

TABLE 18.33: Lot-Sizing Techniques – 2-Week Fixed-Period Ordering

Product: Running Shoes Low-Level Code: 0 Lead Time: 1 week Lot Size: 2-week fixed-period ordering	Week							
	1	2	3	4	5	6	7	8
Gross Requirements	50	60	40	80	30	70	40	30
Scheduled Receipts								
Projected On-Hand Inventory = 50	0	40	0	30	0	70	30	0
Net Requirements		60		80		70		
Planned Order Receipts		100		110		140*		
Planned Order Releases	100		110		140*			

*Note: Our planned order release in the period will be 140 units, which will cover the gross requirements for 3 weeks (6, 7, and 8) instead of 2 weeks.

Total Cost = 3 × 100 = (40 + 30 + 70 + 30) × 2 = \$640