

Week #4 Short Paper

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## **Anticipatory Leaders Who Forecast**

Forecasting in business is the ability to predict future events to the extent that those who do the predicting are gauging if whether the economic climate will be either beneficial and/or detrimental to all concerned parties. Think of the weather. When meteorologists predict the forecast, they are essentially doing the same thing. While they may have more sophisticated technology than do an economic forecaster, the former is able to predict if the weather will be favorable or not. These predictions are made easy by the systems that are involved that study weather patterns. Meteorologists use weather radar known as the Doppler Radar Measure which sends electromagnetic energy into the atmosphere to locate precipitation, determine its motion and intensity, and identify the precipitation type such as rain, snow, or hail. Similarly, economic forecasts are centered around predicting quarterly or annual GDP growth rates. Leaders of companies utilize these Doppler type systems to help them base their decisions with regards to how they may invest, hire, spend, and/or engage in other significant matters that impact the economy and their company. However, despite these predictions, none of the abovementioned are absolute. This means that they are fallible and subject to human error.

When globalization is factored into the equation, it can only complicate matters. Thus, how can world leaders seek to forecast their companies' interactions with financial markets when you introduce the concept of globalization into the equation? Micheal Czinkota examines this factor and suggests that with this backdrop in mind, it is imperative to anticipate changes and adapt to them by forming new paradigms (Czinkota, 2005). It should be noted that leaders who anticipate that inflation is on the rise does not mean that inflation is on the rise; it simply means that this is what they forecast will occur. For the record, anticipating something is synonymous to

forecasting it as well. Therefore, while Czinkoka states that international business and its leaders are subject

to change, he also implies that investors must pivot when this occurs. Ultimately, however, the formulation of new paradigms after anticipation and/or forecasting, is the necessary evil one engages in when dancing with the devil. This no matter if there's rain in the forecast, or high gas prices that contribute to inflation. In either case, both are predictions.

## References

Czinkota, M. (2005). A Forecast of Globalization, International Business and Trade: Report from a Delphi Study. *Journal of World Business*. Vol. 40, Issue 2. Pp. 111-123.