

How 'QTY to Order' is calculated on the Purchasing Advice Report by Days of Supply

Summary:

How quantity to order is calculated on the Purchasing Advice Report by Days of Supply

Solution:

Example: If running the report from 8/8/14 through 8/15/14 (1 week time period) and 17 (qty) were sold during that week. (There are 8 days counted in the time period from 8/8/2014 to 8/15/2014).

By this logic:

A quantity of 17 was sold, over a period of 8 days (not 7 days). This equates to $17 / 8 = 2.125$ per day.

7 days of supply was selected, so the target quantity is $7 * 2.125 = 14.875$.

There are currently 7 on hand, so $14.875 - 7 = 7.875$ needs to be order, which rounds to 8.

Online URL: <https://counterpoint.knowledgebase.co/article.php?id=376>