

## ABSTRACT

Warehouse or distribution center location is one of the key success factors in supply chain management which specify the optimal location position. It could support the efficient financial statement of the company and gain competitive position. XYZ Company is trying to study the feasibility of relocating its distribution center for service parts in order to reduce inbound transportation cost.

The purpose of this research is to enhance the knowledge and awareness in applying financial techniques to find the appropriate parts distribution center location of XYZ Company between its current location at Bang Plee, Samutprakarn, and a new location at Pluak Daeng, Rayong. The inbound transportation cost reduction is implemented by studying the new parts distribution center location which is close to the source of supply. Then the financial results between the current and the new location will be compared to select the appropriate location. The financial techniques that are used for finding the results are net present value (NPV), internal rate of return (IRR), and profitability index (PI). This research also identifies the problems of the current parts distribution center location and its advantages and disadvantages. Then the results of the data analysis and the cash flows analysis for both locations will be presented.

The calculation results using financial techniques show that the new location of parts distribution center at Pluak Daeng, Rayong, is preferred as the appropriate location because it could provide a higher cash flow to company.

Lastly, the researcher provides guidelines and recommendations for future research in order to find another appropriate location of parts distribution center by considering the company's benefits as well as the service level to its customers.