

*Principles of Forecasting: A Handbook for Researchers and Practitioners*, J. Scott Armstrong (Ed.), (2001), Boston: Kluwer Academic Publishers, 849 pages.

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This detailed 849-page book truly is a synoptic view of forecasting and the literatures that contribute to its practice. It covers judgmental and statistical decision-making, using a number of key headings: role-playing; intentions; expert opinions; conjoint analysis; judgmental bootstrapping; analogies; extrapolation models; rule-based forecasting; expert systems; multivariate models and econometric models. However, lest a potential reader be put off by its size, there is a helpful flow chart that maps the path through the book, using problem formulation; obtaining information; method selection; method implementation; method evaluation; and use of forecasts. There is also a methodology tree, (and indeed several wonderful diagrams that are useful aids for teaching). The pathway is a practical one, with a good blend of praxis and theory with useful hints and tips on method choices – enough in my view to satisfy a researcher and not lose a practitioner.

The book has 20 sections covering theoretical view, methods, and principles – the latter with a section on diffusion via computer models and other texts. Each section has an introduction by the editor, placing the papers in it against a context. All papers open with a good abstract, and end with a useful summary for practitioners and researchers, and many also include details of searches of the citation indices on their topic, offering a good brief literature review of that field, or early reading for research students.

The book is based on 139 “principles of forecasting” which are discussed in stages in the chapters with a nice recursive sense so that they are not indigestible. All the principles appear together, summarized in a closing chapter at the end of the book, broken out using an analysis using a description, purpose, conditions, strength of evidence and source of evidence – again useful for both novice and expert researchers alike. Finally there is a useful and comprehensive dictionary of terms used in the book.

The editor, the contributors and reviewers must be congratulated not only on a well-edited and integrated work, but also on heroic effort to produce such up-to-date papers. A sense of the fun and of the long relationships that led to the construction of the book surface occasionally in the text and also in the bibliographies. As one who was taught statistics at Manchester by Bob Fildes, (along with pre-ski stretches), it was good to see that some things don’t change as years go by. The authors include many well known names in their various fields, but the balance of the book is clearly held by Scott Armstrong himself – an expert with a good sense of humor, and a wealth of experience. There is a link to a web-site, in turn linking to other sites of interest.

So far so good, but are there any things that weren’t perfect for me? At this point I declare biases. I was a bit upset that the policy-capture literature (e.g., Hitt and Middlemist, 1979), dear to my research interests, appeared to be brushed aside. This is slowly making progress in the strategy area, but because the literature search was not on that term, it was missed. I also thought that maybe there could have been some reference made to the use of techniques such as laddering (Baker, 2002) in the intentions section. To balance, though, I have been engaged in some serious rethinking of my research project after reading the book, because it provided a timely reminder of a lot of data and methodology issues that are often overlooked. In my non-academic life using financial models are there lessons from it? – you betcha – again timely reminders about good habits.

It is a challenge to think what can be added to the existing reviews of this book. Will I recommend our library buy it? Yes. Will I recommend it as reading for students? Yes too, but it is sadly outside most pockets. Without meaning to ill-wish the team that worked on it, please don’t let it date too much – a lot of its value lies in its currency, both theoretical and practical.

## References

Baker, S. (2002), “Laddering: Making sense of meaning,” in Partington, D. (ed.), *Essential Skills of Management research*, Sage Publications Ltd, London, 2002.

Hitt, M.A. and Middlemist R.D. (1979), “A methodology to develop the criteria and criteria weightings for assessing subunit effectiveness in organizations,” *Academy of Management Journal*, 22, 356-374.