Problem 5: Books-on-Line

TRANSPORTATION

Be sure to read/study

Example 13.1:
(Third Edition)

Westview → Eastern Electric

Transportation modes
- Rail
- Trucking

Books-on-Line (Problem 13.2 in Third Edition)

Problem Def:

→ Explore different options for locating facilities & the corresponding trade-offs between transportation costs & inventory holding costs
Explore

(1) Current situation
- (0, 0, 1)
  - Warehouse in the west, only West
  - East Center

(2) (0 1 0)

(3) (1 1 1)

(4) Others?

Current Scenario

<table>
<thead>
<tr>
<th>E</th>
<th>C</th>
<th>W</th>
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<tbody>
<tr>
<td>50000</td>
<td>50000</td>
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Demand (weekly)

- Shipped from E: 0 0 0
- Shipped from C: 0 0 0
- Shipped from W: 50000 50000 50000

Location of Warehouse: 0 0 1

- (1) Fixed cost
- (2) Inv holding costs
- (3) Transp. costs

Total costs: $mn $mn $mn