

Forecast Draw Management

Harlon Gilbert

Standard Deviation

$$s = \sqrt{\frac{1}{N-1} \sum_{i=1}^N (x_i - \bar{x})^2},$$

Just Kidding

The Basic Equation

$$\begin{aligned} &[(\text{Standard Deviation In Net Sale}) \\ &\quad *(\text{Z-Factor})] \\ &+ \text{Average Net Sale} = \end{aligned}$$

\$120,000
Weekly Production
Costs

40 Hours/Week

The Basic Equation

$$\begin{aligned} &[(\text{Standard Deviation In Net Sale}) \\ &\quad *(\text{Z-Factor})] \\ &+ \text{Average Net Sale} = \end{aligned}$$

The Basic Equation

[(Standard Deviation In Net Sale)

The Basic Equation

(Z-Factor)

$$\text{Zfactor} = 1 - \frac{3 \times (\sigma_p + \sigma_n)}{|\mu_p - \mu_n|}$$

The Basic Equation

+ (Average Net Sale)

The Basic Equation

$$\begin{aligned} &[(\text{Standard Deviation In Net Sale}) \\ &\quad *(\text{Z-Factor})] \\ &+ \text{Average Net Sale} = \\ &\quad \text{Savings} \end{aligned}$$

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Weekly Production
Costs

40 Hours/Week

The Basic Equation

$$\begin{aligned} &[(\text{Standard Deviation In Net Sale}) \\ &\quad *(\text{Z-Factor})] \\ &+ \text{Average Net Sale} = \\ &\quad \text{Savings} \end{aligned}$$

Thank You!

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