Ravikant Parekh

**HP Case Study**

After considering all the options, we can conclude that transporting the generic product by air would be much beneficial.

As per the excel spreadsheet, we can save around $59,000,000 by choosing Air transportation option. Of course, shipping all the products through the air will be expensive. Therefore, we cannot afford to do that. Transporting the specific printer through air will solve the issue of “stockless inventory” of the Deskjet printer. The lead time will also be reduced and therefore, inventory holding cost will be reduced drastically.

There are also disadvantages of shipping through the air. The shipping cost is higher, but it doesn’t matter as we are saving a large amount of money by reducing holding cost. Additionally, establishing a new factory in Europe might be helpful to save a lot more money. However, there will be huge investment needed to do so.

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