

# MGT 40750 – Quantitative Decision Modeling Spring 2017

## Process Simulation

Professor Hong Guo

## Process Simulation

### **Main Idea** of Process Simulation:

- Suppose you have a real world process whose efficiency you want to improve.
- If there is uncertainty in this process (e.g., in the demand for a product, in the supply of some parts, in the time it takes to perform some of the work, in the quality of work, etc.), then it is often difficult to predict the effects of making various changes to the process.
- With the technique called process simulation, you build a model of your process in a computer and then test the effects of changes made to this computer model.
- If the model captures the essence of your real process, then this technique can help you decide which changes to make on the real process.