Recheck the calculations and be sure to consider unit cost for each option

Option 1 Outbound freight costs $1000/1000=$1. Each, So 10000/wk. = $10,000. Then calculate equalization = 10,000/1000 = 10 deliveries. 10X $200/delivery charged, or $2000/wk. gain from customers.

Option 2 Use the data in the task and follow the equation above.

Option 3 follow the above example 1 and add difference in finished goods shipping costs borne by the company. Your answer should be $8,000 savings.

But you will need to show the calculation on the spreadsheet. Then add total added & decreased costs from current method (Net of inbound plus outbound). Your answer should be $2000/wk. But you need to show calculation on the spreadsheet.

Option 4 Follow 1 and 3 above for data posts to the spreadsheet. When you calculate total added or decreased costs from current method you should see an $8000 savings/wk. Again, show the calculation to arrive at the answer on the spreadsheet. Once the data is calculated, you select from the four options, the best based on value.

**Section IV: Quantitative Factors** **(Excel Spreadsheet)**

What is your quantitatively based recommendation based on the data in section II and below as to whether you should open a West Coast distribution center to address West Coast customers, just add on to the existing East Coast factory and warehouse, or build a combination West Coast manufacturing location and warehouse?

**Use this** [**template**](https://campus.ctuonline.edu/courses/scm210/assignment_assets/scm210_u4ip_template.xlsx) **to show your numeric calculations. Without calculations shown for how you reached your conclusion, section IV will earn 0 points. REMEMBER: Decisions like this are based on a comparison of option A versus current methods, or option B versus current methods.**

1. The products are primarily medium- and large-size insulated coolers, like you might use for a picnic or trip to the beach. Each cooler occupies 2 cubic feet of trailer truck space; trailers are 10 x 10 x 40’ long and cost $1,000 to ship from the East Coast to the West Coast.
2. The coolers are made of 3 components: 1 lb of raw material A, 1/4 lb of raw material B, and 1 gallon of material C, weighing 10 lbs. Based on this information, the added freight cost to get raw materials to a West Coast manufacturing location would be $0.20, $0.20, and $0.60 per finished-good unit, respectively.
3. The mass merchandiser location on the West Coast will be purchasing 10,000 units per week, but in lots of only 1,000 at a time because of their retail store space constraints.
4. The market is very competitive, with generally stable or decreasing marketplace prices.
5. In countries that are warm year-round, sales are pretty steady; in southern countries and states or those that have seasons, 90% of sales occur in the May–August period.
6. The raw materials to make this product are bulky, and inbound shipping from the suppliers to the manufacturing plant represents 20% of total raw material costs. These raw materials are supplied in the United States from the East Coast; they are not available elsewhere.
7. Domestic demand is expected to increase 5% annually; international demand is expected to increase 15% annually in France and Spain, but only 2% in Northern European countries.
8. In the past, to keep West Coast customers happy, the CEO agreed to freight equalize customer shipping charges to be competitive with West Coast competition. She says that they only charge those customers the local freight cost of shipping, which is $200 per delivery for anything up to half-truckload quantities.