

Crystal Ball Software and Risk Analysis Tips

(#44) The Poisson Distribution

The Poisson distribution is a discrete distribution that describes the number of times an event occurs in a given interval, such as the number of telephone calls per minute or the number of errors per page in a document.

Three conditions underlie the Poisson distribution:

- * The number of possible occurrences in any interval is unlimited.
- * The number of occurrences in one interval doesn't affect the number of occurrences in other interval
- * The average number of occurrences remains the same from interval to interval.

If the situation you are modeling meets these conditions, you could use the Poisson distribution when defining your assumptions. See the *Crystal Ball User Manual* for more information.

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

This tip published January 2007 (Crystal Ball version 7.3)

ORACLE