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**Geoffrey A. Lancaster
and
Robert A. Lomas**

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MACMILLAN

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*To our children, Rhisiart, Rhys,
Owen and Delyth*

Preface

The text has been written to provide the non-specialist with a knowledge of forecasting to enable him or her to apply such knowledge in a forecasting situation. No previous knowledge of mathematics or statistics is assumed, and the text is written in an easy-to-read style that starts at first principles and then progressively moves to the more advanced techniques. The reader is thus transported imperceptibly from basics to the more sophisticated methods.

Most forecasting texts tend to go straight into techniques without explaining the purpose of forecasting in the first place. This text explains how accurate forecasting is an important precursor to management planning in the short, medium and long terms. Budgets are also examined in the context of management control. This is followed by the need for profit planning and how it is derived.

Before embarking on the forecast, the choice of forecasting technique is a major consideration. A distinction is drawn between subjective and objective techniques together with the nature of historical data. The cost of forecasting is examined in the light of the purpose for which the forecast is intended.

Prior to forecasting, data must be collected, and such data can be collected inside the forecasting organisation or it can be secondary data from outside the organisation. The organisation of such data is considered and finally primary data collection techniques are discussed.

Forecasting methodology is then examined in detail under objective techniques, including time series and causal methods, and this is followed by subjective techniques.

The text concludes by examining budgets in greater detail followed by the application of forecasts to business.

We hope that we have provided a forecasting text that covers the entire forecasting spectrum including prior and post forecasting considerations. Forecasting includes both sales and materials forecasting, and these two areas are of crucial importance to businesses. Thus the text is both timely and necessary. Forecasting forms an integral part of courses in marketing, production and purchasing and purer disciplines like statistics, sociology and economics. Students on such courses should therefore consider this text in the knowledge that the subject of forecasting will appear, probably in a number of different contexts, throughout their studies.

GEOFFREY A. LANCASTER
ROBERT A. LOMAS

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G.A.L.

R.A.L.