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Growth Strategies

Forecasting Demand: Part 2

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Expert Opinions

- If you are launching a new medical device, talk to doctors, but also talk to nurses and those who work in hospital administration
- If you are launching a new retail concept, talk to potential buyers, but also talk to retail store salespeople and even suppliers
- Talk to your college professors or those who taught you in school

Combining Forecasts

- You should ask the experts to give you their forecasts whenever possible in a quantitative manner
- Ask them why demand may exceed their forecasts and why it might come out lower
 - It forces them to think harder
- Eventually, you should combine these forecasts to reduce errors

Analogies

- Look at other similar products and ideas in other product categories that exist and see why they are successful
- If you are launching a new direct to consumer pet food, think of who your buyers might be, and look at what else have these buyers adopted recently
- You can look at analogies across countries
 - If you are planning to launch a direct to consumer eye glasses company in India, look at Warby Parker in the US

Summary

- To gain more understanding about forecasting demand and forecasting in general I would like to suggest two excellent sources
 - My colleague at Wharton, Professor Scott Armstrong, has spent his entire career studying forecasting
 - Another colleague at Wharton, Professor Phil Tetlock, has studied what makes one person a better forecaster than another



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