Abstract

Croston (1972) [2] presented an idea and method to separate ordinary exponential smoothing in two parts; in the time between demand, or withdrawals, and demand size. The idea with the modification in Levén and Segerstedt (2004) [3] is that time between demand and demand size is not independent. But this modification has shown poor results. Therefore Wallström and Segerstedt (2010) [8] suggest another modification, "forward coverage." By applying moving average of past two months demands to "forward Coverage" (Wallström and Segerstedt (2010)) [8] method, shows that the new one produces better forecast, if the time between demands and demanded quantity are not independent. The different techniques are compared Mean Squared Error (MSE).

References


- Journal of the Operational Research Society, 60, 321-329


**Index Terms**

Computer Science

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**Keywords**

Croston's Method; forward coverage; irregular demand; spare part; service parts inventory