



University of Sussex

Business & Management

Seminar series

Date: Wednesday 3 October

Speaker: Professor Kostas Nikolopoulos (Bangor Business School)

Title: The relative performance of methods for forecasting Special Events: predicting the success of Policy Implementation

Abstract: Forecasting Special Events such as Economic Crises, Conflicts, Marketing Promotions, Epidemics, etc can be very challenging, not only due to the nature of those events but also for the limited amount - if any, of available historic data from which a reference base can be built. This study uses one such event, Policy Implementation, in order to evaluate the relative performance of various forecasting methods. Earlier research suggested that individual experts using Structured Analogies could successfully forecast in such context, and the present study builds on this by evaluating the use of Structured Analogies blended with group judgmental forecasting techniques, namely Delphi and Interaction Groups. These relatively simple group forecasting methods, could be in the hands of policy makers very useful tools, given the very expensive and time-consuming alternatives (Impact Assessment, Cost Benefit Analysis). Two real policy implementation cases in an EU country were used to test our methods. Empirical evidence from this study reveals an average improvement of 5% when using Structured Analogies. This improvement is greater when the level of expertise increases, as well as when more and more-relevant analogies are used. Furthermore, if pooling of analogies is 'forced' through an Interaction Group, then the actual forecasting improvement could be as high as 40%.