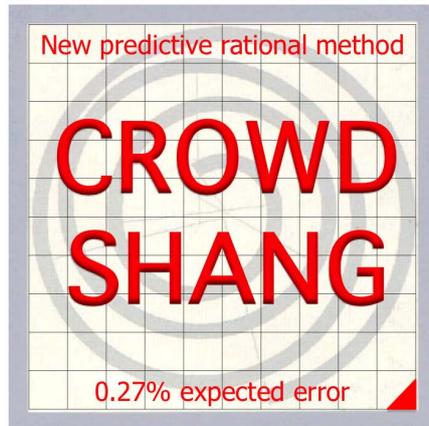




**MARCO GALLERI**  
consulente di direzione

**Welcome to the official website of CROWDSHANG**



the new predictive rational method that aims at three-sigma - that is around 99.73 % - precision estimates.

**Who needs:** everyone, especially politicians, financiers, entrepreneurs, CEO, executives and sales managers.

**Why it is useful:** for any kind of forecast, from Stock Exchange to Sales.

The method is three-fold:

1. The phenomenon of the wisdom of crowds; from the well-known Galton experiment (1907) to Surowiecki's studies 'The Wisdom of Crowds (2004-2010);
2. The Shang method, published by Ford in 1975;
3. The face-to-face interrogation in groups of experts, with the Pfizer method (1978) perfected by Galleri (2007-2014).

In short: in writing the book *Prevedere per Decidere*, Marco Galleri considered the general and particular aspects of rational predictive methods and he conceived the Crowdshang idea, where the binary surveys, previously submitted to thousands of people, are perfected by a group of trained experts.

The idea is quite simple: the worth of the Shang method is greatly enhanced by the wisdom of a huge crowd; the common sense of the analysts and the coordinator plays any differences that could improve this method.

On the other hand: in a huge crowd, you can find large numbers of specialists and thus obtain correct surveys.

This website briefly describes the method; the text *Prevedere per Decidere* (2015) consists of 330 pages and is at the moment available only in Italian. To order the book *Predict to decide* sent a mail to: [marco@www.marcogalleri.it](mailto:marco@www.marcogalleri.it).



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## **1. THE WISDOM OF CROWDS**

From the time of Galton's experiment (1907) professors with many students had the easy task of using a large glass jar full of marbles or beans, collecting everybody's estimates, and calculating the average. They could verify that the effect is repeated constantly, with an impressive accuracy of the estimate, usually over 97.5%. Its use was soon extended to other fields. The collective average is almost unbeatable by each individual participant.

*I once had 160 of them before me, in Deauville, and the calculation of the collective average was instantaneous, thanks to remote controls and a computerized system. The people (the most experienced RasBank consultants) were truly amazed at their systematic underestimation of uncertainty. Moreover, the fact that the errors of each person, once aggregated to the average of 160, bordered perfection was even more incredible. Everyone was wrong about four "forks", but not a single one when they were a group. They were all extremely interested in this amazing phenomenon (Legrenzi, 2008).*

## **2. THE SHANG METHOD**

Ford, the inventor of this method, called it *Shang* after the binary oracles of the dynasty that ruled China until three thousand years ago and who provided a response to binary questions. For example: after a hypothesis was made on the arrival of rain, they indicated a date before or after, and progressively narrowed the range of variation.

- In the first query the participants formulate minimum/maximum numerical estimates.
- Then they calculate the arithmetic means that become the initial constraints for the next query, where the central value is submitted.
- Then the participants say "major" or "minor" and the most frequent response becomes the new benchmark.
- So they proceed in the next queries and soon find an narrow interval for the estimate sought.

## **3. THE NEW CROWDSHANG METHOD**

The method is efficient; in creating it, I considered the main critical aspects (listed in the book), but also other valid opinions. As a matter of fact, the method:

- starts from a single mass estimate, without predetermined interval (Wisdom of Crowds); only later are the estimates of minimum and maximum, larger and smaller asked for (Shang); and the same method is used for the group of experts, meeting face-to-face for the completion (Pfizer - Galleri);
- In this way we respect Surowiecki's four criteria (2010): each person has their own opinion, not influenced by others or driven from the top, and the data are aggregated correctly;
- we respect also the Janor Lanier restriction (2006) because we use only estimates requiring single figures or values;
- in its specialist version this method can be applied with rigor and high competence in scientific researches;
- the expert supervision - trained with the original method (80 hours) - *Prevedere per Decidere* - neutralizes the remaining concerns.



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## Two Versions

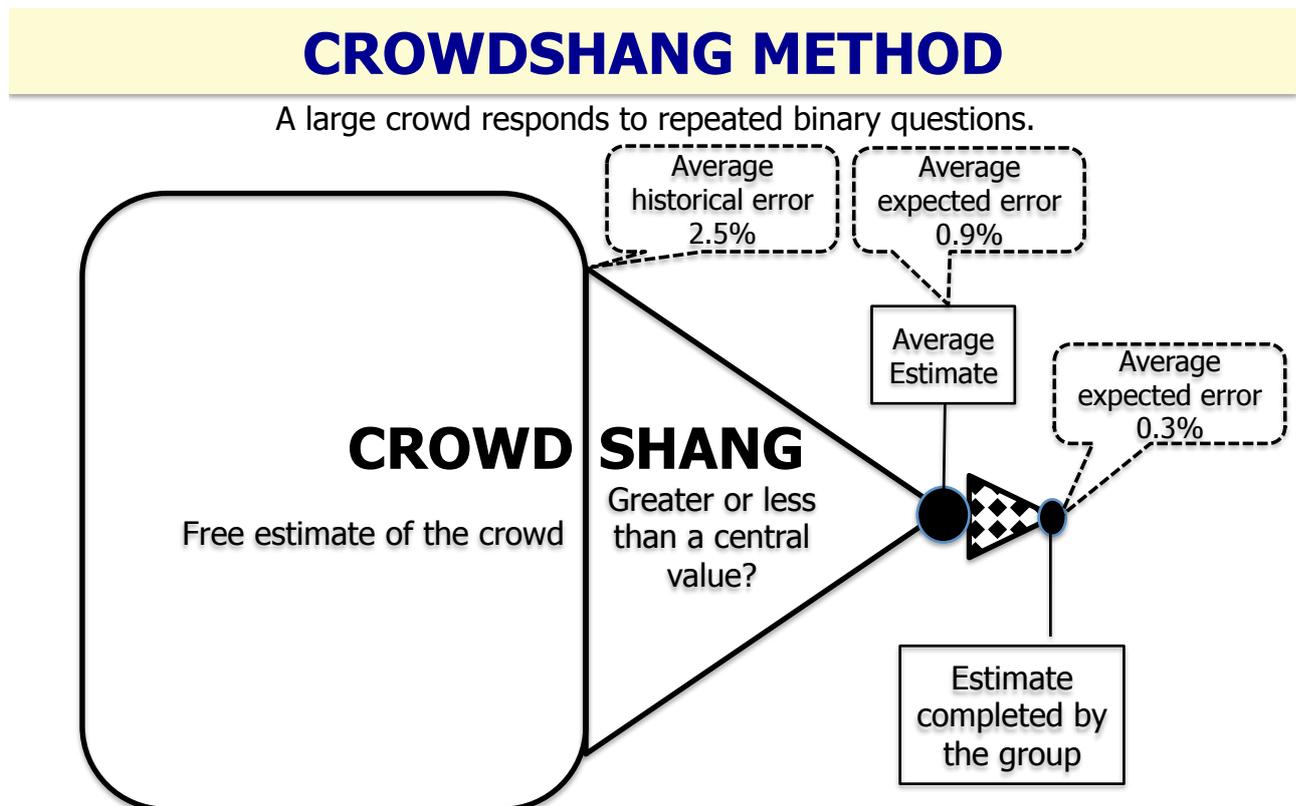
Focusing on at least fifty thousand people, I set two parallel paths, which may overlap:

**Generalist Crowshang.** The wisdom of a large crowd, whose number is significantly greater than the most rigid experimental thresholds, considers at least ten thousand subjects who are asked binary questions. Multiplying the sample size reduces the forks and significantly improves the estimates of what has proved to be the most effective method, the Shang Method. One face-to-face group, formed and coordinated with all the necessary requirements, verifies the outcomes critically.

**Specialist Crowshang.** The wisdom of an expert crowd; as before, but with hundreds of experts on the subject of the forecast. Here again, the multiplier of the current operational number is remarkable. To the qualitative advantage, the quantitative one is added: the test group is composed by the best experts.

In the most significant cases, it is possible to cross two versions, for a more proficient accuracy.

The following scheme shows the historical and expected values.



An experienced group in face-to-face interviews verifies the estimate and perfects it.



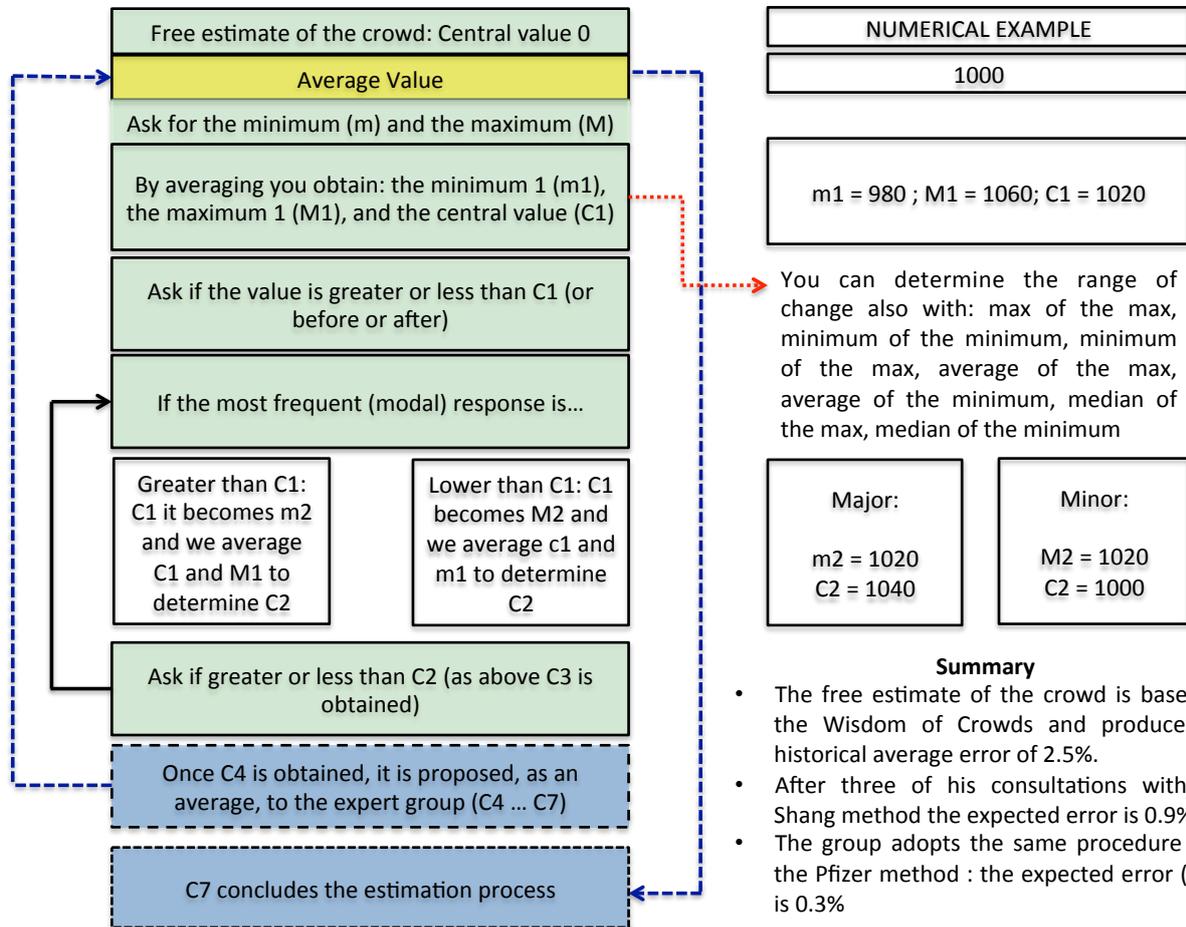
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The following table shows an example.



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