**Examples**

1. Seller decides on the quantity of Colgate Toothpaste based on the following information and decides on buffer stock.

| Credit Period | Refill Frequency | Sale Qty / Time Unit | Time Unit | Quantity Unit | Expected Buffer | Actual Buffer | Buffer Stock |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 7 | 3 | 5 | Day | Pcs | 25% | 33% | 5 Pcs |

* Analytics model keeps getting trained on this data
* Becomes less reliant on manual data update and recommends an ideal quantity of inventory.
* Takes into account - time, purchase pattern and regional demographics.
* Provides suppliers with a trend on requirements to maximize sales.

1. Decision on how to bring margin into picture while deciding the inventory for a product.

| Toothpaste Packs | Price | Profit | Profit % | Units | Revenue | Profit |
| --- | --- | --- | --- | --- | --- | --- |
| 50g | 10 | 1 | 10 | 10 | 100 | 10 |
| 20g | 4 | 0.2 | 5 | 51 | 204 | 10.2 |

* Margin should be considered in terms of sales profit and not percentage per unit.
* A faster moving product with lower margin can be prioritized if total profit is higher.