

Smart Quick Decisions

Lecture 6 - Management Science

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Introduction

Client Briefing: Custom Cycles Manufacturing

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Operations Manager's Friday Crisis:

"It's Friday 2 PM. We just received 16 custom bicycle orders that must be completed by Monday. Two workstations. Rush orders with penalties. Overtime costs €100/hour after Saturday 8 PM. How do we schedule production to minimize costs?"

The Manufacturing Challenge

Custom Cycles faces multiple scheduling decisions:

- Order Sequencing: Which bike to build first?
- Workstation Management: Assembly must finish before painting
- Deadline Pressure: Rush orders have steep penalties (€150 each)
- Cost Control: Overtime at €100/hour after Saturday 8 PM

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! Important

The Stakes: With 16 orders totaling 13+ hours of work, wrong scheduling could mean €1000+ in overtime and penalties!

Why Can't We Just Try Everything?

Question: With 16 bicycle orders to sequence, how many possible schedules exist?

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$16! = 20,922,789,888,000$ possible schedules

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Number of Orders

- 5 bikes
- 10 bikes

- 16 bikes

Possible Schedules

- 120
- 3.6 million
- 20.9 trillion

...

⚠ Warning

Testing all 20.9 trillion possibilities for 16 bikes would take thousands of years on a modern computer!

Can You Spot the Pattern?

Look at these 4 bicycle orders. Which should we build first?

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| Order | Arrival | Processing | Due | Penalty |
|-------|---------|------------|---------|---------|
| B12 | 1st | 90 min | 180 min | €150 |
| B08 | 2nd | 45 min | 280 min | €150 |
| B15 | 3rd | 75 min | 220 min | €150 |
| B03 | 4th | 30 min | 300 min | €150 |

...

Question: How would you proceed here?

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i Note

This is the greedy choice problem: Which local decision leads to the best global outcome?

Core Concepts

What Are Greedy Algorithms?

Greedy algorithms make the locally optimal choice at each step.

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The Idea: “Take what looks best right now, don’t look back”

- Fast: $O(n \log n)^1$ vs $O(n!)$ for exhaustive search

- Simple: Easy to implement and explain
- Good Enough: Often near-optimal for many problems
- But: No guarantee of global optimality

The Greedy Paradigm

Algorithmic strategy that builds solutions piece by piece

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Core Philosophy:

- Make the best immediate decision at each step
- Never reconsider previous choices (no backtracking)
- Hope that local optimality leads to global optimality
- Trade guaranteed optimality for speed and simplicity

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Note

Greedy algorithms are one of the three major algorithmic paradigms alongside Divide & Conquer (e.g., merge sort) and Dynamic Programming (e.g., Fibonacci with memoization).

Greedy in Everyday Life

You already use greedy thinking daily!

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Common Greedy Decisions:

- Making change: Give the largest coin first (€2 → €1 → €0.50...)
- Grocery shopping: Pick items with best price/value ratio
- Route planning: Take the nearest unvisited landmark
- Packing a suitcase: Put largest items in first
- Reading emails: Answer quick replies first, defer complex ones

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Question: Which of these actually gives the optimal solution?

When Greedy Works vs. Fails

Not all greedy algorithms are optimal

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Greedy IS Optimal:

¹Why $n \log n$? Greedy algorithms typically: (1) Sort the jobs by some criterion = $O(n \log n)$, and (2) Process each job once = $O(n)$. The sorting dominates, so overall $O(n \log n)$.

- Prim's/Kruskal's algorithms (minimum spanning tree)
- SPT scheduling (minimizes average flow time)
- EDD scheduling (minimizes maximum lateness)

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Greedy FAILS:

- Traveling salesman problem (nearest neighbor is worse)
- 0/1 Knapsack (greedy by value/weight ratio fails)

The Two Key Properties

For greedy to be optimal, we need:

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1. Greedy Choice Property

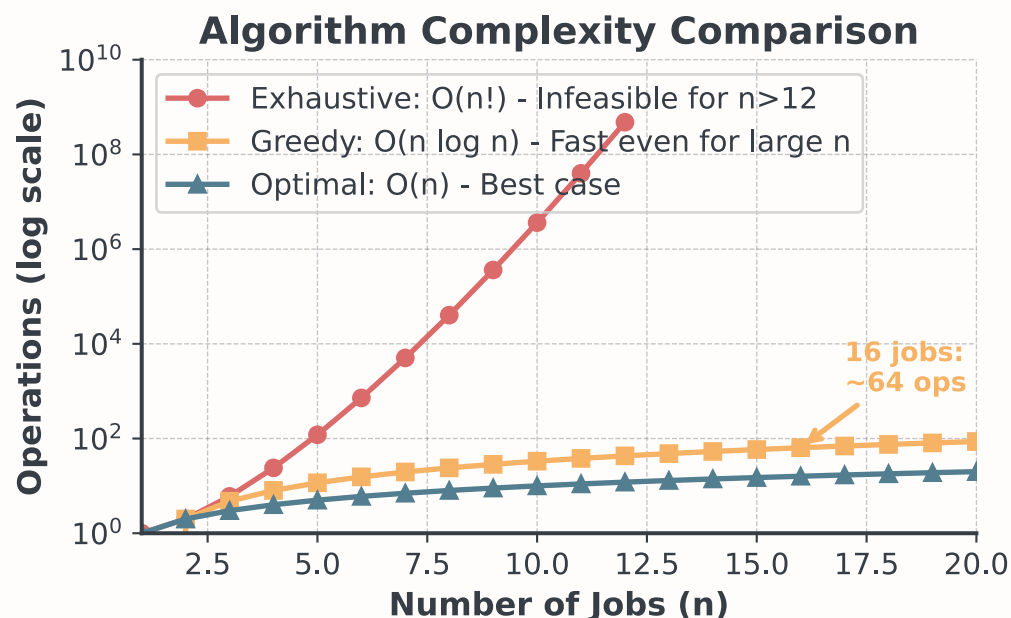
- Locally optimal choice leads to globally optimal solution
- Can make choice without considering future consequences

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2. Optimal Substructure

- Optimal solution contains optimal solutions to subproblems
- After making greedy choice, remaining problem is similar

Complexity: Why Greedy is Fast



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! Important

For 16 bikes: Exhaustive = 20 trillion operations, Greedy = 64 operations!

Three Classic Scheduling Rules

We'll explore three greedy approaches that manufacturing uses:

1. FIFO (First In, First Out) - The fairness rule
2. SPT (Shortest Processing Time) - The efficiency rule
3. EDD (Earliest Due Date) - The deadline rule

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Question: Which rule would you use for the bike factory with penalties and overtime costs?

Rule 1: FIFO (First In, First Out)

Process jobs in the order they arrive, no prioritization.

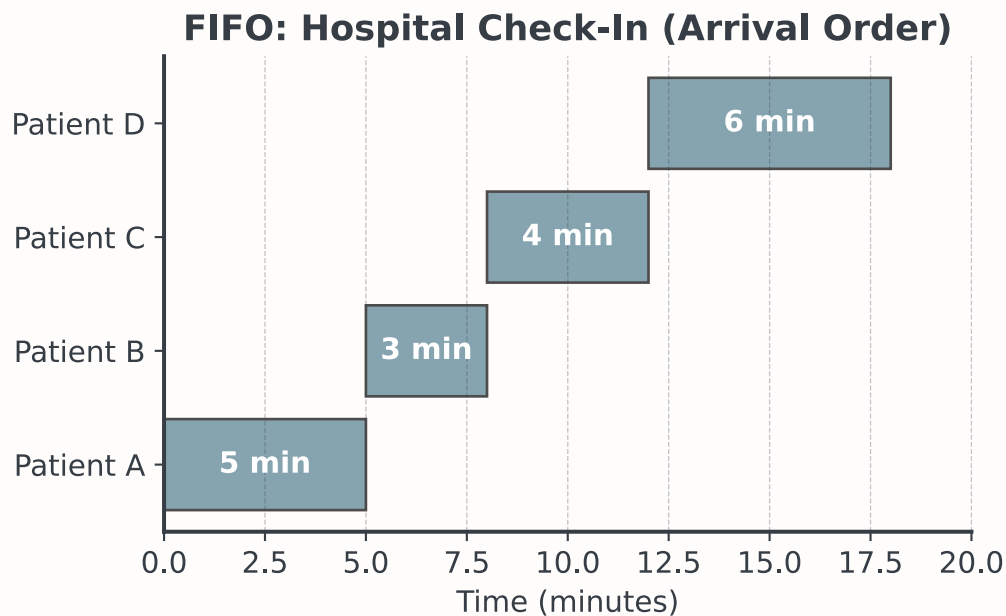
- When it's good: Ensures fairness and prevents "customer favoritism"
- When it's optimal: When all jobs have equal importance and no deadlines
- Real-world use: Bank queues, ticket counters, help desk systems

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💡 Tip

Like scheduling job interviews when all candidates applied at different times: You interview in application order to be fair, even if some candidates are stronger.

Example: Hospital Check-In



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💡 Tip

See the pattern? We just do patient A, then patient B, then patient C, then patient D.

2: SPT (Shortest Processing Time)

The Idea: Process quickest job next to maximize throughput.

- When it's good: Minimizes average waiting time for customers
- When it's optimal: Proven optimal for minimizing mean completion time
- Real-world use: Express checkout lanes, quick service repairs, email triage

...

💡 Tip

Like answering emails: Respond to quick 1-minute replies first, then tackle the complex ones requiring research so more people get helped faster.

Example: Coffee Shop Orders



...

⚠ Warning

However, not all customers might be willing to wait longer for their orders!

Rule 3: EDD (Earliest Due Date)

The Idea: Jobs by deadline order to tackle urgent work first.

- When it's good: Minimizes number of late jobs (tardiness)
- When it's optimal: Proven optimal for minimizing maximum lateness
- Real-world use: Project deadlines, delivery logistics, exam grading

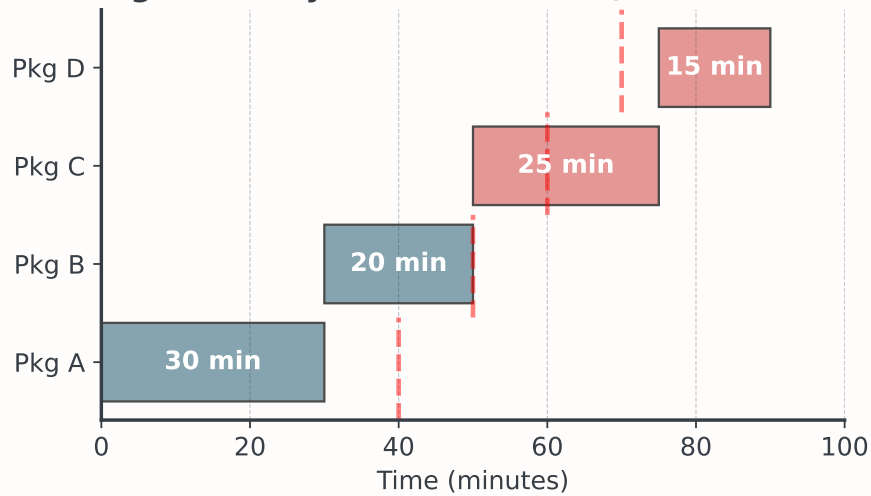
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💡 Tip

Like grading assignments: Grade the papers due back tomorrow before the ones due next week so students get feedback when promised.

Example: Package Delivery

EDD: Package Delivery (Due Date Order, red lines = deadlines)



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⚠ Warning

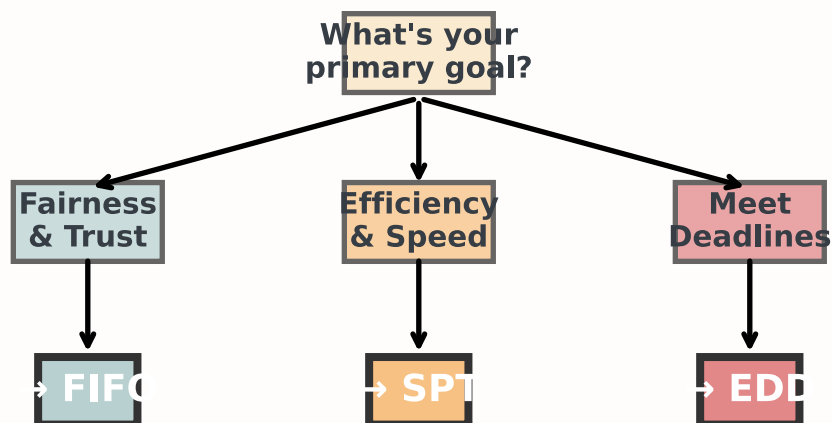
Note, that we only minimize maximal lateness here!

Quick Reference & Decision Guide

Choose your rule based on business priority

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Scheduling Decision Tree



Implementing SPT in Python I

Let's code it together - it's remarkably simple!

Let's assume we want to make some pizzas under deadlines.

```
# Pizza data
pizzas = [
    {'id': 'P1', 'time': 10, 'due': 20},
    {'id': 'P2', 'time': 8, 'due': 15},
    {'id': 'P3', 'time': 6, 'due': 25},
    {'id': 'P4', 'time': 15, 'due': 20},
    {'id': 'P5', 'time': 12, 'due': 30},
]
```

...

Question: How should we proceed for SPT?

Implementing SPT in Python II

```
# SPT Rule: Sort by processing time
spt_order = sorted(pizzas, key=lambda p: p['time'])

print("SPT Schedule:")
current_time = 0
for pizza in spt_order:
    current_time += pizza['time']
    print(f" {pizza['id']}: due {pizza['due']}, done {current_time}")
```

```
SPT Schedule:
P3: due 25, done 6
P2: due 15, done 14
P1: due 20, done 24
P5: due 30, done 36
P4: due 20, done 51
```

...

Tip

Easy, right? Just one line of Python! `sorted()` with a key function. Greedy algorithms are often simple to implement.

Implementing EDD in Python

EDD is just as simple - change the sorting key!

```
# EDD Rule: Sort by due date
edd_order = sorted(pizzas, key=lambda p: p['due'])
```

```

print("EDD Schedule:")
current_time = 0
for pizza in edd_order:
    current_time += pizza['time']
    print(f" {pizza['id']}: due {pizza['due']}, done {current_time}")

```

```

EDD Schedule:
P2: due 15, done 8
P1: due 20, done 18
P4: due 20, done 33
P3: due 25, done 39
P5: due 30, done 51

```

...

Question: Can you modify this to implement FIFO?

Comparing All Three

Now let's compare all three rules on the same dataset

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Scenario: 4 rush bike orders arrive with conflicting priorities

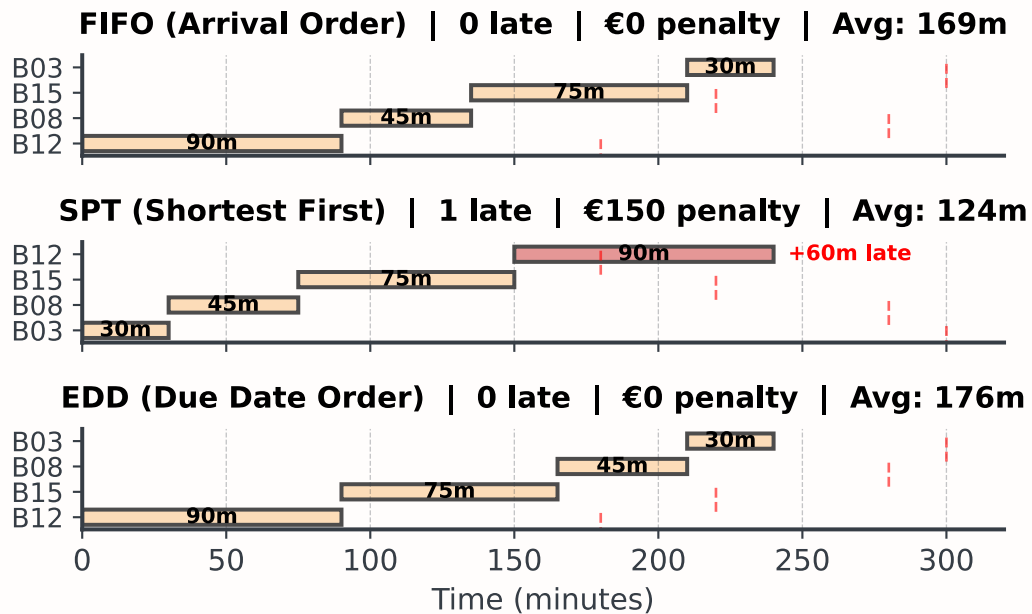
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| Order | Arrival | Processing | Due | Penalty |
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...

Question: How would we schedule for each rule?

All Schedules Compared



...

! Important

No single rule is always best! The right choice depends on your objectives, which might include fairness, throughput, deadlines and much more.

Key Takeaways

- FIFO: Simple and fair, but ignores job characteristics
- SPT: Minimizes average completion time
- EDD: Minimizes maximum lateness

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Question: Any questions up until here?

Applications

Professional Applications I

Where scheduling algorithms appear in practice

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Project Management:

- Task dependencies and precedence constraints
- Resource allocation across teams

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Software Development:

- CPU process scheduling (operating systems)
- Thread management and concurrency

Professional Applications II

Operations & Manufacturing:

- Production line scheduling and supply chain optimization
- Warehouse picking routes and maintenance scheduling

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Transportation & Logistics:

- Vehicle routing problems
- Crew scheduling and maintenance window planning

...

Healthcare:

- Patient appointment scheduling and staff shift scheduling

Performance Metrics

Metric Definitions

If we formalize these:

- Completion Time (C_i): When job i finishes
- Flow Time (F_i): Time job spends in system = $C_i - \text{arrival}_i$
- Lateness (L_i): $C_i - \text{due}_i$ (can be negative = early)
- Tardiness (T_i): $\max(0, L_i)$ (only counts late jobs)

Aggregate Metric Definitions

If we look at several of these:

- Makespan (C_{\max}): $\max(C_i)$ - when all jobs done
- Average Flow Time: $\sum F_i / n$
- Total Tardiness: $\sum T_i$
- Maximum Lateness: $\max(L_i)$

...

Question: In which context would you use each metric?

Why Metrics Matter

Different objectives require different metrics

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Business Context Matters:

- Manufacturing: Minimize total production time (makespan)
- Service: Minimize average customer wait (flow time)
- Delivery: Minimize late deliveries (tardiness)
- Contracts: Minimize worst-case lateness (maximum lateness)
- Customer satisfaction: Minimize number of late jobs

...

! Important

You can't optimize what you don't measure! Choose metrics that align with business goals.

Which Metric When?

Matching metrics to business context

| Business Goal | Metric to Optimize | Best Rule |
|-----------------------------|--------------------|-------------|
| Reduce customer wait time | Avg Flow Time | SPT |
| Meet all deadlines | Max Lateness | EDD |
| Minimize contract penalties | Total Tardiness | EDD |
| Maximize throughput | Makespan | Any (same!) |
| Customer satisfaction | Number Late | EDD |
| Fairness/transparency | (none) | FIFO |

Two-Stage Scheduling

The Real Challenge: Flow Shops

Most manufacturing involves multiple stages

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Flow Shop: Jobs must visit machines in the same order

- Car manufacturing: Welding → Painting → Assembly
- Bicycle factory: Assembly → Painting
- Electronics: Circuit board → Component placement → Testing
- Restaurant: Cooking → Plating → Service

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! Important

Key difference from single-machine: Machine 2 must wait for Machine 1 to finish each job. This creates idle time and blocking.

Two-Stage Example Setup

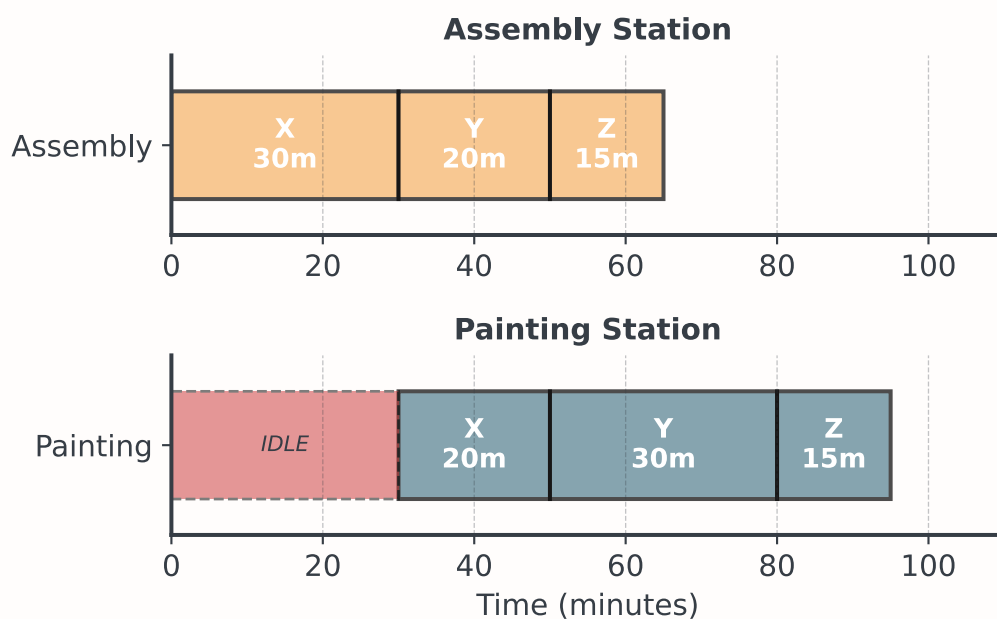
3 Bicycles through Assembly → Painting

| Bike | Assembly Time | Painting Time | Total |
|------|---------------|---------------|-------|
| X | 30 min | 20 min | 50 |
| Y | 20 min | 30 min | 50 |
| Z | 15 min | 15 min | 30 |

...

Question: If we process in order X → Y → Z, what happens?

FIFO: X → Y → Z



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⚠ Warning

Painting station waits 30 minutes for first bike! Total time = 95 minutes

Why Simple Rules Struggle

Each rule has ambiguities in two-stage problems

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SPT - Shortest Processing Time:

- Sort by assembly time? → Favors Z (15 min)
- Sort by painting time? → Favors X (20 min)
- Sort by total time? → All tied (50, 50, 30)

...

EDD - Earliest Due Date: Doesn't minimize idle time or makespan

...

FIFO: Arbitrary order, no optimization

...

Question: Is there a better approach for minimizing makespan?

Johnson's Algorithm: The Intuition

Why does Johnson's work? Let's understand the logic first

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Think about bottlenecks in a two-stage flow:

- Machine 2 sits idle waiting for Machine 1 to finish
- Goal: Minimize that idle time

...

Key Observation:

- If a job is quick on Machine 1 → Do it early (Machine 1 finishes fast, Machine 2 starts sooner!)
- If a job is quick on Machine 2 → Do it late (Machine 2 can finish quickly at the end, no wasted capacity)

Johnson's Algorithm: The Rule

Four simple steps to optimal scheduling

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1. Find minimum time across both machines for all remaining jobs
2. If minimum is on M1: Schedule this job at earliest open position
3. If minimum is on M2: Schedule this job at latest open position
4. Repeat until all jobs scheduled

...

Note

Johnson proved this greedy choice property guarantees global optimum for makespan in 2-machine flow shops!

...

Let's apply this to our 3 bikes...

Applying Johnson's Algorithm

| Bike | Assembly | Painting | Min Time |
|------|----------|----------|----------|
| X | 30 | 20 | 20 (P) |
| Y | 20 | 30 | 20 (A) |
| Z | 15 | 15 | 15 (A/P) |

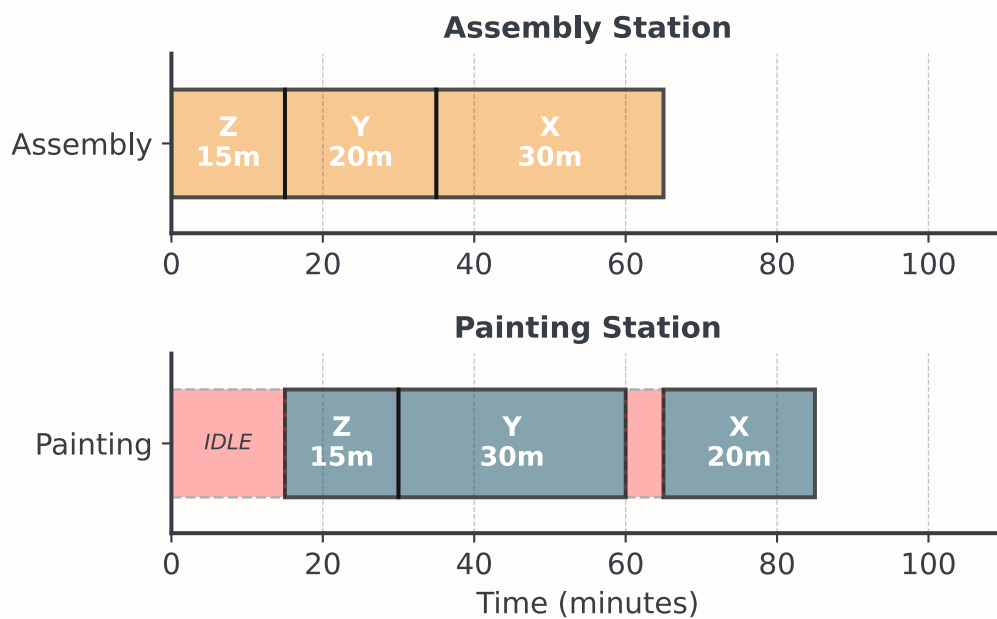
1. Min time = 15 (Z, assembly) → Schedule Z first
2. Min time = 20 (Y, assembly) → Schedule Y second
3. Min time = 20 (X, painting) → Schedule X last

...

Tip

Easy, right?

Johnson's Schedule: $Z \rightarrow Y \rightarrow X$



...

💡 Tip

10-minute improvement! (85 vs 95) - 10.5% faster with optimal ordering

Beyond Two Machines

What about 3+ machines?

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Bad news:

- 3+ machine flow shop is NP-hard
- No polynomial optimal algorithm known

...

Good news:

- Heuristics work well in practice
- Simulated annealing, genetic algorithms

Weighted Scheduling

Revenue-Based: Consulting Firm

5 consulting projects with different durations and revenues

| Project | Duration | Revenue | Revenue/Hour |
|---------|----------|---------|--------------|
| C | 55h | €11,000 | €200 |
| A | 25h | €6,000 | €240 |
| E | 55h | €4,950 | €90 |
| D | 45h | €5,400 | €120 |
| B | 35h | €7,000 | €200 |

...

Goal: Maximize revenue during limited consulting time

...

Question: Sort by total revenue? Duration? Or something else?

Revenue/Hour Rule

Rule: Sort by revenue per hour (descending)

...

Sorted by Revenue/Hour:

| Project | Duration | Revenue | Revenue/Hour | Schedule |
|---------|----------|---------|--------------|----------|
| A | 25h | €6,000 | €240 | 1st |
| B | 35h | €7,000 | €200 | 2nd |
| C | 55h | €11,000 | €200 | 3rd |
| D | 45h | €5,400 | €120 | 4th |
| E | 55h | €4,950 | €90 | 5th |

...

Optimal order: $A \rightarrow B \rightarrow C \rightarrow D \rightarrow E$

Why Revenue/Hour Works

Maximizing early revenue in capacity-constrained situations

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Scenario: 120 hours of consulting capacity this quarter

- Revenue/hour approach: $A+B+C = 115h \rightarrow €24,000$ revenue
- Wrong order (E+D+C): $E+D+C = 155h \rightarrow$ Doesn't fit!
- Only E+D = 100h $\rightarrow €10,350$ revenue
- Worst case: Start with low-revenue/hour projects, waste capacity

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! Important

This is Smith's Rule in action: Sort by (value / time) to maximize weighted completion!

Advanced

Dynamic vs Static Scheduling

How scheduling changes with job arrivals

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Static (Offline):

- All jobs known upfront
- Schedule computed once
- Can often use optimal algorithms

Dynamic (Online):

- Most real-world scenarios

- Jobs arrive over time
- Must make decisions without future knowledge

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Question: Any ideas about complications in dynamic environments?

...

Question: Any other real world considerations?

Real-World Considerations

- Setup Times:
 - Changing requires tool adjustments or cleaning
 - Sequence-dependent scheduling (TSP-like)
- ...
- Resource Constraints:
 - Limited resources, specialized tools, material shortages
 - Worker skill levels and availability
- ...
- Uncertainty:
 - Processing times, break downs, and other unforeseen events

Hybrid Scheduling Strategies

1. Priority Classes:

```
IF order.type == "Rush":
    schedule using EDD
ELSE:
    schedule using SPT
```

...

2. Time-Based Switching:

```
IF current_time < 3pm:
    use SPT (maximize throughput)
ELSE:
    use EDD (meet end-of-day deadlines)
```

...

3. Threshold Rules:

```
IF (due_date - current_time) < 30 minutes:
    prioritize this order (emergency mode)
ELSE:
    use normal SPT rule
```

Common Scheduling Mistakes I

Learn from others' errors - avoid these pitfalls!

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Question: Any idea what could be common mistakes?

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Mistake #1: Ignoring Setup Times

- Problem: Changing from between tasks requires adjustments
- Impact: Your "optimal" SPT schedule wastes 3 hours on setups
- Fix: Batch similar tasks together (hybrid rule: SPT within batches)

Common Scheduling Mistakes II

Learn from others' errors - avoid these pitfalls!

Mistake #2: Static Scheduling with Dynamic Arrivals

- Problem: Using Johnson's algorithm at 2 PM, never adjusting when urgent orders arrive at 4 PM
- Impact: New rush order sits idle while finishing low-priority work
- Fix: Re-optimize periodically or use priority thresholds

Common Scheduling Mistakes III

Learn from others' errors - avoid these pitfalls!

Mistake #3: Optimizing the Wrong Metric

- Problem: Minimizing makespan when penalty costs dominate
- Impact: You "win" on time but lose €400 on penalties
- Fix: Always align algorithm choice with total cost function

Personal Schedules

Thrashing

When scheduling breaks down completely

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What is Thrashing?

- Excessive context switching between tasks
- Organization overhead exceeds actual productivity
- Maximum activity, minimum output

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Question: Do you know this from your personally?

Thrashing Warning Signs

How to recognize when you're thrashing

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Individual Level:

- Constant task switching (< 15 minutes per task)
- Nothing getting completed despite being "busy"
- Increasing stress and anxiety
- Declining quality of work
- Feeling overwhelmed despite working hard

Preventing Thrashing

Strategic approaches to maintain productivity

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Strategic Solutions:

1. Task rejection threshold: Say no to new tasks when queue exceeds capacity
2. Minimum work periods: Minimum focus time per task
3. Batching: Group similar tasks (all emails at once, all calls at once)
4. Buffer times: Schedule gaps between major tasks
5. Reduced reactivity: Check email at set times, not constantly

Today's Tasks

Today

Hour 2: This Lecture

- Greedy algorithms
- FIFO, SPT, EDD rules
- Trade-offs
- Gantt charts

Hour 3: Notebook

- Bean Counter CEO
- Implement rules
- Visualizations
- Analyze orders

Hour 4: Competition

- Bike Factory Crisis
- 16 bicycle orders
- Two-stage process
- Minimize total costs!

The Competition Challenge

The Bike Factory Crisis

...

1. Schedule 16 custom bicycle orders across 2 workstations
2. Optimize Assembly → Painting workflow
3. Balance overtime costs vs. late delivery penalties
4. Minimize total cost (overtime + penalties)

...

! Important

Choose the right trade-off for the business context!

Key Takeaways

Remember This!

The Rules of Greedy Scheduling

1. Know your objective - Fairness, speed, or deadlines?
2. FIFO for fairness - Simple, transparent, no favoritism
3. SPT for throughput - Minimizes average completion time
4. EDD for deadlines - Minimizes maximum lateness
5. No single winner - Each rule optimizes different metrics
6. Context matters - Match the rule to your business goal
7. Two-stage is harder - Assembly → Painting adds complexity

Final Thought

Greedy algorithms are about smart trade-offs

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The Advantage:

- Fast $O(n \log n)$
- Easy to implement
- Explainable decisions
- Often near-optimal
- Practical for real-time

The Challenge:

- No global optimality guarantee
- Different rules, different results
- Three-stage problems are complex
- May need hybrid approaches

Break!

Take 20 minutes, then we start the practice notebook

Next up: You'll become Bean Counter's scheduler

Then: The Bike Factory Crisis competition

Bibliography