		Past Sales					Forecasted Sa	
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Jan-08
	5.91	5.01	5.03	5.29	5.97	5.89	5.5	5.5

Assumptions

Lead time (months):	3
Service level:	0.9

Calculations

		Formulas	Comments
Lead time demand:	16.5	SUM(H4:J4)	Summing the forecasts
Standard Deviation:	0.457063	STDEV(B4:G4)	Deviation in the past sale
Service factor:	1.281552	NORMSINV(D7)	Inverse of the normal distrib
Lead time factor:	1.732051	SQRT(D6)	Square root of lead-time to fore
Safety stock:	1.014549	D10*D11*D12	Combining factors
Reorder point:	17.51455	D9+D13	Lead time demand + safety :

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	Past Sales						Forecasted Sa	
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Jan-08
	5.91	5.01	5.03	5.29	5.97	5.89	5.5	5.5
	0.41	-0.49	-0.47	-0.21	0.47	0.39		5.5

Assumptions

Lead time (months):	3
Service level:	0.9

Calculations

		Formulas	Comments
Lead time demand:	16.5	SUM(H4:J4)	Summing the forecasts
Standard Deviation:	0.457063	STDEV(B5:G5)	Deviation in the past sale
Service factor:	1.281552	NORMSINV(D7)	Inverse of the normal distrib
Lead time factor:	1.732051	SQRT(D6)	Square root of lead-time to fore
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