Chapter Outline

# Chapter 8: Supply Chain Design and Location Planning

***See pages: 268-294***

Operations Profile: Mexico, the Next Great Automaker

Supply Chain Design and Facility Location Decisions

Factors That Affect Supply Chain and Location Decisions

Competitive Strategies That Affect Supply Chain and Location Decisions

Why Supply Chain and Location Decisions Sometimes Backfire

Phases in the Supply Chain Design and Location Decision-Making Process

Phase I: Design the Supply Chain

Phase II: Determine the Configuration of Regional Facilities

Phase III: Select Potential Sites for Locating Facilities

Phase IV: Choose Locations

Analytical Methods for Evaluating Locations

The Factor Rating Method

Breakeven Analysis

The Center-of-Gravity Method

The GIS (Geographic Information System) Method

Consider This 8.1: GIS and Location Decisions

Ethical and Sustainability Issues

Global Location Planning

Chapter Summary

Key Terms

Discussion and Review Questions

Solved Problems

Problems

Case Study 8.1: Countering the Counterfeiters

Video Case

Critical Thinking Exercises