

## Estimating Demand Uncertainty

**Session organizers:** Nikolaos Kourentzes, n.kourentzes@lancaster.ac.uk

The link between forecasting and inventory calculations is not as clear as it should be and this is evident by the formulas used for the safety stock calculation. The expected demand and its uncertainty are often based on very strong assumptions (stationarity, normality, i.i.d errors, etc) and are not valid when looking at the empirical results from real world forecast. The focus of this session will be to progress this discussion by looking how forecasts and their errors should be best translated to support inventory decisions.

Topics of interest include, but are not limited to:

The estimation expected demand, demand uncertainty and its distributional aspects. In particular looking how the formulas should be updated to reflect non-independent errors, which occur by construction when the lead time is more than a single period.

How to update our formulas to remove unrealistically strong assumption, reflect reality and support practice.

If you are interested in joining these sessions, then please do the following.

- Send me an email so that I know that you will submit an abstract (n.kourentzes@lancaster.ac.uk). If you are not sure whether your topic would fit, then please send me an abstract on the basis of which I can form an opinion.
- You submit your abstract via the web site for the ISIR conference: <http://www.isirsymposium.hu/>. When you submit you can denote that you want to join the sessions on Estimating demand uncertainty.

**Abstract submission deadline: March 31, 2016.**

### Contact details of the session organizers:

Nikolaos Kourentzes, Associate Professor at the Dept. Management Science, Lancaster University Management School, UK.

n.kourentzes@lancaster.ac.uk