecasting

Horizon Organic Dairy

Setting Up Data and Saving Your  
Work (Std, XE)

10:45-12:15

Forecasting a Product Hierarchy

Live Data Analysis: Vista Bakery

ISO New England

Setting Up Data in Forecast Pro  
Unlimited

12:15-1:45

**Luncheon Address - Dr. Kenneth Kahn "Forecasting and the Bottom Line"**

1:45-3:15

Dynamic Regression Part I

CPG Round Table

Hobart Corporation

Creating Event and Multiple-  
Level Models (Unl)

3:00-3:45

**Afternoon Break and Refreshments**

3:45-5:15

Dynamic Regression Part II

Software Demonstrations  
Agilisys & KCI ComputingCaseload Forecast Council,  
State of WashingtonCreating Event and Multiple-  
Level Models (Std, XE)

6:00-8:00

**Wine and Cheese Social at the New England Aquarium****WEDNESDAY, SEPTEMBER 25, 2002**

8:00-9:00

**Continental Breakfast**

9:00-10:30

Box-Jenkins

Risk Analysis

Grupo Emyco

Building Dynamic Regression  
Models (XE)

10:45-12:15

Exponential Smoothing Models  
(E)Software Demonstrations  
StrataView & Silvon Software

The Libman Company

Open Computer Workshop

12:15-1:45

**Luncheon Address - Business Forecast Systems**

1:45-3:15

Forecasting a Product Hierarchy  
(E)Integrating Technical & Managerial  
Factors in Model Evaluation

Open Q&amp;A

Open Computer Workshop

**E = encore presentation; Std = Forecast Pro Standard; XE = Forecast Pro Extended; Unl = Forecast Pro Unlimited  
Schedule subject to change**