

The International University of Greece is awarding today Professor Spyros Makridakis for his entire lifework. For me personally it is a great honour but at the same time a real pleasure to present the achievements of a scientist of highest standing who happens to be a personality of worldwide recognition and a worthy representative of Greece.

I would like to start with some prominent milestones in his career. Following the attainment of a place in the Greek Sailing Team in the Olympic Games of 1960 in Rome, Spyros Makridakis graduated in Industrial Studies in Athens and then he set sail for New York University where he obtained a PhD from the School of Business Administration in 1969. Already 1970 he joined INSEAD, the **IN**stitut **E**uropéen d'**AD**ministration des Affaires, which is a highly appreciated international graduate business school and research institution with campuses in Europe, Asia and the Middle East. At INSEAD Makridakis taught for several decades among other Applied Statistics and Forecasting Trends and their Implications. He has won twice the 'Best Teacher Award' at INSEAD. In parallel to his teaching activities, Spyros Makridakis conducted outstanding research, primarily on forecasting and the implications when accurate predictions are not possible as well as on the impact of future trends and changes on business firms and their strategies. At present, he has the status of an Emeritus Professor of Decision Sciences at INSEAD.

Professor Makridakis' current interests center around how future technologies, and in particular the Internet, will affect business firms (and societies in general) and what kind of organizations and strategies will be required in order to anticipate, and exploit, emerging opportunities while steering clear of the dangers associated with such technologies.

Apart from his affiliation with INSEAD, Spyros Makridakis has held teaching and research positions with several European and American institutions. He has been a Visiting Scholar at MIT and Harvard as well as a Visiting Professor at McGill University and the University of Hawaii. Furthermore, he worked as a research fellow with IIM Berlin and as an ICAME fellow at Stanford

University. At the same time he has consulted worldwide and advised numerous government agencies, international organisations and enterprises such as UNESCO, AT&T, Motorola, Honeywell, Air Liquide, ICI, Seagram and Lamda Development.

In addition to teaching, research and consulting expertise, he has also authored, or co-authored, twenty one books including *Forecasting, Planning and Strategy for the 21st Century* (The Free Press), *Forecasting: Methods and Applications* (Wiley), now in its 3rd Edition, and *Forecasting Methods for Management* (also Wiley), which reached its 5th edition and sold more than 120,000 copies in twelve languages. The success of these books made him to one of the highest cited scientists in the fields of economics and business<sup>1</sup>. He has also published more than 120 articles and book chapters. His paper "The Accuracy of Extrapolative (Time Series) Methods: Results of a Forecasting Competition", was voted as the best paper published in the field of forecasting during the last 25 years. In addition Spyros Makridakis was the founding chief editor of the *Journal of Forecasting* and the *International Journal of Forecasting*. Furthermore, he served as an editorial board member of numerous other journals in his areas of expertise.

Let me know come to the cornerstone of Spyros Makridakis' work, namely forecasting. By coincidence, this target connects me with him, as I am also conducting research work on predictions, though in an entirely different field. Both prediction and forecast, with much overlap between them, attempt a statement about the way things will happen in the future, mostly based on experience or knowledge. As in most circumstances in life, also in management knowledge on what is certain or likely to happen in the future can help avoid wrong decisions and improve the chances for success. As a matter of fact, ancient civilizations believed in prophetic predictions or precognition of the future, inspired by the gods, and people visited for these purposes oracles, like the one in Delphi. Modern science offers alternatives

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<sup>1</sup> According to [http://highlycited.com/categories/economics\\_business/](http://highlycited.com/categories/economics_business/)

to this, and so today we have at our disposal forecasting methods in various disciplines. These methods range from deterministic approaches, where no randomness is involved in the development of future states, to probabilistic ones, where the probability of an event occurring again is estimated on the basis of historical data.

In the above context, it is not an overstatement to say that Spyros Makridakis has conducted pioneering work as regards forecasting in economics and business. Drawing on his ample experience with teaching, research and consulting in this area, he proves that proper future oriented decisions have to be based on a thorough knowledge of forecasting principles, coupled with an understanding of how and why past mistakes were made. An efficient decision making procedure is of special importance for economic planning and competitive business strategy.

Any forecast is, however, subject to respectable uncertainty and the reality is that, in economics and business, accurate forecasts are impossible. A recent Harvard Business Review, co-authored by Makridakis, explains why forecasts may fail on the example of the 2008 crisis. In fact, two years before this crisis, in 2006, the world economy was booming, partly on the back of triple-A investment innovations. Then, suddenly, the boom ended. Makridakis and his colleagues Hogarth and Gaba find fascinating the fact that almost no one saw the 2008 economic crisis coming. As a remedy for avoiding such prediction flaws, managers should therefore develop a different attitude about the future, the key being not to develop precise plans based on forecasts but to have emergency plans for a variety of possibilities. Such plans should be sensitive to surprises, whether they are future credit crunches or other unexpected events. Makridakis and his co-authors advocate that for compensation purposes managers should adopt what they call "the three A's" concept: Accept, assess and augment. First, managers have to accept that they're operating in an uncertain world; second, they need to assess their level of uncertainty; and third, they need to augment the range of uncertainty to compensate for risk.

In their latest book “Dance With Chance: Exploiting the Power of Luck” published in 2009, Makridakis, Hogarth and Gaba go beyond the failure to predict the worst financial crisis since the great depression. They explore the powerful role of luck in our lives and they try to explain how we all come into conflict with the “Illusion of Control”. Uneasy with how chance determines a huge part of our lives, according to the authors we try to control what cannot be controlled and predict what cannot be predicted - a self-delusion that can have serious consequences for our personal finances, careers, happiness, and health. On the contrary, those understanding how luck operates can lessen its ill effects. Minor lifestyle adjustments can have huge positive results. From simple investment strategies to warning against health screenings, the authors report on latest findings in psychology and statistics and provide a useful guide to navigating the uncertain world in which we live.

The above remarks on your lifetime work, honorable Professor Makridakis, prove that you are a prime example of a real polymath, although I prefer in this context the Greek term *πανεπιστήμων*. You succeeded in combining highest standards in teaching, research and consulting, and at the same time you represented Greece deservedly all over the world. For all these reasons, and speaking on behalf of all colleagues at the International Hellenic University and in particular the School of Economics and Business Administration, I would like to welcome you to our academic community. I have the firm belief that with you on our side we will have much better prospects to meet our education and research targets in economic planning and business strategy. In addition, especially at these difficult times of economic crisis we are now experiencing, we would very much welcome any sensible advice on how we can make luck work better for us all.