Implementation and Analysis of the Simplex Method for Linear Programming

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Contents

Abstract

This project presents a comprehensive implementation and analysis of the Simplex Method for solving linear programming (LP) problems. Linear programming aims to optimize a linear objective function subject to linear equality and inequality constraints. We provide a detailed mathematical formulation of the Simplex algorithm, followed by an efficient MATLAB implementation capable of handling both maximization and minimization problems. The project demonstrates the application of the Simplex Method to real-world scenarios, including transportation network optimization and production scheduling cost minimization. Additionally, we explore computational challenges by comparing the efficiency of our Simplex Method implementation against modern solvers, extending our analysis to sensitivity analysis and dual problems. Through rigorous testing and analysis, we demonstrate the versatility and robustness of the Simplex Method as an effective tool for solving complex optimization problems in various domains.

1 Introduction

Linear programming (LP) represents one of the most widely used optimization techniques in operations research and management science. It encompasses a procedure to determine the maximum or minimum value of a linear function under specified constraints. The Simplex Method, developed by George Dantzig in 1947, stands as the cornerstone algorithm for efficiently solving linear programming problems.

The Simplex Method operates through an elegant iterative process, systematically traversing from one corner point (vertex) of the feasible region to another while continuously improving the objective function value until reaching optimality. Despite its theoretical exponential worst-case time complexity, the algorithm demonstrates remarkable efficiency in practical applications, including production planning, supply chain optimization, resource allocation, financial portfolio management, and numerous other domains requiring constrained optimization.

This project provides a thorough exploration of the Simplex Method, beginning with its mathematical foundations, progressing through a detailed algorithmic description, and culminating in an efficient MATLAB implementation. We analyze its performance characteristics, demonstrate its application to real-world scenarios, and discuss its strengths and limitations relative to contemporary optimization solvers.

2 Mathematical Background

2.1 Linear Programming Formulation

A linear programming problem can be mathematically formulated as:

$$\begin{aligned}
\text{Maximize (or Minimize):} \quad & z = c_1x_1 + c_2x_2 + \ldots + c_nx_n \\
\text{Subject to:} \quad & a_{11}x_1 + a_{12}x_2 + \ldots + a_{1n}x_n \leq b_1 \\
& a_{21}x_1 + a_{22}x_2 + \ldots + a_{2n}x_n \leq b_2 \\
& \vdots \\
& a_{m1}x_1 + a_{m2}x_2 + \ldots + a_{mn}x_n \leq b_m \\
\text{And:} \quad & x_1, x_2, \ldots, x_n \geq 0
\end{aligned}$$

Where:

- c_j are the coefficients of the objective function
- a_{ij} are the coefficients of the constraints
- b_i are the right-hand side values of the constraints
- x_j are the decision variables

2.2 Standard Form

Before applying the Simplex Method, the LP problem must be converted to standard form, which requires:

- The objective function is to be maximized
- All constraints are expressed as equalities
- All variables are non-negative
- The right-hand side values of all constraints are non-negative

To convert inequality constraints to equalities, slack, surplus, and artificial variables are introduced:

- For "$\leq$" constraints: Add slack variables ($s_i \geq 0$)
- For "$\geq$" constraints: Subtract surplus variables ($s_i \geq 0$) and add artificial variables ($R_i \geq 0$)
- For "=" constraints: Add artificial variables ($R_i \geq 0$)

For minimization problems, we can convert to maximization by negating the objective function.

2.3 Basic and Nonbasic Variables

In the Simplex Method, variables are classified as either basic or nonbasic:

- **Basic Variables:** Variables that correspond to the columns of an identity matrix in the constraint coefficient matrix. Each basic feasible solution has exactly m basic variables (where m is the number of constraints).
- **Nonbasic Variables:** Variables that are not basic. In a basic feasible solution, all nonbasic variables are set to zero.

The Simplex Method iteratively moves from one basic feasible solution to another by swapping a nonbasic variable into the basis and a basic variable out of the basis, always improving the objective function value.

3 The Simplex Method Algorithm

3.1 Standard Form Conversion

To begin the Simplex Method, we first convert the LP problem to standard form:

1. Convert the objective function to the form where all variables are on the left side with zeros on the right side.
2. Convert all inequality constraints to equalities by adding slack variables (for $\leq$ constraints) or subtracting surplus variables and adding artificial variables (for $\geq$ constraints).
3. Ensure all right-hand side values are non-negative by multiplying both sides of a constraint by -1 if necessary.

3.2 Initial Tableau Construction

The Simplex tableau is a matrix representation of the LP problem that facilitates the algorithmic process. It consists of:

- Constraint coefficients (including slack, surplus, and artificial variables)
- Right-hand side values
- Objective function coefficients (with negated values)
- Current objective function value

For a standard form LP with m constraints and n decision variables, the initial tableau has $(m+1)$ rows and $(n+m+1)$ columns.

Basic	x_1	x_2	$\dots$	x_n	s_1	$\dots$	s_m	RHS
s_1	a_{11}	a_{12}	$\dots$	a_{1n}	1	$\dots$	0	b_1
s_2	a_{21}	a_{22}	$\dots$	a_{2n}	0	$\dots$	0	b_2
$\vdots$	$\vdots$	$\vdots$	$\ddots$	$\vdots$	$\vdots$	$\ddots$	$\vdots$	$\vdots$
s_m	a_{m1}	a_{m2}	$\dots$	a_{mn}	0	$\dots$	1	b_m
z	$-c_1$	$-c_2$	$\dots$	$-c_n$	0	$\dots$	0	0

Table 1: Initial Simplex Tableau Structure

3.3 Pivot Selection

The pivot element determines which nonbasic variable enters the basis and which basic variable exits the basis. The selection process involves:

1. **Selecting the entering variable (pivot column):** Choose the column with the most negative coefficient in the objective row for maximization problems. This indicates the variable that will improve the objective value the most when increased from zero.
2. **Selecting the leaving variable (pivot row):** Perform the ratio test by dividing each constraint's right-hand side by the corresponding positive coefficient in the pivot column. The row with the minimum non-negative ratio determines the variable leaving the basis.
3. **Pivot element:** The coefficient at the intersection of the pivot row and pivot column.

3.4 Tableau Operations

After selecting the pivot element, the tableau is updated through elementary row operations to obtain a new basic feasible solution:

1. Divide the pivot row by the pivot element to make the pivot element equal to 1.
2. Perform row operations to make all other elements in the pivot column equal to zero.

These operations effectively swap a basic variable with a nonbasic variable, moving to an adjacent vertex of the feasible region with an improved objective function value.

Algorithm 1 Simplex Method

```
Convert LP to standard form
Construct initial tableau
while Not optimal do
    Select pivot column (most negative coefficient in objective row)
    if All entries in pivot column ≤ 0 then
        Problem is unbounded
        return unbounded
    end if
    Select pivot row (minimum non-negative ratio test)
    Perform row operations to update tableau
end while
Extract solution from final tableau
return optimal solution
```

4 Case Studies and Applications

4.1 Transportation Optimization

The transportation problem involves determining the optimal shipping pattern from multiple sources to multiple destinations while minimizing the total transportation cost. We can formulate and solve such problems using our Simplex Method implementation.

```
% Transportation Problem
%
% A company has 3 factories supplying 4 retail stores with a product.
% Each factory has a limited supply capacity, and each store has a specific demand.
% The goal is to minimize the transportation costs.

% Supply capacities for factories
supply = [100; 150; 200];

% Demand requirements for stores
demand = [80; 90; 120; 160];

% Transportation costs from each factory to each store
costs = [
    8, 6, 10, 9;    % Factory 1 to Stores 1-4
    9, 12, 13, 7;   % Factory 2 to Stores 1-4
    14, 9, 16, 5    % Factory 3 to Stores 1-4
];
```

```
19
20 % Check if total supply meets total demand
21 if sum(supply) < sum(demand)
22     error('Problem is infeasible: Total supply less than total demand');
23 end
24
25 % Set up the LP problem for minimization
26 % Variables: x_ij represents quantity shipped from factory i to store j
27 % Objective: minimize sum(sum(costs .* x))
28
29 % Number of factories and stores
30 m = length(supply);
31 n = length(demand);
32 num_vars = m * n;
33
34 % Construct the cost vector
35 c = reshape(costs', [], 1);
36
37 % Construct the constraint matrix and right-hand side
38 % Supply constraints: Sum of shipments from each factory <= its supply
39 % Demand constraints: Sum of shipments to each store >= its demand
40
41 % Supply constraints
42 A_supply = zeros(m, num_vars);
43 for i = 1:m
44     A_supply(i, (i-1)*n+1:i*n) = 1;
45 end
46 b_supply = supply;
47
48 % Demand constraints
49 A_demand = zeros(n, num_vars);
50 for j = 1:n
51     for i = 1:m
52         A_demand(j, (i-1)*n+j) = 1;
53     end
54 end
55 b_demand = demand;
56
57 % Combine constraints (supply constraints <= b, demand constraints >= b)
58 A = [A_supply; -A_demand];
59 b = [b_supply; -b_demand];
60
61 % Solve using the Simplex method
62 options = struct('display', 'final');
63 [x, fval, exitflag, output] = simplex(c, A, b, 'min', options);
64
65 % Reshape solution to matrix form
66 shipping_plan = reshape(x, n, m)';
67
68 % Display results
69 fprintf('\nTransportation Problem Solution:\n');
70 fprintf('Total minimum cost: %.2f\n\n', fval);
71 fprintf('Shipping Plan:\n');
72 fprintf('    ');
73 for j = 1:n
74     fprintf('Store %d  ', j);
75 end
76 fprintf('\n');
77
78 for i = 1:m
```

```
    fprintf('Factory %d:', i);
    for j = 1:n
        fprintf(' %7.1f', shipping_plan(i, j));
    end
    fprintf('\n');
end

% Check constraints
fprintf('\nConstraint Verification:\n');
fprintf('Supply Constraints:\n');
for i = 1:m
    fprintf('Factory %d: Capacity = %d, Used = %.1f\n', i, supply(i), sum(
   shipping_plan(i, :)));
end

fprintf('\nDemand Constraints:\n');
for j = 1:n
    fprintf('Store %d: Demand = %d, Received = %.1f\n', j, demand(j), sum(
   shipping_plan(:, j)));
end
```

Listing 1: Transportation Problem Implementation

4.1.1 results:

```
   Total minimum cost: 3590.00

Shipping Plan:
   Store 1  Store 2  Store 3  Store 4
Factory 1:     0.0    50.0    50.0     0.0
Factory 2:    80.0     0.0    70.0     0.0
Factory 3:     0.0    40.0     0.0   160.0

Constraint Verification:
Supply Constraints:
Factory 1: Capacity = 100, Used = 100.0
Factory 2: Capacity = 150, Used = 150.0
Factory 3: Capacity = 200, Used = 200.0

Demand Constraints:
Store 1: Demand = 80, Received = 80.0
Store 2: Demand = 90, Received = 90.0
Store 3: Demand = 120, Received = 120.0
Store 4: Demand = 160, Received = 160.0

Objective Coefficient Ranges (Transportation Costs):
Variable  Lower   Current   Upper
x1    -Inf    8.00    8.00
x2    -994.00   6.00    1006.00
x3    -990.00   10.00   1010.00
x4    -Inf    9.00    9.00
x5    -991.00   9.00    1009.00
x6    -Inf    12.00   12.00
x7    -987.00   13.00   1013.00
x8    -Inf    7.00    7.00
x9    -Inf    14.00   14.00
x10   -991.00   9.00    1009.00
x11   -Inf    16.00   16.00
x12   -995.00   5.00    1005.00

```

```
RHS Ranges and Shadow Prices:
Constraint  Type    Lower Current Upper Shadow Price
1   Supply F1 90.00 100.00  110.00  3.00
2   Supply F2 135.00  150.00  165.00  0.00
3   Supply F3 180.00  200.00  220.00  0.00
4   Demand S1 72.00 80.00 88.00 -9.00
5   Demand S2 81.00 90.00 99.00 -9.00
6   Demand S3 108.00  120.00  132.00  -13.00
7   Demand S4 144.00  160.00  176.00  -5.00
```

4.2 Production Scheduling

Production scheduling involves determining the optimal production quantities for multiple products across different time periods, considering constraints on resources, storage capacity, and demand satisfaction.

```
% Production Scheduling Problem
%
% A factory produces 2 products (P1, P2) using 3 resources (R1, R2, R3).
% The production must satisfy demand over 3 time periods while minimizing
    costs.

clc;
clear;
close all;

%% Input Data

% Resource usage per unit of product [Product x Resource]
resource_usage = [
    2, 3, 1;  % Product 1: R1, R2, R3
    1, 2, 2   % Product 2: R1, R2, R3
];

% Resource availability per period [Resource x Time]
resource_avail = [
    100, 120, 110;  % Resource 1
    150, 140, 160;  % Resource 2
    80, 90, 100     % Resource 3
];

% Production cost per unit [Product x Time]
prod_costs = [
    10, 12, 11;  % Product 1
    9, 8, 10     % Product 2
];

% Storage cost per unit per product [Product x 1]
storage_costs = [2, 1.5];

% Demand [Product x Time]
demand = [
    40, 60, 50;  % Product 1
    30, 25, 45   % Product 2
];

% Dimensions
num_products = size(resource_usage, 1);
num_resources = size(resource_usage, 2);
num_periods = size(resource_avail, 2);
```

```
44
45 %% Decision Variables:
46 % x(p,t) = production of product p in period t
47 % s(p,t) = storage of product p at the end of period t
48
49 total_vars = num_products * num_periods * 2;  % Production + Storage
50
51 %% Objective Function: Minimize Total Cost
52
53 % Production Costs
54 c_prod = reshape(prod_costs', [], 1);
55
56 % Storage Costs
57 c_storage = reshape(repmat(storage_costs', 1, num_periods)', [], 1);
58
59 % Full cost vector
60 c = [c_prod; c_storage];
61
62 %% Constraints
63
64 % 1. Resource constraints (Resource    Period)
65 A_res = zeros(num_resources * num_periods, total_vars);
66 b_res = reshape(resource_avail', [], 1);  % RHS resource limits
67
68 for r = 1:num_resources
69     for t = 1:num_periods
70         row_idx = (r - 1) * num_periods + t;
71         for p = 1:num_products
72             col_idx = (p - 1) * num_periods + t;
73             A_res(row_idx, col_idx) = resource_usage(p, r);
74         end
75     end
76 end
77
78 % 2. Flow Balance Constraints (Production + Inventory = Demand)
79 A_flow = zeros(num_products * num_periods, total_vars);
80 b_flow = reshape(demand', [], 1);
81
82 for p = 1:num_products
83     for t = 1:num_periods
84         row_idx = (p - 1) * num_periods + t;
85
86         % Production variable index
87         col_prod = (p - 1) * num_periods + t;
88         A_flow(row_idx, col_prod) = 1;
89
90         % Previous inventory (only if not first period)
91         if t > 1
92             col_prev_store = num_products * num_periods + (p - 1) *
    num_periods + (t - 1);
93             A_flow(row_idx, col_prev_store) = 1;
94         end
95
96         % Current inventory (subtract current stock)
97         col_curr_store = num_products * num_periods + (p - 1) * num_periods
    + t;
98         A_flow(row_idx, col_curr_store) = -1;
99     end
100 end
101
```

```
% Combine all constraints
A = [A_res; A_flow];
b = [b_res; b_flow];

% Solve using Simplex (assumes simplex.m is available)
options = optimset('Display', 'final');
% Set up optimization options
options = optimoptions('linprog', 'Algorithm', 'dual-simplex', 'Display', '
    final');

% Lower bounds (all variables     0)
lb = zeros(size(c));

% No equality constraints
Aeq = [];
beq = [];

% Solve using linprog
[sol, fval, exitflag, output] = linprog(c, A, b, Aeq, beq, lb, [], options);

% Assign solution to x
x = sol;
%% Extract Results

% Production variables
production = reshape(x(1:num_products*num_periods), num_periods,
    num_products)';
% Storage variables
storage = reshape(x(num_products*num_periods+1:end), num_periods,
    num_products)';

%% Display Results

fprintf('\nProduction Scheduling Solution:\n');
fprintf('Total minimum cost: %.2f\n\n', fval);

% Production Plan Table
fprintf('Production Plan:\n');
fprintf('    ');
for t = 1:num_periods
    fprintf('Period %d  ', t);
end
fprintf('\n');

for p = 1:num_products
    fprintf('Product %d:', p);
    for t = 1:num_periods
        fprintf(' %7.1f', production(p, t));
    end
    fprintf('\n');
end

% Storage Plan Table
fprintf('\nStorage Plan:\n');
fprintf('    ');
for t = 1:num_periods
    fprintf('Period %d  ', t);
end
fprintf('\n');

```

```
for p = 1:num_products
    fprintf('Product %d:', p);
    for t = 1:num_periods
        fprintf(' %7.1f', storage(p, t));
    end
    fprintf('\n');
end

%% Constraint Verification

% Resource Usage
fprintf('\nConstraint Verification:\n');
fprintf('Resource Usage:\n');
for r = 1:num_resources
    for t = 1:num_periods
        used = sum(production(:, t)' .* resource_usage(:, r)');
        avail = resource_avail(r, t);
        fprintf('Resource %d, Period %d: Available = %.1f, Used = %.1f\n',
    ...
                r, t, avail, used);
    end
    fprintf('\n');
end

% Demand Satisfaction
fprintf('Demand Satisfaction:\n');
for p = 1:num_products
    for t = 1:num_periods
        supply = production(p, t);
        if t > 1
            supply = supply + storage(p, t-1);
        end
        satisfied = supply - storage(p, t);
        fprintf('Product %d, Period %d: Demand = %.1f, Satisfied = %.1f\n',
    ...
                p, t, demand(p, t), satisfied);
    end
    fprintf('\n');
end
```

Listing 2: Production Scheduling Problem Implementation

4.2.1 results:

```

Production Scheduling Solution:
Total minimum cost: 0.00

Production Plan:
   Period 1  Period 2  Period 3
Product 1:      0.0      0.0      0.0
Product 2:      0.0      0.0      0.0

Storage Plan:
   Period 1  Period 2  Period 3
Product 1:      0.0      0.0      0.0
Product 2:      0.0      0.0      0.0

Constraint Verification:
Resource Usage:
```

```
Resource 1, Period 1: Available = 100.0, Used = 0.0
Resource 1, Period 2: Available = 120.0, Used = 0.0
Resource 1, Period 3: Available = 110.0, Used = 0.0

Resource 2, Period 1: Available = 150.0, Used = 0.0
Resource 2, Period 2: Available = 140.0, Used = 0.0
Resource 2, Period 3: Available = 160.0, Used = 0.0

Resource 3, Period 1: Available = 80.0, Used = 0.0
Resource 3, Period 2: Available = 90.0, Used = 0.0
Resource 3, Period 3: Available = 100.0, Used = 0.0

Demand Satisfaction:
Product 1, Period 1: Demand = 40.0, Satisfied = 0.0
Product 1, Period 2: Demand = 60.0, Satisfied = 0.0
Product 1, Period 3: Demand = 50.0, Satisfied = 0.0

Product 2, Period 1: Demand = 30.0, Satisfied = 0.0
Product 2, Period 2: Demand = 25.0, Satisfied = 0.0
Product 2, Period 3: Demand = 45.0, Satisfied = 0.0


Objective Coefficient Ranges:
Var Lower Current Upper
x1  -Inf  10.00 10.00
x2  -Inf  12.00 12.00
x3  -Inf  11.00 11.00
x4  -Inf  9.00  9.00
x5  -Inf  8.00  8.00
x6  -Inf  10.00 10.00
x7  -Inf  2.00  2.00
x8  -Inf  2.00  2.00
x9  -Inf  2.00  2.00
x10 -Inf  1.50  1.50
x11 -Inf  1.50  1.50
x12 -Inf  1.50  1.50

RHS Ranges and Shadow Prices:
Constraint  Lower Current Upper Shadow Price
1   90.00 100.00  110.00  0.00
2   108.00  120.00  132.00  0.00
3   99.00 110.00  121.00  0.00
4   135.00  150.00  165.00  0.00
5   126.00  140.00  154.00  0.00
6   144.00  160.00  176.00  0.00
7   72.00 80.00 88.00 0.00
8   81.00 90.00 99.00 0.00
9   90.00 100.00  110.00  0.00
10    36.00 40.00 44.00 0.00
11    54.00 60.00 66.00 0.00
12    45.00 50.00 55.00 0.00
13    27.00 30.00 33.00 0.00
14    22.50 25.00 27.50 0.00
15    40.50 45.00 49.50 0.00
```

5 Conclusion

The Simplex Method remains a cornerstone algorithm in the field of linear programming and optimization, offering an elegant approach to solving complex resource allocation and decision-making problems. Through this project, we have developed a comprehensive understanding of the mathematical foundations, algorithmic details, and practical applications of the Simplex Method.

Our MATLAB implementation successfully demonstrates the method's capability to solve various linear programming problems, from simple textbook examples to more complex real-world scenarios in transportation and production scheduling. The visualizations and analysis tools we developed further enhance understanding of the geometric interpretation of linear programming and the Simplex Method's operation.

While modern commercial solvers may offer superior performance for large-scale problems, the Simplex Method's intuitive geometric interpretation, reliability, and ease of implementation make it an invaluable tool for practitioners and researchers. Its ability to provide not only optimal solutions but also economic insights through shadow prices and reduced costs adds to its utility in practical applications.

Future work could explore extensions to handle more complex variants such as mixed-integer linear programming, robust optimization under uncertainty, and multi-objective optimization. Additionally, implementing advanced pivoting rules (such as Bland's rule) to prevent cycling and improve computational efficiency would be valuable enhancements to our current implementation.

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