

Let there be light lamp shade company

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Let There Be Light Lamp Shade Company serves an upscale local market and is currently placing a bid for several public buildings in Asia. A total of 5,400 identical lights will be installed and delivered to the foreign port where the buyer would take possession. Let There Be Light Lamp Shade Company has three styles of lampshades. In order to determine the best possible bid, the company will determine how many lampshades can fit in the intermodal container and the total cost of delivering for style A, B, and Clamp shades.

The interior dimensions of the intermodal container are 8 feet wide by 8.5 feet high by 40 feet long and can hold up to 44,000 pounds per loaded container. The intermodal container could hold 2,560 styles. Lampshades because it holds 2,720 cubic feet, however, the top six inches cannot be used. The style B shades can be stacked two packages high with the square foot on the bottom. Each column could hold 12 shades and there can be a total of 320 (8 x 40) columns of 12. In terms of style B, the intermodal container could hold 3,840 lamp shades without exceeding the weight. Style C shades can be stacked the same ways as style B and a container could hold 320 columns of 20, totaling 6,400 lamp shades. However, this would exceed the 44,000-pound weight limit. To stay under the weight limit, the number of lampshades the container could hold is 4,356 lampshades (10.1 the weight of one lampshade divided by 44,000). The total cost of delivering each style of lampshades can be calculated by adding the cost of the lampshade being manufactured, packaged, shipped, insurance, and ocean freight rates. For style A lampshade, the cost of 5,400 lamp shades to be manufactured is \$21,600 ($\$4 \times 5,400$).

Packaging style A lampshade is \$0.60 per lamp shade for a total of \$3,240. The lampshades will need to be shipped to the Port of Oakland, which will cost \$3,000 (\$1,000 per load). The cost of insurance for shipping style A lampshade is \$556.80 because the total cost of the company at this point is \$27,840 times 2% of the value of the shipment. The cost of ocean freight rates is \$2,970. Adding the figures together brings the total costs of delivering for style A shades to the port of importation to \$31,366.80. Style B lamp shades cost \$5 per lamp shade for a total cost of \$27,000.

The packaging of the style B lampshade is \$1,800 ($\2×900). It will take two loads to the Port of Oakland for a total of \$2,000. Insurance for style B lampshade will cost \$616 because the total cost thus far is \$30,800 times 2% of the value of the shipment. The ocean freight rate cost is \$1,960; for a total cost of delivery of \$33,376. For style C lampshades, the cost per shade for manufacturing is \$6 for a total of \$32,400 and the total packaging cost is \$1,620. Again, two loads will be needed to deliver to the Port of Oakland for a total of \$2,000. The insurance for style C lamp shades is \$720 ($\$36,020 \times .02$).

The ocean freight rate cost is \$1,238. The total cost of delivering the style C shades to the port of importation is \$37,978. Thus, style A lampshades would be preferred because it is the least expensive out of all three styles. In conclusion, Let There Be Light Lamp Shade Company will be placing a bid for large public buildings in Asia. After analyzing how many lampshades can be loaded into the intermodal container and the total cost of delivering, the company will be placing a bid with style A lamp shades.

References

1. Murphy, P. R., & Wood, D. F. (2011). Contemporary Logistics. Upper Saddle River: Prentice-Hall.