

	Fix Costs	Variable Cost per drum	Opportunity Cost(Two Years)	
Add Capacity	0	50000	0	90 days
Factory	500000	50000	105000	90 days
Warehouse	100,000	0	21000	60 days

Cost per Truckload (per drum)		Scenario (Truck) (Sorance)	Cost Per Drum
Factory - Warehouse		Building Nothing	275
Same region	75	Building Factory	300
Different regions on	100	Building Warehouse	250
Saving cost	25	Building Both	225

Cost by Mail (per drum)		Scenario (Mail)	Cost Per Drum(+)
Factory - Warehouse		Building Nothing	350
Same region	150	Building Factory	400
Different regions on	200		350
Saving cost	50	Building Both	300

Fulfillment Cost (per drum)	
Warehouse - Customer	
Same region	150
Different regions on	200
Saving cost	50

Saving Cost Per Drum	Fixed Cost(-)	Opportunity Cost (-)	Total Cost	Breakeven demand
-	0	0	0	-
-25	500000	105000	605000	-
25	100000	21000	121000	4840
50	600000	126000	726000	14520

Saving Cost Per Drum(+)	Fixed Cost(-)	Opportunity Cost (-)	Total Cost	Breakeven demand
-	0	0	0	-
-50	500000	105000	605000	-
0	100000	21000	121000	-
50	600000	126000	726000	14520

Breakeven Demand(daily average)

7	7.6
20	20.6

Breakeven Demand(daily average)

20