Case Notes

# Module B: Transportation Models

# Plant Location for Tru-Blade Ski Company

## Case Summary

*This case describes a location decision problem confronting Tru-Blade where the goal is to identify the new plant location that minimizes total transportation costs while satisfying demand and capacity constraints.*

Case Analysis *This case illustrates a typical location decision problem that can be solved by using the transportation method. Such problems involve optimizing an objective (e.g., minimizing costs) subject to demand and supply constraints.*

## Sample Answers to Case Questions

1. For the alternative plant locations, determine the shipping patterns that will minimize total transportation costs. Where should the new plant be located? Why?

Portland:



Cleveland:



Total transportation costs for Cleveland is $90,000 which is lower than Portland’s $125,500. Therefore, the new plant should be located in Cleveland.