Case Notes

# Chapter 13: Demand Forecasting Methods

# Ethical Forecasting: If you torture the numbers long enough, they can tell you anything!

## Case Summary

*This case presents an ethical dilemma for an intern in an advertising company when deciding what to do with the data.*

Case Analysis *This case illustrates the role that ethics and ethical decision making play in the selection and adoption of forecasting models. Ethics dictates that the advertising company needs to come to terms with their ineffective campaign. However, the company decides to manipulate the numbers to cast their advertising effort in a positive light. As such, the notion that “numbers do not lie” is a dangerous assumption.*

## Sample Answers to Case Questions

1. This scenario shows how ethics can influence decision-making with forecasting. Put yourself in Katie’s position; how would you respond?

If I were Katie, I would admit that the advertising campaign was ineffective and asked the client for a chance of revamping the campaign.

2. Select either the “tell the truth” or the “fix the data” position and defend your reasoning. Why do you believe that ethics does or does not factor into this dilemma? What would you say to someone who took the other position?

“Tell the truth” is always the right thing to do. This is not only ethical but also critical in building customer relationship long-term. Someone may get away with “fix the data” for only once. Repeated attempts of data manipulation will certainly backfire, bringing dire consequences to the perpetrator.