**STOCK NORMS CALCULATION**

The **Stock norms** refer to the optimal level of inventory that should be maintained at a location (such as a store, depot, or warehouse) to ensure uninterrupted supply during the replenishment cycle. It is typically calculated based on average daily sales, lead time, and a safety stock buffer to account for demand variability or delays.

* To calculate stock norms for each SS, first I calculated the daily average sale for each SS.
* Then I calculated the safety stock, in this case I kept a margin of 25%
* Safety stock = 0.25 \* Average daily sales
* Then I defined lead time to SS according to their average daily sales if
* ADS>100, LT = 5
* 50<ADS<100, LT=7
* ADS<50, LT=10
* After getting Lead time for each SS.
* Once I got lead time, safety stock and average daily sales, I calculated Stock Norms
* Stock Norms = (Average Daily Sales \* Lead Time) + Safety stock

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| --- | --- |
| **SS NAME** | **SN** |
| SS-241 | 35055.93 |
| SS-15 | 26287.51 |
| SS-197 | 25717.00 |
| SS-152 | 19063.53 |
| SS-139 | 18142.21 |

SS With Highest stock norms SS With Lowest stock norms

|  |  |
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| **SS NAME** | **SN** |
| SS-226 | 0.36 |
| SS-62 | 0.34 |
| SS-67 | 0.31 |
| SS-31 | 0.19 |
| SS-32 | 0.03 |