



# The Probability Management Exponentially

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## Headlines

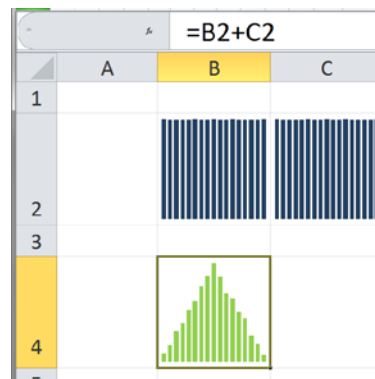
- Harry Markowitz and Michael Salama Join the Board of PM.org
- SIP math: Probability Management in Native Excel
- Collaboration with the Cambridge Centre for Risk Studies
- Flexibility in Engineering Design, by de Neufville & Scholtes

## Harry Markowitz and Michael Salama Join the Board

Probability Management Inc. is now incorporated as a 501(c)(3) non-profit organization. Harry Markowitz, Nobel Laureate in Economics, and Michael Salama, Lead Tax Counsel for Walt Disney have joined me on the board of directors. I am extremely grateful for their hard work and generosity.

## SIP math: Probability Management in Native Excel

I have recently discovered that for small models, native Excel can do interactive simulation with Stochastic Information Packets (SIPs) using just the Data Table and Index functions. Marc Thibault has coined the term SIP math for calculating with SIPs, which is not limited to Excel. If you have Excel 2010 for Windows or Excel 2011 for Mac you can even do calculations directly with cells containing Sparkline Graphs, as shown on the right.



[www.SIPmath.org](http://www.SIPmath.org) takes you directly to the SIPmath page of [ProbabilityManagement.org](http://ProbabilityManagement.org) where you can download example files and view videos. This means that simulation software of any type can export results to a huge audience for use in interactive stochastic dashboards in Excel. I have just published an article on this in the November Issue of [Analytics Magazine](http://Analytics Magazine).

## Collaboration with the Cambridge Centre for Risk Studies

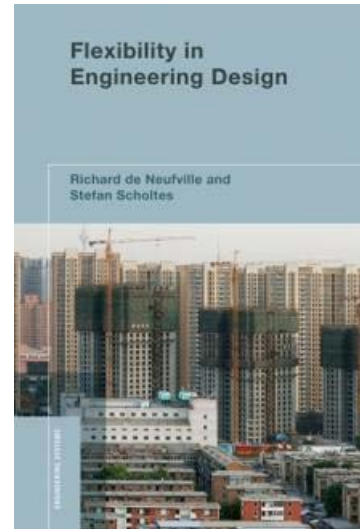
In an effort to promote more transparent communication of uncertainty and risk ProbabilityManagement.org collaborates with like-minded organizations such as the [Cambridge Centre for Risk Studies](http://Cambridge Centre for Risk Studies) headed up by Professor Danny Ralph of the University of Cambridge, Judge Business School. Danny says: "The Cambridge Centre for Risk Studies is a keen supporter of the mission of ProbabilityManagement.org. We look forward to continuing the exchange of ideas in learning about and advancing models of uncertainty that speak to decisions in businesses and other organisations." Danny has been involved with Probability Management since it first emerged from a course for petroleum executives at Cambridge in 2005, and I plan to make at least one visit per year to the Centre share ideas.

# Flexibility in Engineering Design

by Richard de Neufville & Stefan Scholtes

Since the last issue of the Exponentially, Professor Richard de Neufville of MIT, and Professor Stefan Scholtes of the Cambridge Judge Business School (and co-founder of ProbabilityManagement.org) have published a book which should be of interest to all in the Probability Management community.

Flexibility in Engineering Design takes the position that designers of complex, long-lasting projects--such as communication networks, power plants, or hospitals--must learn to abandon fixed specifications and narrow forecasts. They need to avoid the "flaw of averages," the conceptual pitfall that traps so many designs in underperformance. This book is a guide for creating and implementing value-enhancing flexibility in design. It will be an essential resource for all participants in the development and operation of technological systems: designers, managers, financial analysts, investors, regulators, and academics. Click [here](#) for the link at Amazon.



## Please Support our Efforts

You may become a member through a fully tax deductible donation at ProbabilityManagement.org. A contribution of \$99.00 or more provides access to the reserved Member Area of the site including the SIPmath™ Modeler Tools that facilitate the creation of the Data Table models described above.

Sam L. Savage - Executive Director,

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