in other words, they try to make consumers pay more to cover the cost of inaccurate forecasts.

dealing with inaccuracies can be challenging for businesses. However, taking proactive steps to improve forecasting accuracy and implementing rigorous measures to correct for errors can lead to better financial outcomes in the long run.

The importance of accurate forecasts is particularly evident in industries such as pharmaceuticals, where market size and demand can be highly variable. Inaccurate forecasts can lead to overproduction or underproduction, which can result in significant financial losses. For example, if a company overestimates the demand for a new drug, it may produce too many units, leading to wasted resources and potential obsolescence.

On the other hand, if the demand is underestimated, the company may face shortages, which can result in lost sales and customer dissatisfaction. Accurate forecasts can help companies make informed decisions about production, inventory management, and marketing strategies, ultimately leading to increased profitability and customer satisfaction.

In conclusion, while dealing with inaccuracies may be challenging, it is crucial for businesses to prioritize accurate forecasting. By implementing robust methods to minimize errors, companies can ensure that their operations align with market demand, leading to more efficient resource utilization and improved financial performance.

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