

Days Inventory Outstanding (DIO) Calculation Template

Track how many days your stock sits before it sells, per category or per SKU.

$$\text{DIO} = (\text{Average Inventory} \div \text{Cost of Goods Sold}) \times \text{Days in Period}$$

$$\text{Average Inventory} = (\text{Beginning Inventory} + \text{Ending Inventory}) \div 2$$

WORKED EXAMPLE – FILL ONLY THE BLUE-LABELLED INPUT COLUMNS

Category or SKU	Beginning Inventory	Ending Inventory	COGS for the Period	Days in Period	DIO (auto)
A	B	C	D	E	F
Coffee beans	₱480,000	₱520,000	₱4,200,000	365	43.45
Milk and dairy	₱180,000	₱220,000	₱3,650,000	365	20.00
Syrups and flavorings	₱340,000	₱360,000	₱1,100,000	365	116.14
Packaging	₱260,000	₱240,000	₱1,500,000	365	60.83
Your category	—	—	—	365	—
Your category	—	—	—	365	—
Your category	—	—	—	365	—
Company total	₱1,260,000	₱1,340,000	₱10,450,000	365	45.41

How to use this sheet

1. Type one row per product category or SKU group in column A.
2. Enter stock value at the start and end of the period in B and C.
3. Enter the cost of stock sold in that same period in D, not sales revenue.
4. Set E to 365 for a year, 90 for a quarter, 30 for a month.
5. Paste `=((B2+C2)/2/D2)*E2` into F2, then drag it down.

Formulas to paste

- DIO per row (F2):
`=((B2+C2)/2/D2)*E2`
- Company total COGS (D10):
`=SUM(D2:D8)`
- Company DIO (F10):
`=((B10+C10)/2/D10)*E10`
- Guard against empty rows:
`=IF(D2=0,"",((B2+C2)/2/D2)*E2)`

Read it per category, not company-wide. In the example above, the company average of 45.41 days hides the real problem: milk clears in 20 days because it spoils fast, while syrups tie up cash for almost four months. Run the sheet every month and keep the history, because twelve months of figures show whether your stock is moving faster or slower than last year.