Design of Advanced Manufacturing Systems

Models for Capacity Planning in Advanced Manufacturing Systems

Andrea Matta and Quirico Semeraro Editors



Design of Advanced Manufacturing Systems

Models for Capacity Planning in Advanced Manufacturing Systems

Edited by

ANDREA MATTA

Politecnico di Milano, Milan, Italy

and

QUIRICO SEMERARO

Politecnico di Milano, Milan, Italy







A C.I.P. Catalogue record for this book is available from the Library of Congress. ISBN-10 1-4020-2930-6 (HB) Springer Dordrecht, Berlin, Heidelberg, New York ISBN-10 1-4020-2931-8 (e-book) Springer Dordrecht, Berlin, Heidelberg, New York ISBN-13 978-1-4020-2930-1 (HB) Springer Dordrecht, Berlin, Heidelberg, New York ISBN-13 978-1-4020-2931-8 (e-book) Springer Dordrecht, Berlin, Heidelberg, New York Published by Springer, P.O. Box 17, 3300 AA Dordrecht, The Netherlands. Printed on acid-free paper

springeronline.com

All Rights Reserved © 2005 Springer

No part of this work may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, microfilming, recording or otherwise, without written permission from the Publisher, with the exception of any material supplied specifically for the purpose of being entered and executed on a computer system, for exclusive use by the purchaser of the work.

Printed in the Netherlands.

Design of Advanced Manufacturing Systems

Preface

Since manufacturing has acquired industrial relevance, the problem of adequately sizing manufacturing plants has always been discussed and has represented a difficult problem for the enterprises, which prepare strategic plans to competitively operate in the market. Manufacturing capacity is quite expensive and its exploitation and planning must be carefully designed in order to avoid large wastes, or to preserve the survival of enterprises in the market. Indeed a good choice of manufacturing capacity can result in improved performance in terms of cost, innovativeness, flexibility, quality and service delivery. Unfortunately the capacity planning problem is not easy to solve because of the lack of clarity in the decisional process, the large number of variables involved, the high correlation among variables and the high level of uncertainty that inevitably affects decisions.

The aim of this book is to provide a framework and specific methods and tools for the selection and configuration of capacity of Advanced Manufacturing Systems (AMS). In particular this book defines an architecture where the multidisciplinary aspects of the design of AMS are properly organized and addressed. The tool will support the decision-maker in the definition of the configuration of the system which is best suited for the particular competitive context where the firm operates or wants to operate.

This book is of interest for academic researchers in the field of industrial engineering and particularly indicated in the areas of operations and manufacturing strategy. Also we think that the content, even if it is very technical in some sections, is helpful for those mangers who want to know, and possibly to use in practice, a reference architecture for the strategic capacity planning problem in manufacturing.

The first chapter provides a complete view of the capacity planning problem and describes the reference architecture in which enterprise should plan their manufacturing capacity in the long term. This chapter focuses on structuring the main problem in many hierarchical sub-problems, each one described in detail by specifying the type of decision the firm has to make and the nature of information that is available at the moment of the decision. The following chapters contain the decision models this book proposes to support managers in the capacity planning problem, from the decision on the type of manufacturing systems to adopt to their detailed configuration in terms of resources (machines, buffers, transporters, etc.). Given the organization of the volume, the reading of Chapter 1 is particularly suggested in the reading of the book.

We want to acknowledge the MIUR (Ministero dell'Istruzione, dell' Università e della Ricerca) which funded this research. Indeed, the content represents the result of a two years Italian research project *Models for Capacity Planning in Advanced Manufacturing Systems* funded by MIUR in 2000. Five universities participated in the project: Politecnico di Milano and Torino, Università degli studi di Lecce, Palermo and Salerno.

Andrea Matta

QUIRICO SEMERARO

Contributing Authors

A. Alfieri

Dipartimento di Sistemi di Produzione ed Economia dell'Azienda, Politecnico di Torino, Torino, Italy.

A. Anglani

Dipartimento Ingegneria dell'Innovazione, Università degli Studi di Lecce, Lecce, Italy.

P. Brandimarte

 $\label{lem:produzione} Dipartimento \ di \ Sistemi \ di \ Produzione \ ed \ Economia \ dell'Azienda, \ Politecnico \ di \ Torino, \ Torino, \ Italy.$

M. Bruccoleri

Dipartimento di Tecnologia Meccanica, Produzione e Ingegneria Gestionale, Università degli Studi di Palermo, Palermo, Italy.

F. Caiazzo

Dipartimento di Ingegneria Meccanica, Università degli Studi di Salerno, Fisciano (SA), Italy.

P. Caricato

Dipartimento Ingegneria dell'Innovazione, Università degli Studi di Lecce, Lecce, Italy.

A. Grieco

Dipartimento Ingegneria dell'Innovazione, Università degli Studi di Lecce, Lecce, Italy.

G. Lo Nigro

Dipartimento di Tecnologia Meccanica, Produzione e Ingegneria Gestionale, Università degli Studi di Palermo, Palermo, Italy.

A. Matta

Dipartimento di Meccanica, Politecnico di Milano, Milano, Italy.

S. Noto La Diega

Dipartimento di Tecnologia Meccanica, Produzione e Ingegneria Gestionale, Università degli Studi di Palermo, Palermo, Italy.

F. Nucci

Dipartimento Ingegneria dell'Innovazione, Università degli Studi di Lecce, Lecce, Italy.

R. Pasquino

Dipartimento di Ingegneria Meccanica, Università degli Studi di Salerno, Fisciano (SA), Italy.

G. Perrone

Dipartimento di Fisica Ambientale, Università degli Studi della Basilicata, Potenza, Italy.

P. Renna

Dipartimento di Fisica Ambientale, Università degli Studi della Basilicata, Potenza, Italy.

Q. Semeraro

Dipartimento di Meccanica, Politecnico di Milano, Milano, Italy.

V. Sergi

Dipartimento di Ingegneria Meccanica, Università degli Studi di Salerno, Fisciano (SA), Italy.

B. Spiezio

Dipartimento di Ingegneria Meccanica, Università degli Studi di Salerno, Fisciano (SA), Italy.

T. Tolio

Dipartimento di Meccanica, Politecnico di Milano, Milano, Italy.

Contents

List of Figures	vii
List of Tables	xii
Preface	xiii
Contributing Authors	XV
1	
A framework for long term capacity decisions in AMSs A. Matta, Q. Semeraro, T. Tolio	1
1 Introduction	-
2 Manufacturing capacity	$\frac{1}{3}$
3 Manufacturing strategy	ა 5
4 Advanced Manufacturing Systems	10
5 A framework for capacity problems	13
2	
A DSS for strategic planning	37
M. Bruccoleri, G. Lo Nigro, S. Noto La Diega, P. Renna, G. Perro	01 01
1 The strategic planning process	me 40
2 Models for Production Strategy Planning	44
3 Models for Long-term Capacity Planning	49
4 DSS description	55
5 Tests and results	58
6 Conclusions	67
3	
Stochastic programming models for manufacturing applications	73
A. Alfieri, P. Brandimarte	
1 Introduction	73
The newsvendor problem	75
3 Stochastic linear programming	78
4 General structure of two-stage stochastic linear programs	86
5 Solution methods	88
6 Multi-stage stochastic programming models	91
7 Strong mixed-integer model formulations	98
8 Scenario generation	103

	9 10	Models for capacity planning An alternative approach to cope with uncertainty: robust op- timization	111116
	11	Conclusions	119
1			
4 Co	nfiguro	ation of AMSs	125
A.		, Q. Semeraro, T. Tolio Introduction	125
	$\frac{1}{2}$	Problem description	126
	$\frac{2}{3}$	Description of Automated Manufacturing Systems	129
	3 4	Design of Automated Manufacturing Systems Design of Automated Manufacturing Systems	136
	5	Performance evaluation of Dedicated Manufacturing Flow Lines	100
	3	145	
	6	Performance evaluation of Flexible Manufacturing Systems	157
	7	Conclusions	173
	•		
5			
Se	lecting	capacity plan	191
	_	ni, P. Caricato, A. Grieco, F. Nucci	
11.	1	Introduction	192
	$\overset{1}{2}$	Problem statement	193
	$\overline{3}$	The proposed methodology	200
	4	Case study	220
	5	Conclusions	230
	J		
6			
Fυ	izzy pe	rformance evaluator of AMSs	233
F.	Caiaz	zo, R. Pasquino, V. Sergi, B. Spiezio	
	1	Introduction	233
	2	Fuzzy sets and fuzzy numbers	235
	3	Describing uncertainty	242
	4	Linguistic modifiers	243
	5	Constructing fuzzy sets	247
	6	Queuing systems	249
	7	Open queuing network models	252
	8	Closed queuing network models	253
	9	The method proposed: single-class case	258
	10	The method proposed: multi-class case	260
	11	The algorithm for the method proposed: single-class case	261
	12	A sample application	264
	13	Conclusions	265

List of Figures

1.1	Links of manufacturing strategy with environment,	
	competitive strategy and performance.	ϵ
1.2	Timing of capacity: lead or follow the market de-	
	mand?	S
1.3	Example of the capacity problem solution.	16
1.4	A0 context diagram.	16
1.5	A0 level diagram.	32
1.6	A1 context diagram.	33
1.7	A2 context diagram.	33
1.8	Example of internal capacity input for each AMS.	34
1.9	Example of graph of feasible alternatives.	34
1.10	A3 context diagram.	34
1.11	A4 context diagram.	35
2.1	A1 level diagram: the strategic planning process.	40
2.2	Inputs and outputs of the model [A1-1]-M1.	45
2.3	Membership functions for the values "low", "medium", and "high".	
2.4		46
2.4	Inputs and outputs of the four fuzzy systems of the model [A1-1]-M1.	
2.5	Inputs and outputs of the models [A1-1]-M2.	47
2.6	Inputs and outputs of the models [A1-1]-M2. Inputs and outputs of the two fuzzy systems of the	48
2.0	model [A1-1]-M2.	40
2.7	The initial menu form.	48
2.8	The form Models for project mapping.	56
2.9	The form for outsourcing constraint determination.	57
2.10	The form for flexibility identification.	58
2.11		59
2.11	The form for the strategic evaluation of product flexibility.	60
5.1 <i>4</i>	Form for the strategic evaluation of the manufacturing capacity.	01
2.13	The form of the optimization results.	61
10	The form of the optimization results.	62

2.14	A sketch of the output txt file.	63
2.15	Scenario 1 Output.	64
2.16	Scenario 2 Output.	71
3.1	Scenario tree for a two-stage problem.	80
3.2	Convexity of the recourse function and approxima-	
	tion by support hyperplanes.	90
3.3	Scenario tree for multi-stage stochastic programming.	93
3.4	Split-variable view of an event tree.	95
3.5	Graphical interpretation of plant location formulation.	100
4.1	A3 context diagram.	127
4.2	Example of the output of A3.	128
4.3	Flow lines.	130
4.4	Lay-out of FMS.	134
4.5	A3 level diagram.	138
4.6	Example of unreachable node.	145
4.7	Example of unleaveble node.	145
4.8	Decomposition method of a flow line with 5 machines.	146
4.9	Flow line with K machines.	147
4.10	Two-machine line.	150
4.11	Queueing network of modelled FMS.	158
4.12	Multiple-class server in isolation.	162
4.13	Decomposition of a multiple-class server in isolation mode.	163
4.14	Aggregation of customers in one class.	164
4.15	Product mix 1: average value of class throughput	
	as a function of N with $t_1 = 500s$.	170
4.16	Product mix 1: average value of class throughput	
	as a function of N with $t_1 = 1750s$.	177
4.17	Product mix 1: average value of class throughput	
	as a function of N with $t_1 = 3500s$.	178
4.18	Product mix 1: average value of equivalent through-	170
	put as a function of N for different values of t_1 .	179
4.19	Product mix 1: percentage errors on equivalent through-	180
4.00	put as a function of N for several values of t_1 .	100
4.20	Product mix 2: average PIPPO value of equivalent throughput with 2 machines as a function of N for	
	different values of t_1 .	183
4.21	Product mix 2: percentage errors on equivalent through-	
T.41	put with 2 machines as a function of t_1 for different	
	values of N .	182

List of Figures ix

4.22	Product mix 2: average value of equivalent throughput with 4 machines as a function of N for different values of t_1 .	183
4.23	Product mix 2: percentage errors on equivalent throughput with 4 machines as a function of N for different	183
	values of t_1 .	184
4.24	Product mix 2: average value of equivalent through-	
	put with 6 machines as a function of N for different	
	values of t_1 .	185
4.25	Product mix 2: percentage errors on equivalent throughput with 6 machines as a function of N for different	
1 00	values of t_1 .	186
4.26	Real case with two-machines: average value of equivalent throughput and relative error as a function of	
	additional workload.	187
4.27	Real case with three-machines: average value of	101
	equivalent throughput and relative error as a func-	
	tion of additional workload.	188
4.28	Real case with four-machines: average value of equiv-	
	alent throughput and relative error as a function of	
	additional workload.	189
5.1	A4 level diagram.	197
5.2	Feasible transitions.	206
5.3	System evolution graph in sub-periods.	208
5.4	Fuzzy profits comparing.	209
5.5	Pareto's dominance.	211
5.6	Example: system evolution as modeled by the pro-	
	posed Fuzzy-DEVS enhancement.	213
5.7	Example: "No-reaction" gathering charts.	214
5.8	Example: "Very reactive" gathering charts.	215
5.9	Example: cost EEM charts detail.	217
5.10	Example: profit EEM charts detail.	217
5.11	Dominance analysis diagram.	219
5.12	Complete set of the solution graph.	224
5.13	Dominant solutions.	224
6.1	Representation of a fuzzy number in line with A.	0.41
6.2	Irion's proposal. Structure of a linguistic veriable	241
6.2	Structure of a linguistic variable.	243
0.3	The triangular fuzzy number for the phrase "processing takes about 3 minutes".	944
	cooming vanco about o minutes.	244

6.4	The trapezoidal fuzzy number for the phrase "inter-	
	arrival time takes between 3 and 5 minutes".	244
6.5	Applying the modifiers "quite" and "enough" to a	
	fuzzy set.	246
6.6	The variation in truth value produced by applying	
	the modifier "quite" and enough to the fuzzy set	
	"short processing time".	247
6.7	Configuration of a client-server system.	250
6.8	The birth/death process.	251
6.9	Model of a typical totally interconnected closed queu-	
	ing network with four nodes.	254
6.10	Fuzzy sets reflecting lead time and average number	
	of tasks in the system.	256
6.11	Fuzzy sets reflecting average number and lead time	
	of tasks within the system.	258
6.12	Configuration of a queuing system with one reiteration	264

List of Tables

3.1	Expected newsvendor's profit as a function of order	
	quantity Q .	77
3.2	Bill of material for the ATO example.	81
3.3	Process plan, available capacity, and component cost	
	for the ATO example.	81
3.4	Demand scenarios, average demand, sale price.	82
4.1	Simulation vs analytical methods.	142
4.2	DMFL Real case: description of machines' failures.	155
4.3	Test case: Product mix 1 with long processing times [s].	169
4.4	Test case: Product mix 2 with brief processing times [s].	171
4.5	Real case: part mix data [min].	172
4.6	Real case: pallet combinations.	173
5.1	Transition Matrix.	202
5.2	Mapping of Fuzzy-DEVS elements within the mod-	
	eled system	203
5.3	Example of state evolution.	204
5.4	Example: economical and technical parameters.	212
5.5	Example: expansion capacity strategies.	213
5.6	Example: expansion actions.	218
5.7	Example: system state evolution.	219
5.8	Example: dominant solutions.	220
5.9	Number of states for each period.	222
5.10	Dominant solutions.	223
5.11	Performance of dominant solutions.	225
5.12	Final states for the dominant solutions.	225
5.13	Part type characteristics.	226
5.14	Production capacity acquisition for Solution A.	227
5.15	Production capacity acquisition for Solution B.	227
5.16	Production capacity acquisition for Solution C.	228
5.17	Production capacity acquisition for Solution D.	228

DESIGN OF ADVA	ANCED .	MANUFACT	$\Gamma URING$	SYSTEMS
----------------	---------	----------	----------------	---------

x	1	1	

5.18	Production capacity acquisition for Solution E.	229
5.19	Production capacity acquisition for Solution F.	229
6.1	Arithmetic operations with fuzzy numbers in line	
	with Irion's representation method.	241

Chapter 1

A FRAMEWORK FOR LONG TERM CAPACITY DECISIONS IN AMSS

A. Matta, Q. Semeraro, T. Tolio

Dipartimento di Meccanica
Politecnico di Milano
via Bonardi 9, 20133, Milano, Italy
andrea.matta@polimi.it, quirico.semeraro@polimi.it, tullio.tolio@polimi.it

Abstract

Investment in Advanced Manufacturing Systems has a strategic impact that can affect the long term competitiveness of enterprises improving the ability of firms to create new markets, introduce new products, and to react quickly and effectively to competitors. Since the available methodologies to support strategic decisions are not easily applied, firms are in the unpleasant position of evaluating strategic decisions without any practical tool that is able to estimate the value of each specific action and its consequences at the strategic level. The aim of this chapter is to provide a reference framework for the selection and configuration of Advanced Manufacturing Systems. In particular, a framework is proposed in which the different aspects and evaluations that are involved in long term capacity planning are properly organized.

Keywords: Advanced Manufacturing Systems; capacity planning; technology choice.

1. Introduction

In recent years a relevant change has developed in manufacturing systems technology. Such change has been mainly due to the introduction into the market of new equipments able to combine microelectronic and programmable devices within mechanical machines. The so-called Advanced Manufacturing Systems (AMSs) are a result of such a revolution. At the moment different architectures of Advanced Manufacturing Systems are available: some of these architectures are well known and tested like flexible transfer lines, flexible manufacturing cells, flexible