

# Safety Stock - Continuous

The Heidi Basketball Company sells retro 1970's style tube socks at a rate of 21 pairs per day. From the time an order is placed with a supplier, the order takes 6 days to arrive from the Philippines. The standard deviation of lead time demand is 23 units. The Heidi Basketball Company decides to carry 20 units of safety Stock.

- a. What is the Z score ( $Z=(X_i-\bar{X})/SD$ )?
- b. What will be the company's service level policy?

If Heidi decides to have a service level policy of 95%

- c. What is Z score?
- d. How many units of safety stock are required?