# 4.21. Forecasting

In mSupply, 'consumption' is defined as stock that is ***issued***. Stock lost due to damage, expiry, etc. is managed through Inventory Adjustments and **is not** included in 'consumption'. During the later quantification calculation, there are options to include or exclude Stock Transfers and Builds in the consumption calculation.

Forecasting is the art of determining how much stock to order to minimise stockouts (no stock available) and stock expiring before it is used.

mSupply has a few tools to help you with this.

MORE INFORMATION COMING ON THIS PAGE SOON.

By default, mSupply uses the assumption that future consumption will continue at the same level as consumption over a given historic period. Our experience is that in almost all situations, this method, combined with a conservative provision for buffer stock, yields very good to excellent results. However, in certain situations you will want to provide your own forecasts. Reasons for this could include factors such as:

- Excessive, sudden population increase
- An epidemic causing increased demand
- Historical usage being inaccurate due to operator error or stock-outs
- A change to Standard Treatment Guidelines meaning a new treatment is being introduced, and there is no historical data
- Morbidity and mortality data has been obtained and used to calculate requirements.

## Where does mSupply use forecasts?

Any time mSupply produces a suggested order quantity, it will consider each item and use the forecast options for that item to produce a forecast. This includes:

- Creating a new tender
- The suggested order report
- Creating a new purchase order

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