

# Free essay on exploring locations for manufacturing factor conditions

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The assessment and identification of the ideal location for manufacturing is critical for a variety of reasons. These decisions are long term, difficult to reverse and affect fixed and variable costs for companies . 1 The identification of a specific location for a new organization takes place at 3 levels: identification of the region, the choice of the site within the region, dimensional analysis. 2.

Once you have identified potential sites within a region you will need to zero in on the most efficient site for your particular operational set up. There are 5 most frequently used models for factor analysis: factor rating method, load distance method, the center of gravity method and break even analysis . Among these the factor rating is the most widely used This method is popular because it allows you to measure both tangible and intangible parameters. Using this method you would list all the parameters that affect the identification of a location. Assign an importance weight score to each factor. You must then score each location on each factor, multiply scores by weights for each factor and select the location with the maximum total score. 3

Using quantitative methods can ensure that you arrive at a sound data driven decision and each of the quantitative methods use complex mathematical equations to arrive at determinants for factor analysis. By using these methods you can ensure that you are able to mitigate the risks associated with setting up new locations.

## **Works Cited**

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