

Damped Seasonal Factors Freeware

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A colleague once asked me to name a product without a seasonal sales pattern. I could not. (My guesses were toilet paper and toothpaste, but he proved me wrong). So seasonal factors are important when you need to stock inventories for nearly any product. But when you use seasonal factors to forecast demand, you encounter uncertainties. In particular, the pattern may change over the forecast horizon. This problem had long been ignored.

No more. As demonstrated in recent and forthcoming papers by Don Miller and Dan Williams, substantial improvements in accuracy can be obtained by damping seasonal factors. Their latest paper will appear alongside commentaries in the *International Journal of Forecasting* later this year. An introduction to this set of papers is provided under "Full-text Papers" at <http://jscottarmstrong.com>. Miller and Williams also provide freeware to calculate damped seasonal factors. The program is available at <http://forecastingprinciples.com> under "Freeware" on the Software page. I believe that their work represents one of the most important advances in forecasting in recent years.