

# Integration of the supplier capacity for choosing the less risky schedule within an uncertain environment



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<b>Context</b>	<b>Gross requirements</b>	<b>Feasibility level</b>	<b>Choice of the sequence</b>	<b>Conclusion</b>
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# Summary

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- **Context**
- **Model of gross requirements**
- **Computation of feasibility level**
- **Choice of the manufacturing sequence**
- **Conclusion and perspectives**



# Environment

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- **Uncertainty on the supply chain demand**
  - **Shortening of the product life cycle**
  - **Customer versatility**
- **Risk for the supply chain**
  - **Backordering**
  - **Obsolete inventory**



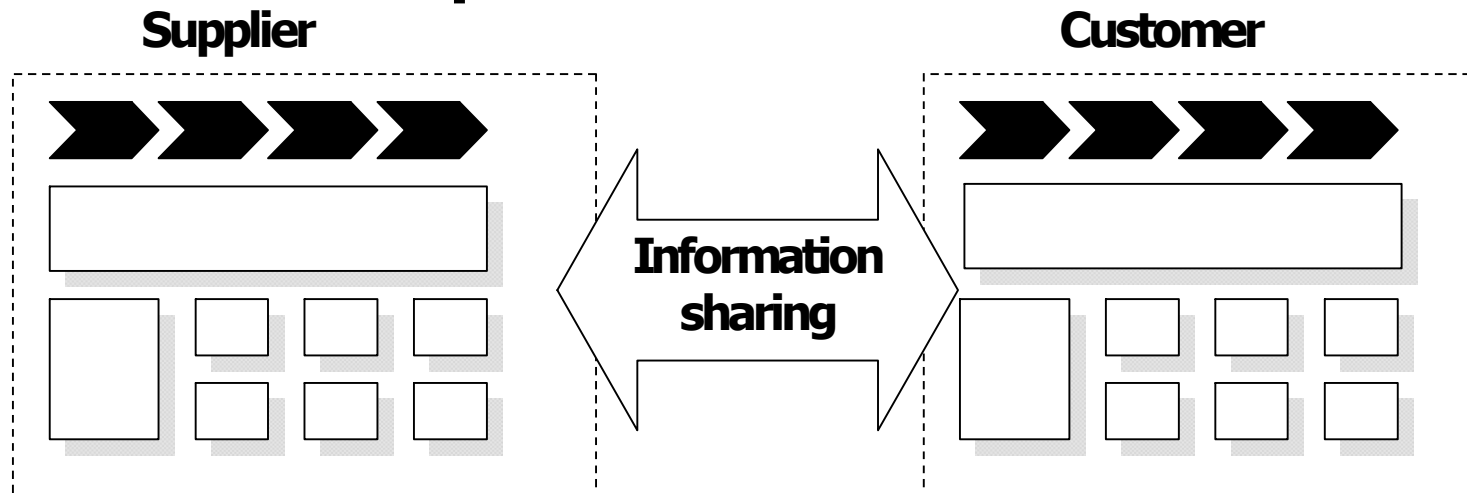
# Risk mitigation

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- **Collaboration**
  - **Vertical: centralized decision making which synchronizes the supply chain**
  - **Horizontal: referring to the collaborative planning (supply chain of independent entities)**

# Collaborative supply chain

- **Point-to-point (customer / supplier) relationships with partial information sharing**
  - **Inventory levels**
  - **Allocated capacity levels**
  - **Procurement plans**





# Uncertain environment

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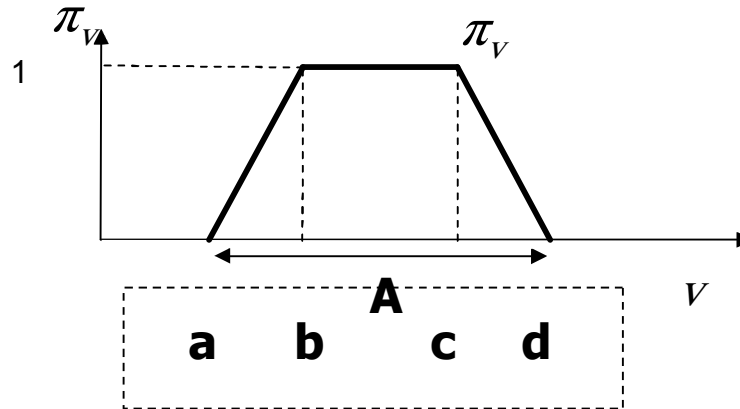
- **Integration of the uncertainty in the decision process**
- **Two different types of models can be used for representing the uncertainty**
  - **Stochastic models**
  - **Possibilistic models**

*Without observation allowing to build a stochastic model => possibilistic model.*

# Distribution of possibility

- Imprecision on quantities

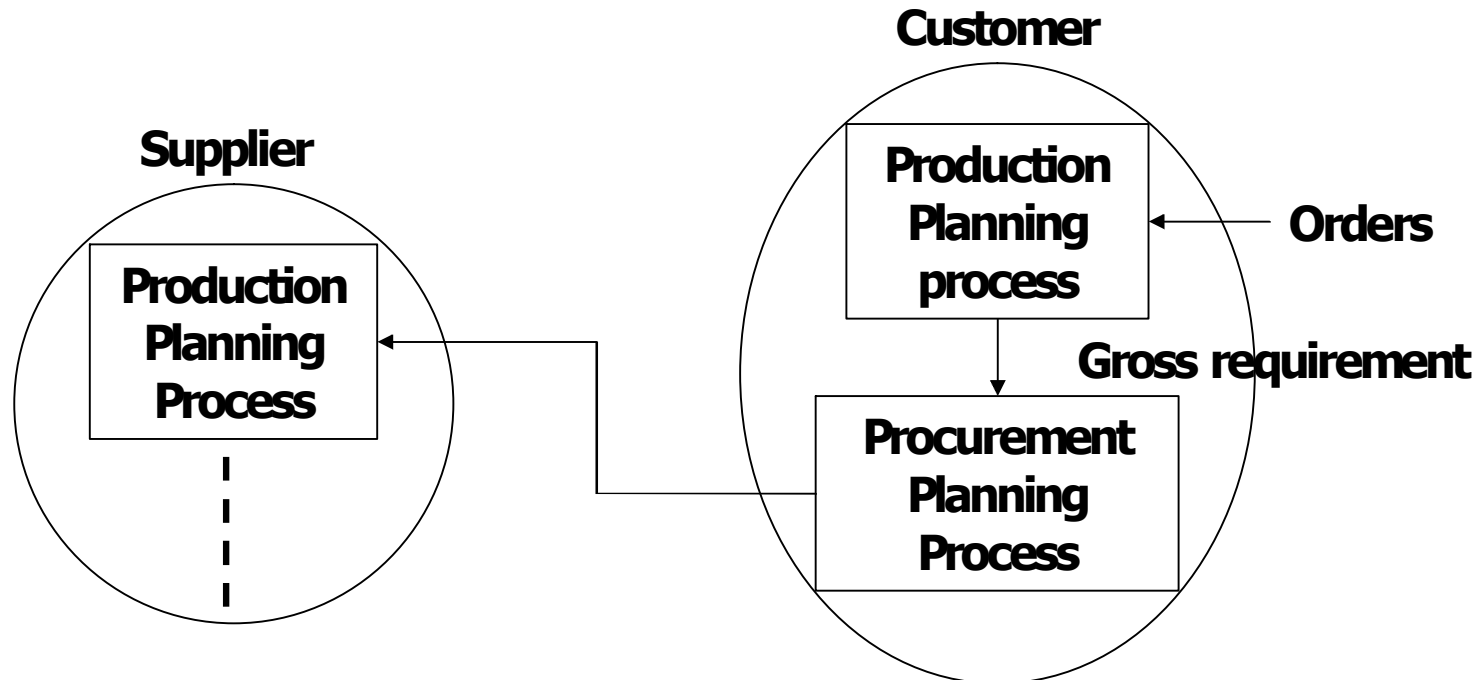
characteristic function of set A



*fuzzy numbers are used to model the possibility distributions: represented by 4 values (a; b; c; d)*

# Computation of the procurement plan

- Customer « Make-to-Order »
- Supplier « Make-to-Stock »





Context

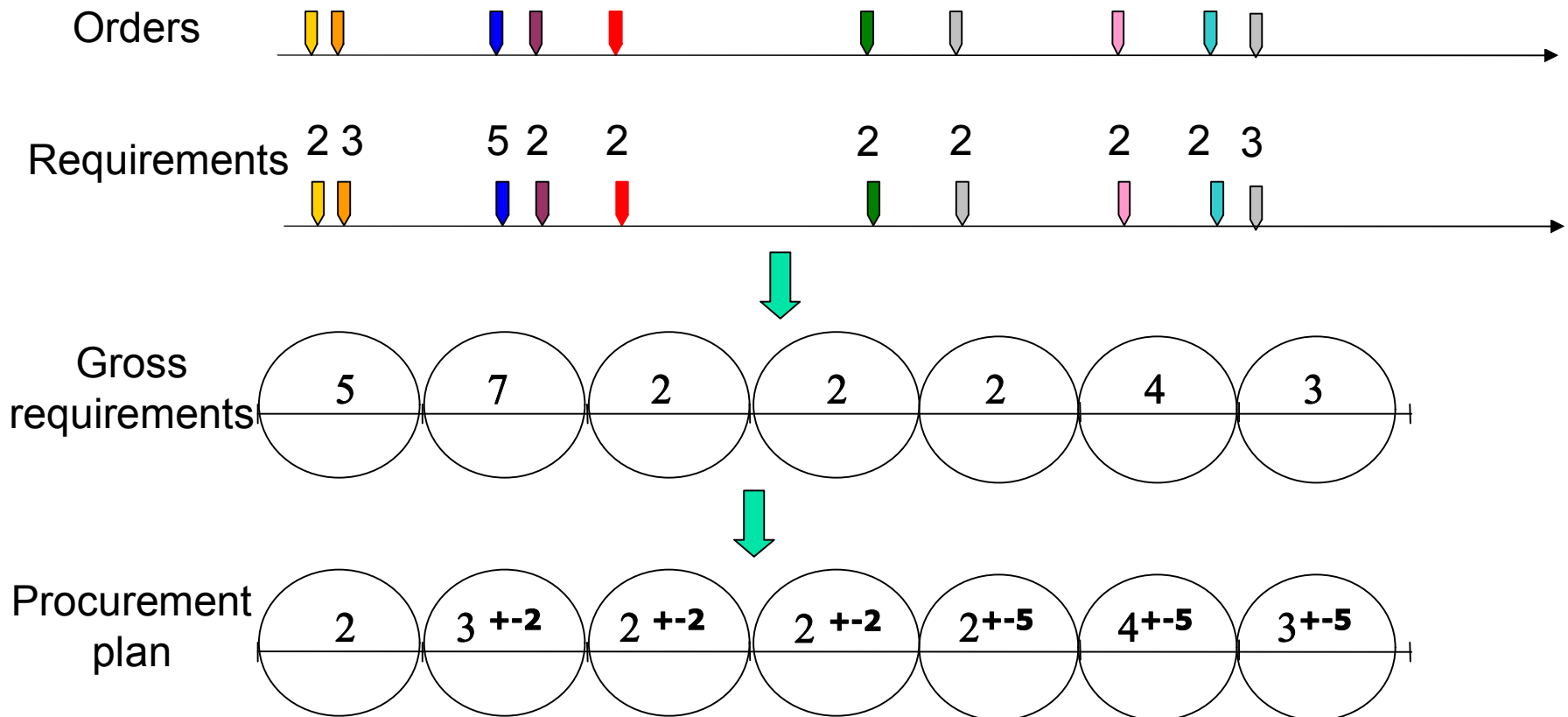
Gross requirements

Feasibility level

Choice of the sequence

Conclusion

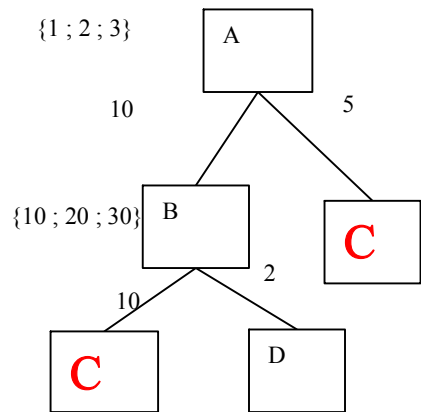
# Procurement planning process



# Dependencies

## Quantities Dependencies

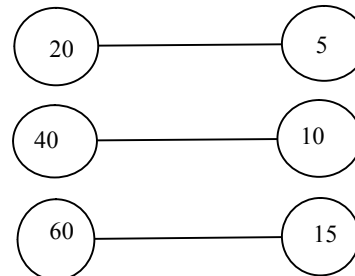
- The required component appears at different levels of the bill of material of the same final product



Orders: A

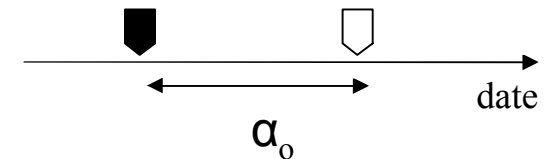
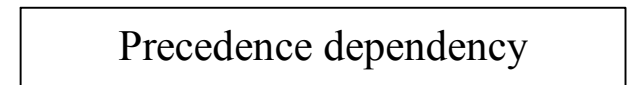
Orders: B

requirements: C



## Precedence Dependencies

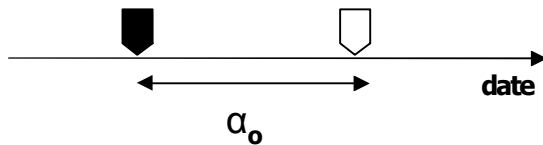
- requirements processed on a given assembly line



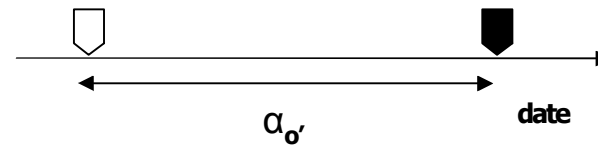
# Feasible Sequence

- The planner makes a decision on the production planning given a set of possible sequences evaluated by preference level

Preference =  $\mu_{1,1} : 1$

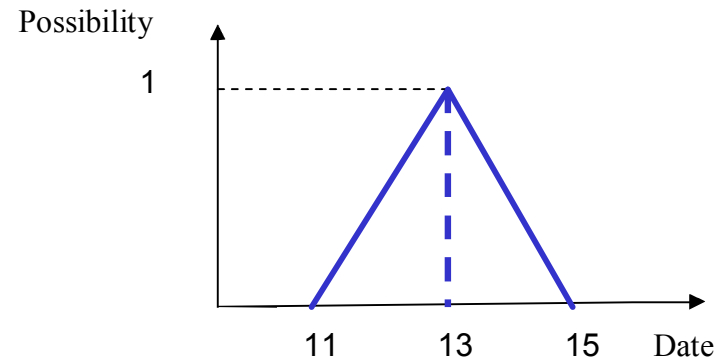
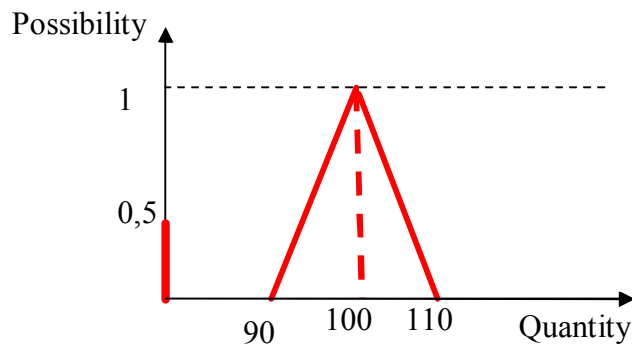


Preference =  $\mu_{1,2} : 0.8$



# Requirement representation

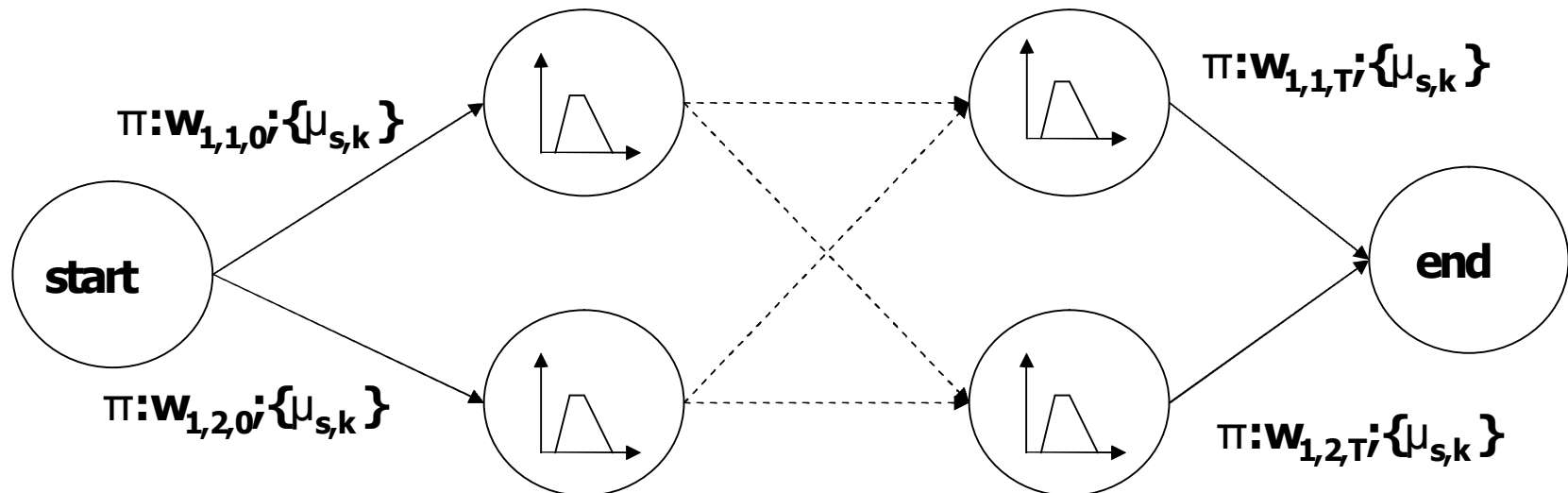
- Model composed by two sub-models
  - Quantity model
    - possible quantities
    - uncertainty of the requirement
  - Date model



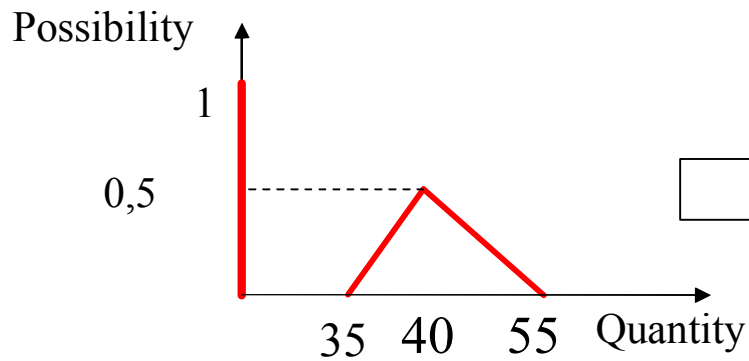
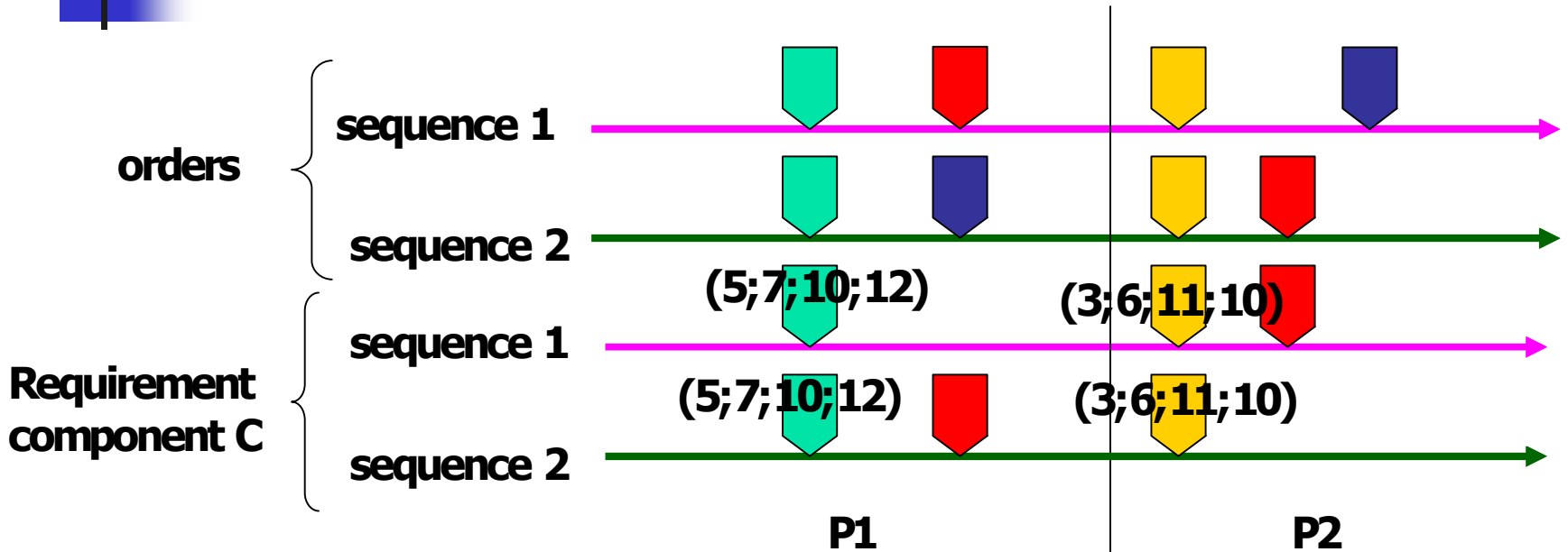
# Gross requirement

## ■ Graph representation

- Nodes are fuzzy gross required quantities
- Arcs are valued by set of characteristics
  - Possibility level
  - Preferences of sequence

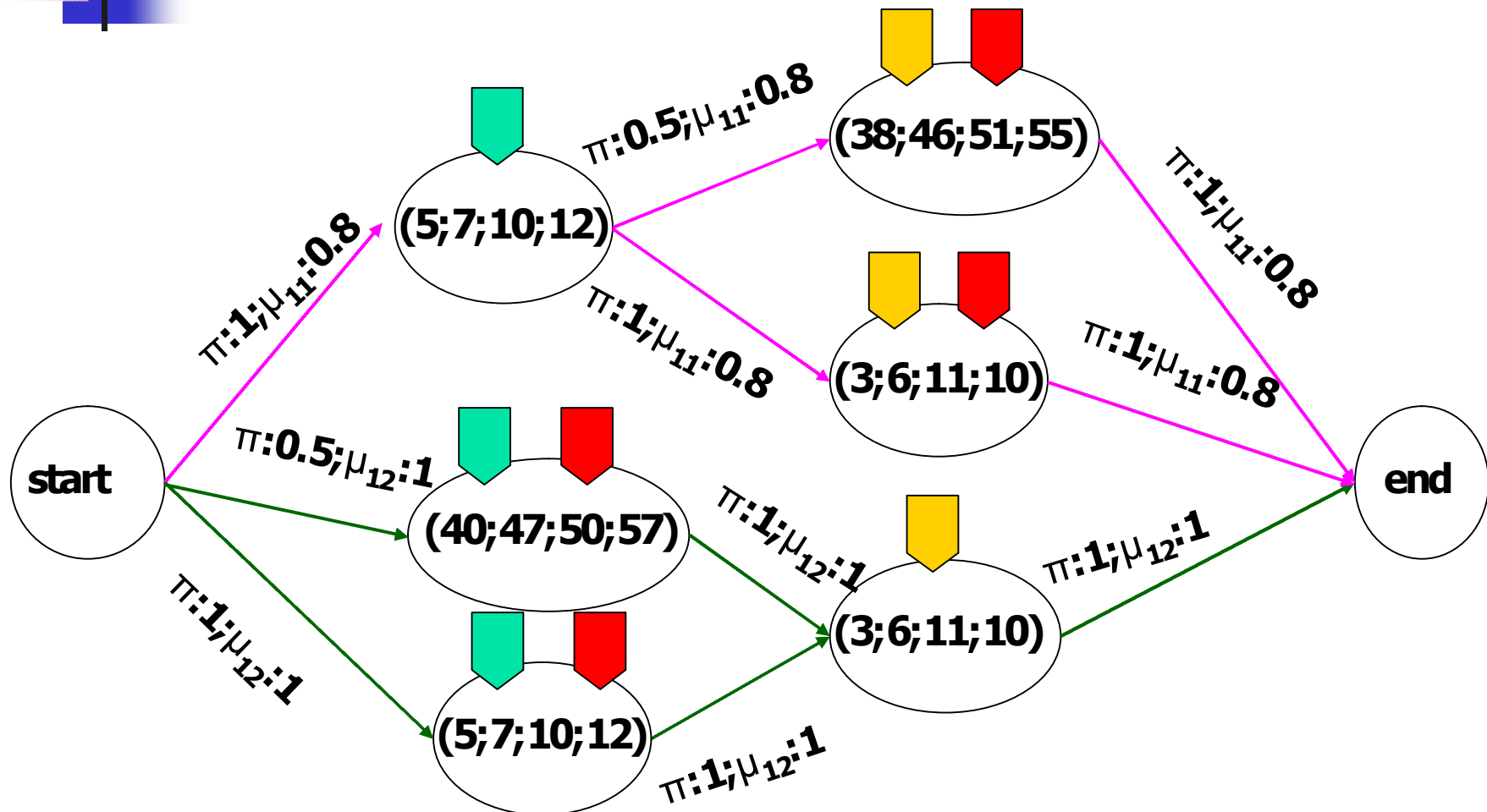


# Example: Requirements



$R_{cr} = (0; 0; 0; 0)$   
 $R_{cr} = (35; 40; 40; 55)$

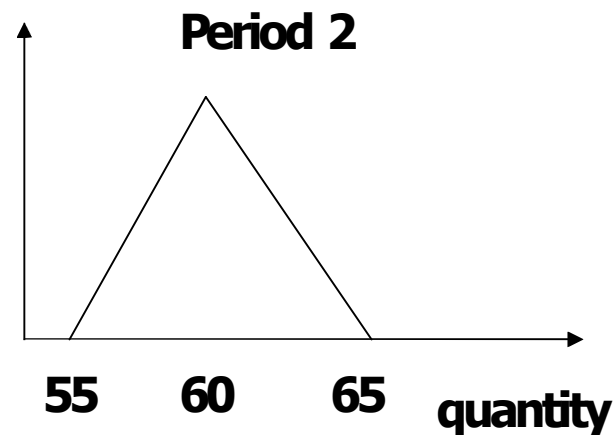
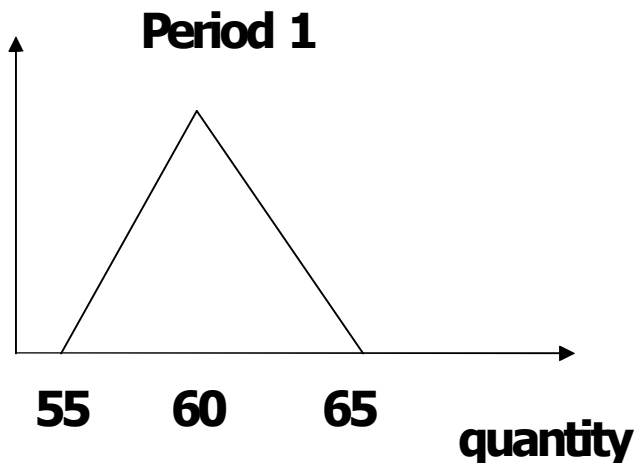
# Example: gross requirement



# Feasibility level

## ■ Data

- Gross requirement (graph)
- Constraints set by the uncertain capacity of the supplier (possibility distribution)

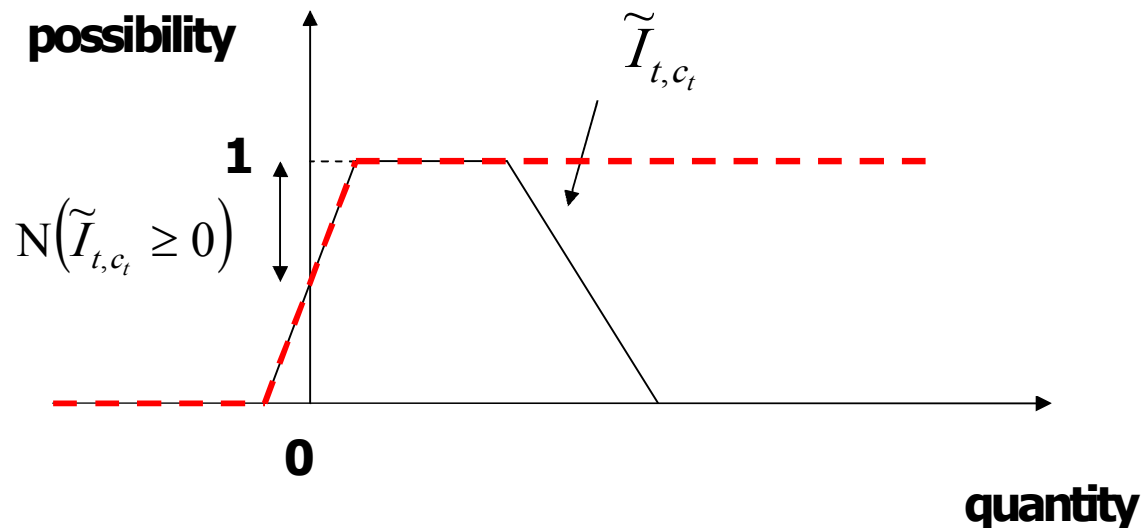




# Feasibility level

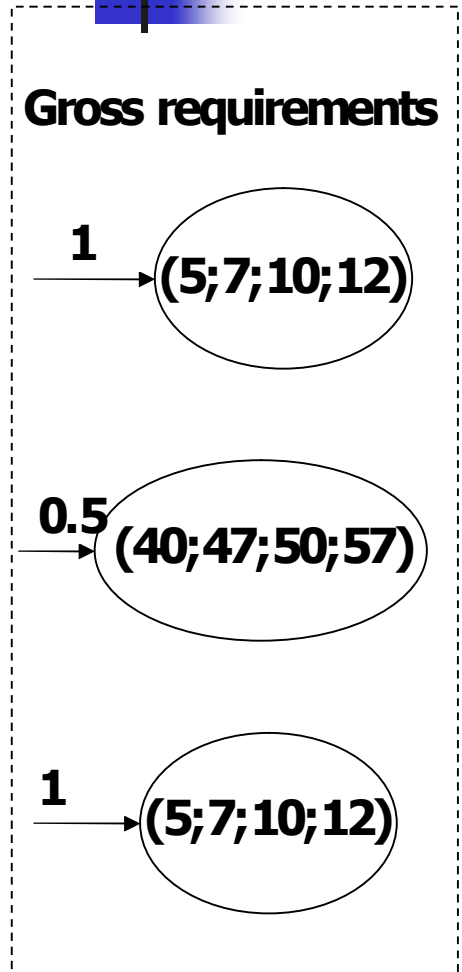
- Necessity that the gross requirement is satisfied whatever the supplier capacity is

$$\Phi_{t,c_t} = 1 - \left(1 - N(\tilde{I}_{t,c_t} \geq 0)\right) * W_{c_{t-1},c_t,t}$$

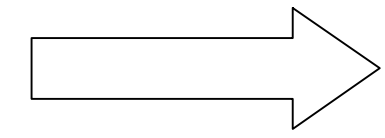
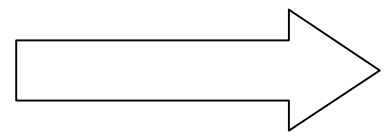
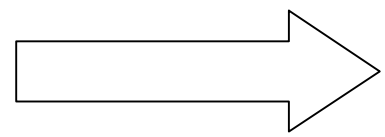


Context	Gross requirements	Feasibility level	Choice of the sequence	Conclusion
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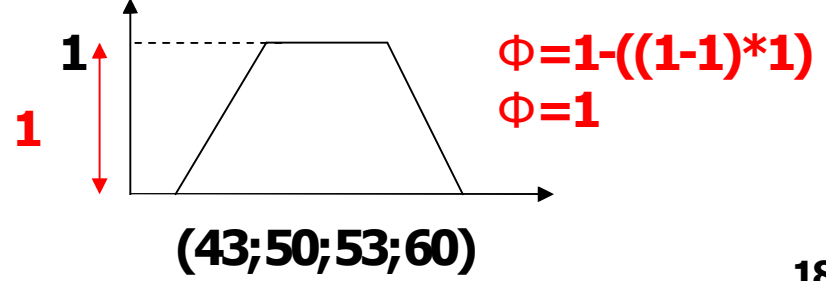
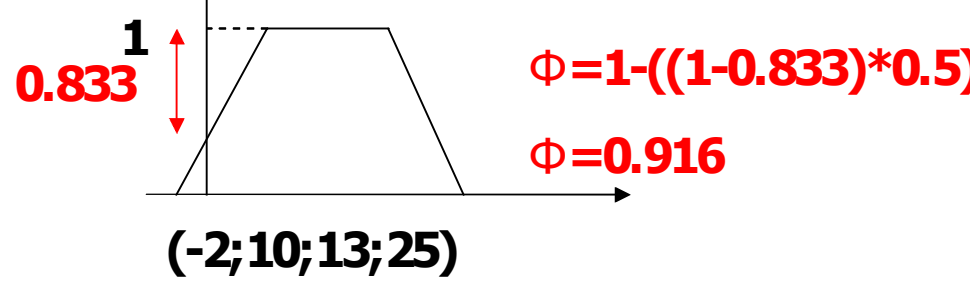
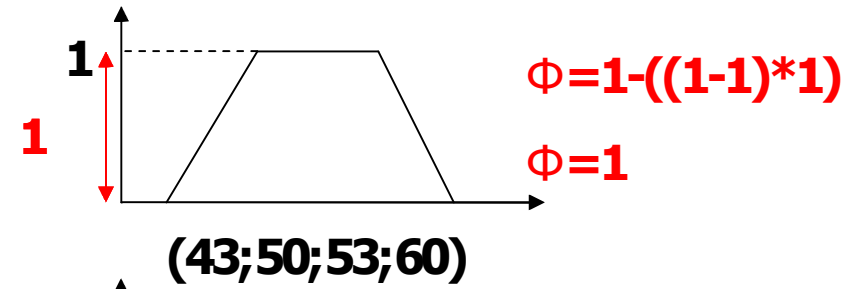
# Example: Computation of the feasibility level



**Capacity of supplier:**  
(55;60;60;65)



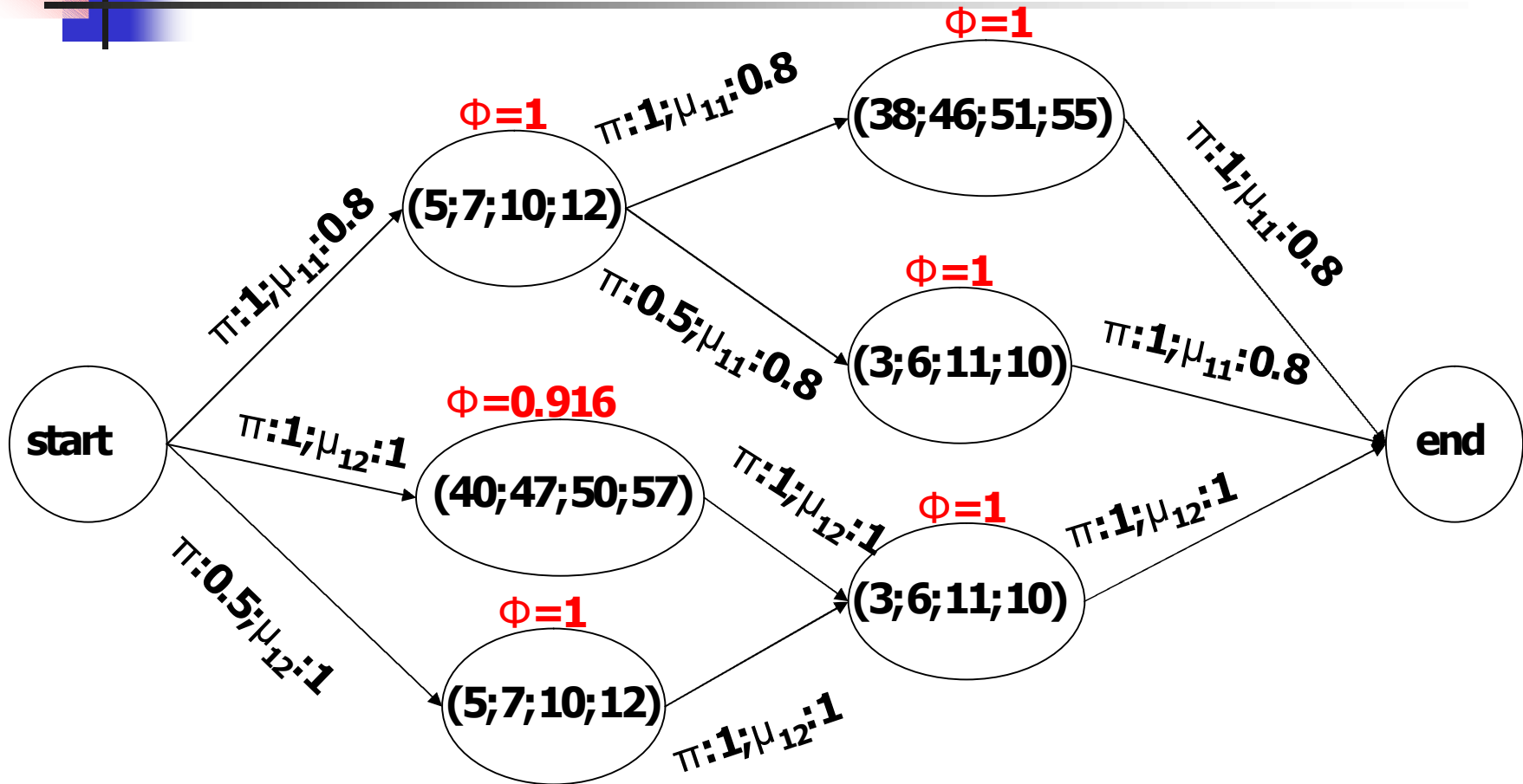
**Inventory at the end of the period:**



Context	Gross requirements	Feasibility level	Choice of the sequence	Conclusion
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# Result





## Choice a sequence

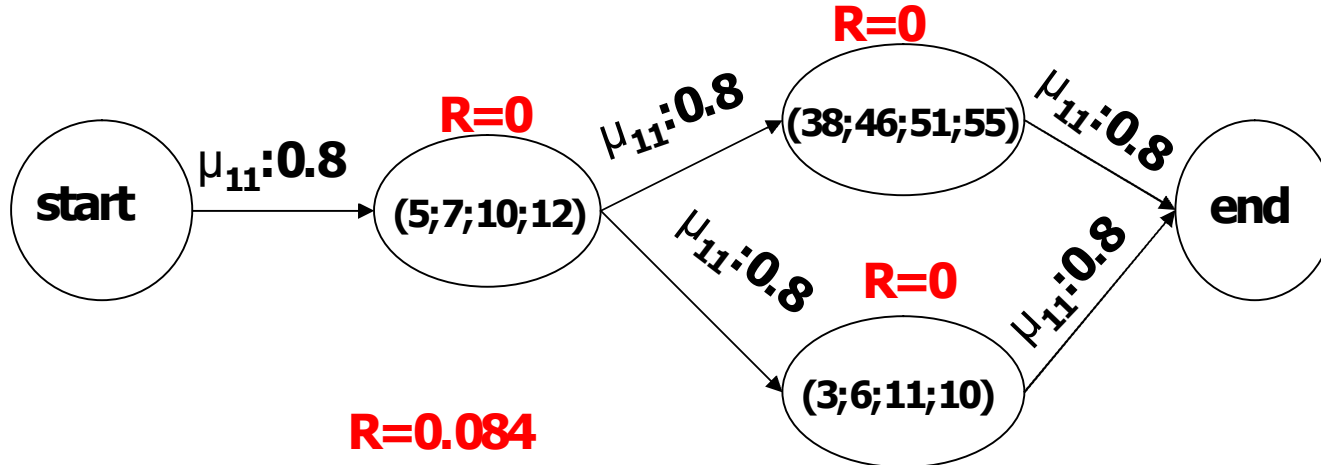
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- **Computation of the risk of each possible sequence**
- **Choice the less risky sequences**
- **Within the less risky sequences, choice of the preferred one**

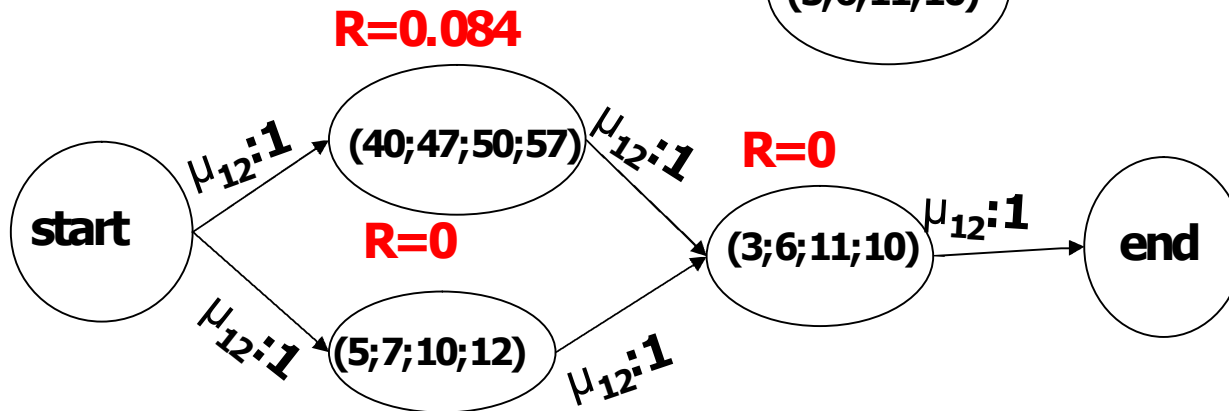
Context	Gross requirements	Feasibility level	Choice of the sequence	Conclusion
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# Exemple

## Two possible sequences

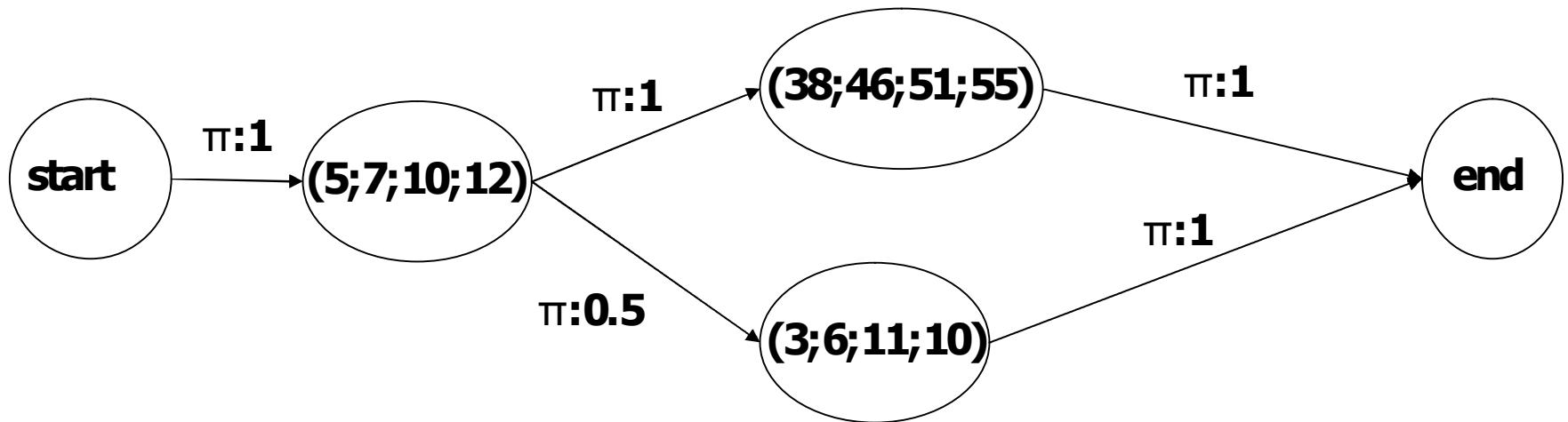


$\mu_{11}:0.8$   
 $R_{11}=0$



$\mu_{12}:1$   
 $R_{12}=0.167$

# Update of Gross requirement





# Conclusion

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- **The method allows the customer to choose the less risky sequence in terms of backorder.**
- **Within a collaborative process, the customer and the supplier can negotiate:**
  - **delivering capacity**
  - **risk level**
  - **price**



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# Questions ?