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Media Contact: Michele Hyndman 650-799-9885

Time Series Software Firm Provides Data About the Future

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Business forecasts are traditionally communicated as single “average” outcomes. This leads to a set of systematic errors known as the Flaw of Averages, which helps explain why so many projects are behind schedule, beyond budget, and below projection. Recently the non-profit, ProbabilityManagement.org, has pioneered a new category of data: the Stochastic Information Packet or SIP. Instead of recording past events, SIPs simulate future events by conveying thousands of potential outcomes. ProbabilityManagement.org's open SIPmath™ 2.0 standard supports XML, CSV and XLSX formats.

Autobox from Automatic Forecasting Systems has become the first Time Series package to provide SIPmath output. “Our simulated forecasts may now be exported to almost any analytical system to drive risk based decisions.” said Tom Reilly, CEO of AFS. The firm was founded in 1975 by Tom's father, Dave, who licensed the famous forecasting methods of George Box and Gwilym Jenkins.

“Recently I discovered that native Microsoft Excel can run SIPs of thousands of trials before your finger leaves the <Enter> key,” said Dr. Sam Savage, the Executive Director of ProbabilityManagement.org. “This is now possible because the data table function in Excel has become extremely robust.” he continued, “It turns the common spreadsheet into a new light bulb for illuminating uncertainty, and programs like Autobox for time series, and simulation packages like Oracle Crystal Ball, @RISK and Risk Solver can generate the electricity for these bulbs.”

Large firms such as Chevron and Lockheed Martin have now developed communities of practice around SIPmath, and the non-profit has recently been cited in the MIT Sloan Management Review.

Visit www.ProbabilityManagement.org for videos, sample models, and free tools to facilitate the creation of SIPmath models.

For more information or to arrange interviews with Dr. Sam Savage, please contact:

Michele Hyndman
Associate Director
ProbabilityManagement.org
650-799-9885
Michele@ProbabilityManagement.org

Probability Management, Inc. is a 501(c)(3) non-profit that is changing the way we think about uncertainty through standards, best practices and education. Its board of directors includes Nobel Laureate in Economics, Harry Markowitz. Its sponsors include Chevron Corporation, General Electric, Lockheed Martin, Wells Fargo Bank, Lone Star Analysis, Ortec Consulting, Computer Law LLC, and the Foundation for Creative Dispute Resolution. Executive Director Sam L. Savage is author of *The Flaw of Averages: Why we Underestimate Risk in the Face of Uncertainty*, and is a Consulting Professor at Stanford University. To learn more visit ProbabilityManagement.org.