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To the PAIB committee

Comments on: Predictive Business Analytics: Forward-Looking Measures to Improve Business Performance

This is an interesting and worthwhile document, but there is one very important topic it must cover properly and at the moment hardly mentions.

Virtually all predictions, no matter how carefully prepared, are to some extent uncertain. The way a prediction is presented and its limitations disclosed are critical to its proper use.

Your guidance needs to discuss this requirement for proper disclosure of uncertainty and offer suggestions on how it might be done. There are several techniques and suggestions are given in the British Standard BS 31100:2011 on implementing ISO 31000:2009, on risk management. I helped to develop the British Standard.

The usual human tendency is to regard our forecasts as more reliable than in fact they are. Consequently, we tend to under-value actions that deal with the limitations of our forecasts.

Your guidance needs to counter this typical tendency.

Yours faithfully

Matthew Leitch