

Crystal Ball Software and Risk Analysis Tips

(#12) Converting Lognormal Parameters

The current version of Crystal Ball lets you define a lognormal distribution with either a mean and a standard deviation, a log mean and a log standard deviation, or a geometric mean and a geometric standard deviation.

However, what if you have more common parameters, such as a most likely value (mode) and a percentile? Is it possible to define a lognormal distribution based on these parameters?

Yes! You must first convert the alternate parameters to one of the standard sets. Of these three sets of parameters, you can calculate the log mean and the log standard deviation from two common points (alternate parameters): the mode and any percentile.

For the equations to use, see our Technote at:

http://www.decisioneering.com/support/technotes/cbl_gen_020A.html

Also, to download an Excel workbook with the formulas all ready for you to use, see:

<http://www.decisioneering.com/download/lognorm.exe>

For more information or to contact us, browse to <http://helpdesk.crystalball.com>

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