

# Automobile Sector

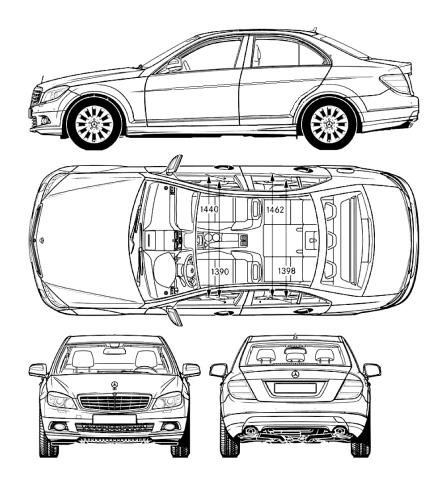
ISE 514 – Advanced Production Planning and Scheduling
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### Introduction

- Leading German car manufacturer company and is well known for its innovative, high powered and luxurious vehicles, trucks, vans and buses.
- Today, Mercedes is present in 93 locations around the world
- The iconic logo signifies that Mercedes is present in the land, air and water
- Headquartered in Germany but also manufactured in United States, France, Romania, China and South Africa.





93

Locations worldwide

172,425

Employees in Mercedes Benz Worldwide

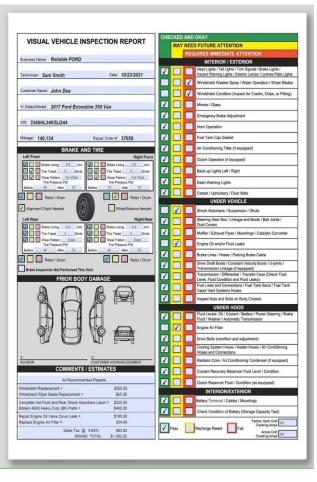
~3%

Market share worldwide



# Background

- Mercedes was invented by Carl Benz in 1886. It made its start
  with a petrol powered vehicle that had only 3 wheels and was
  called the "Motorwagen". At the time the company was named
  Benz & Co.
- Later in 1926, Carl Benz, Gottlieb Daimler, Wilhelm Maybach and Emil Jellinek merged together to form – Mercedes Benz, after Emil Jellinek's daughter whose name was Mercedes.
- This was the first work that was patented in the company. Today, Mercedes Benz has a total of 30090 patents globally.



# Background

- Mercedes follows a process called "Multi-Point Inspection", which is a
  method used for their quality checks of important components. This
  process includes the checks in the main control system component, fluid,
  tyres and breaks.
- Invests heavily in AI and machine learning. One of the future projects
   "Active Research Environment for the Next Generation of Automobiles"
   (ARENA2036) main focus is to build high production equipment using AI enhanced robots.
- Another project in place is Automation and Robotics for European Sustainable Manufacturing" (AREUS) that involves the use of green electricity to production facilities. The main aim of the project is to build automated tools for manufacturing the vehicles





# Challenges

- Issues in supply chain and operations
- Chip supply shortages
- Reduced sales
- Engine and wire damages
- Rusting
- Failure of electrical sensors
- Lack of expert technicians

### **Problem Background - Vehicle Testing**

#### **Hand-made Prototypes**

Vehicles needs to be tested heavily before launch. This process can invariably cost a lot of money since each prototype are hand-made. (200k – 300k) approx.

#### **Tight Schedules**

There are inflexible deadlines for ensuring the performance of each part of the vehicle. Each part must pass all the standards defined by the state/country.

#### Increase in Costs

One way to reduce time is to build more number of protypes, however this will increase the costs immensely







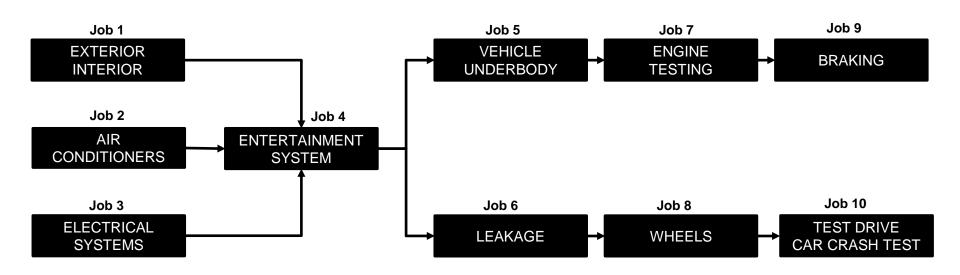
# **Case Study**

Developed a case study to optimise the schedule of the vehicle testing using Lawler's Algorithm. There are 10 jobs, each job performs quality checks in a specific area of the vehicle. It takes about 3-6 months to manufacture a Mercedes Benz vehicle. Assuming that 80% of the time is required to assemble the vehicle and the rest 20% of the time is required for testing. This leaves us with 36 days for testing (6 months to manufacture). There are 8 cars that are being tested simultaneously in the testing bench. The objective function is to reduce the lateness in each job.

Jobs	J1	J2	J3	J4	J5	J6	J7	J8	J9	J10
Pi	14	25	32	29	28	30	38	36	25	31
Di	18	28	26	20	30	37	35	32	35	37

Solving the above 10/1/Tmax and find the optimal schedule.

# Network Diagram



\*The jobs must follow the same precedence relationship

#### Cycle 1

K = 10  

$$\tau$$
 = 14+25+32+29+28+30+38+36+25+31= 288  
Pool = {  $J_9$  ,  $J_{10}$  }

Jobs	9	10
τ	288	288
Di	35	37
L	253	251

l				140
l				JIU
l				

K = 9  

$$\tau = 288 - \text{(Processing time of Job 10)} = 288 - 31 = 257$$
  
Pool = {  $J_8$  ,  $J_9$  }

Jobs	8	9
τ	257	257
Di	32	35
L	225	222

			J9	J10

#### Cycle 3

K = 8  

$$\tau$$
 = 257 – (Processing time of Job 9) = 257 – 25 = 232  
Pool = {  $J_7$  ,  $J_8$  }

Jobs	7	8
τ	232	232
Di	35	32
L	197	200

							J7	J9	J10
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K = 7  

$$\tau$$
 = 232 – (Processing time of Job 7) = 232 – 38 = 194  
Pool = {  $J_5$  ,  $J_8$  }

Jobs	5	8
τ	194	194
Di	30	32
L	164	162

	J8	J7	J9	J10	
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K = 6  

$$\tau$$
 = 194 – (Processing time of Job 8) = 194 – 36 = 158  
Pool = {  $J_5$  ,  $J_6$  }

Jobs	5	6
τ	158	158
Di	30	37
L	128	121

	J6	J8	J7	J9	J10
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- Job 4 and Job 5 has a precedence already and hence the we will be following the same
- Updated processing time = 158 -(Processing time of Job 6) = 128

		J4	J5	J6	J8	J7	J9	J10
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#### Cycle 6

K = 3   
 
$$\tau$$
 = 128 – (Processing time of Job 4 and Job 5) =128 – (29+28)=71   
 Pool = {  $J_1$  ,  $J_2$ ,  $J_3$  }

Jobs	1	2	3		
τ	71	71	71		
Di	18	28	26		
L	53	43	45		

	J2	J4	J5	J6	J8	J7	J9	J10	
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K = 2  

$$\tau$$
 = 71 – (Processing time of Job 2) = 71 – 25 = 46  
Pool = {  $J_1$ ,  $J_3$  }

Jobs	1	3
τ	46	46
Di	18	26
L	28	20

J1	J3	J2	J4	J5	J6	J8	J7	J9	J10	
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Jobs	J1	J3	J2	J4	J5	J6	J8	J7	J9	J10
Pi	14	32	25	29	28	30	36	38	25	31
Ci/Fi	14	46	71	100	128	158	194	232	257	288
Di	18	26	28	20	30	37	32	35	35	37
Li	-4	20	43	80	98	121	162	197	222	251

Tardiness/Lateness = max 
$$(0, (c_i - d_i))$$
  
Lateness (Li) =  $c_i - d_i$ 

$$L_{max} = 251 units$$

#### Conclusion

With the increase in the demand of production as well as increase in the costs of testing vehicle's performances, Lawler's algorithm is a very powerful tool for scheduling and finding out the tardiness/lateness. Implementation of both on going processes in Mercedes with Lawler's algorithm will prove to be more efficient and optimal. The overall time and costs can be saved that in turn will help in building the profits of the vehicle. It will help the company meet their schedule times by using the optimal schedule.



