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UNIVERSITY



# INDUSTRIAL ENGINEERING

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Chapter 01

# COURSE OVERVIEW

1	Introduction
2	Strategic Production Planning
3	Product Development
4	Material Technology
5	Engineering Drawing
6	Manufacturing Technologies
7	Manufacturing Resources
8	Facility Planning
9	Logistics Processes
10	Layout Design
11	Ergonomics
12	Case Studies
13	Wrap-up & Exam Preparation

### Attendance highly recommended

- Consecutive exercises in MS Excel (following through is key) => most important part for exam
- Relevant and irrelevant topics/slides for the final exam will be revealed in class
- Please note: no recording of classes

### Grading

- Final Exam: 100% (theory + Excel exercises)
- Bonus assignment with 2 parts: (up to) +5%

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Chapter 01

# INTRODUCTION

# OUTLINE

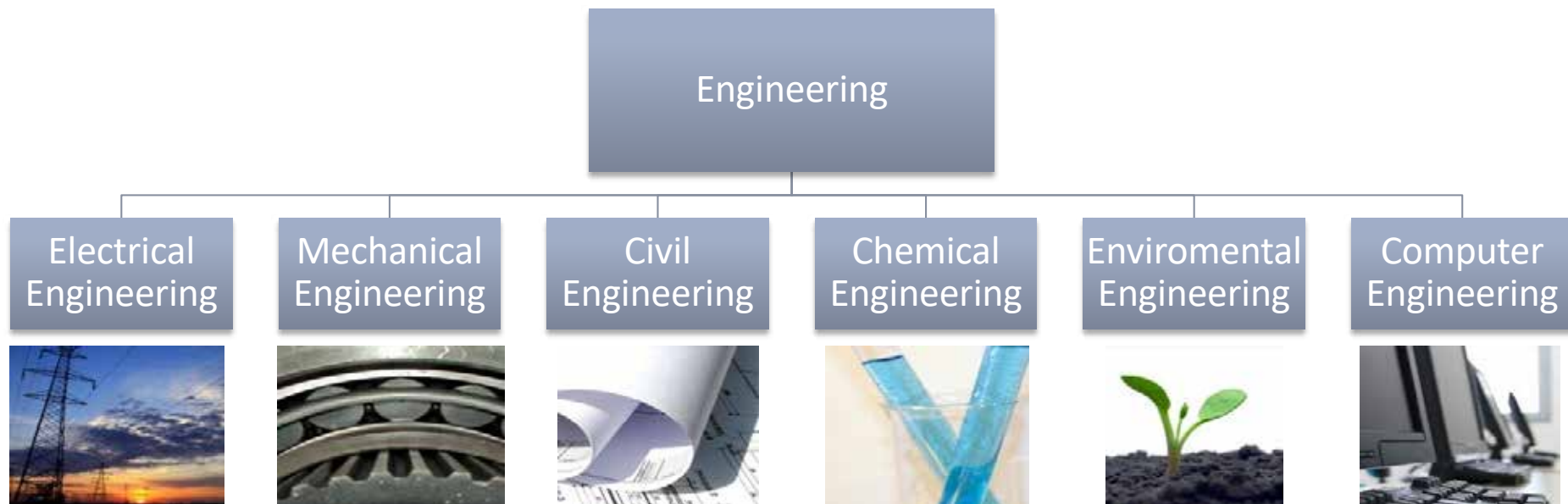
1	Industrial Engineering
2	Production
3	Industry 4.0
4	Globalization & Production
5	Production as a System
6	Excel Tutorial (separate file)

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# INDUSTRIAL ENGINEERING

# DEFINITION OF ENGINEERING

Engineering is the discipline, art and profession of acquiring and applying scientific, mathematical, economic, social, and practical knowledge to design and build structures, machines, devices, systems, materials and processes that safely realize solutions to the needs of society



*Engineering is the main driver of technological progress*



The collective large-scale manufacturing of goods in well-organized plants with a high degree of automation and specialization



## PRIMARY

Cotton is grown and picked on a cotton farm



## SECONDARY

Cotton is processed to cloth



## TERTIARY

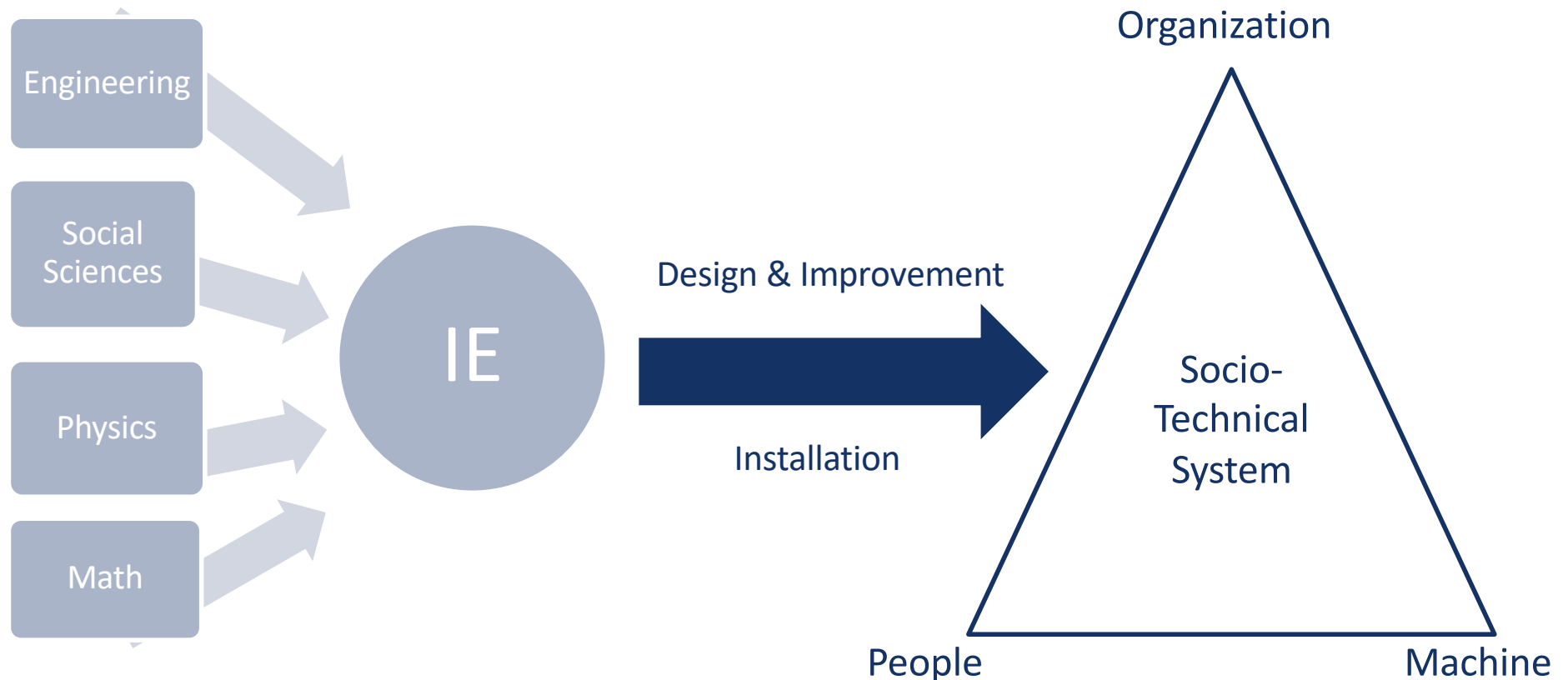
Cotton clothes (e.g. jeans, shirts etc)

*Secondary industry is the main turf for Industrial Engineers*



# WHAT IS INDUSTRIAL ENGINEERING?

IE is concerned with the design, improvement and installation of integrated systems of people, material, equipment, and energy.



IE is a cross-cutting discipline that integrates knowledge from different disciplines to develop integrated solutions

# WHAT DO INDUSTRIAL ENGINEERS DO?

Industrial Engineers are cross-trained engineers capable of understanding and managing complex engineering and socio-technical systems

Industrial  
Engineers strive  
for

a better way to make a product faster and easier

a safer way in products and processes

a cheaper & less expensive way in products and processes

*Industrial Engineering is all about efficiency*

# EXAMPLES OF DECISIONS FACING AN INDUSTRIAL ENGINEER

Industrial Engineers make tough decisions all the time

## Outsourcing

Make or buy a needed component



## Quality Improvement

Reduction of 1 % defective parts



## Process Optimization

Where is the bottleneck and how to remove it?



## Resource Planning

Automated or manual packaging



## Ergonomics

Acceptable load for a warehouse operator



## Capacity Planning

How many airline counters?



*Decisions involve and impact many other departments*

# WHERE DO INDUSTRIAL ENGINEERS WORK?

Aerospace &  
Airplanes



Machinery  
Manufacturing



Banking



Material  
Testing



Medical  
Service



Military



Construction



Forestry &  
Logging



Consulting



Mining



Oil & Gas



Plastics &  
Forming



Electronics



Energy



Retail



Entertainment



Shipbuilding



Insurance



Transport &  
Logistics



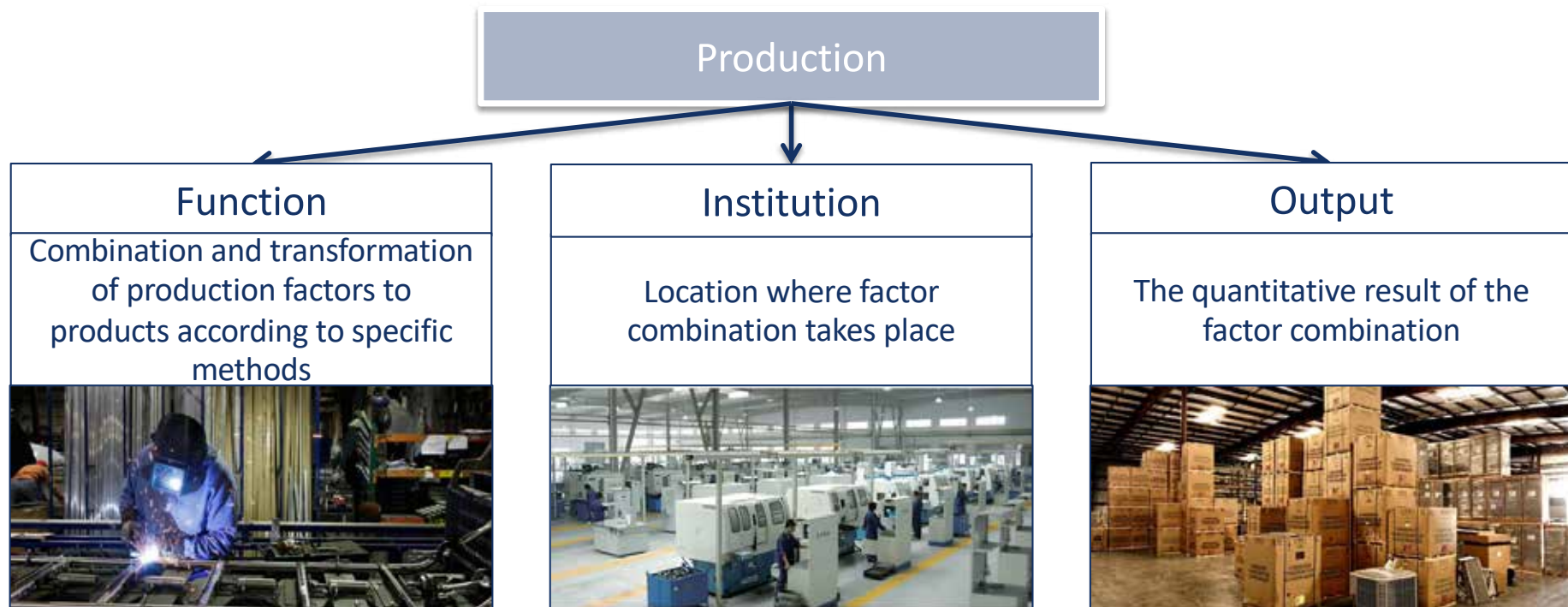
Automotive



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# PRODUCTION

The terms “production” (manufacturing) may have different aspects



*Production is the core function of industrial companies*



# AUTOMOBILE MANUFACTURING





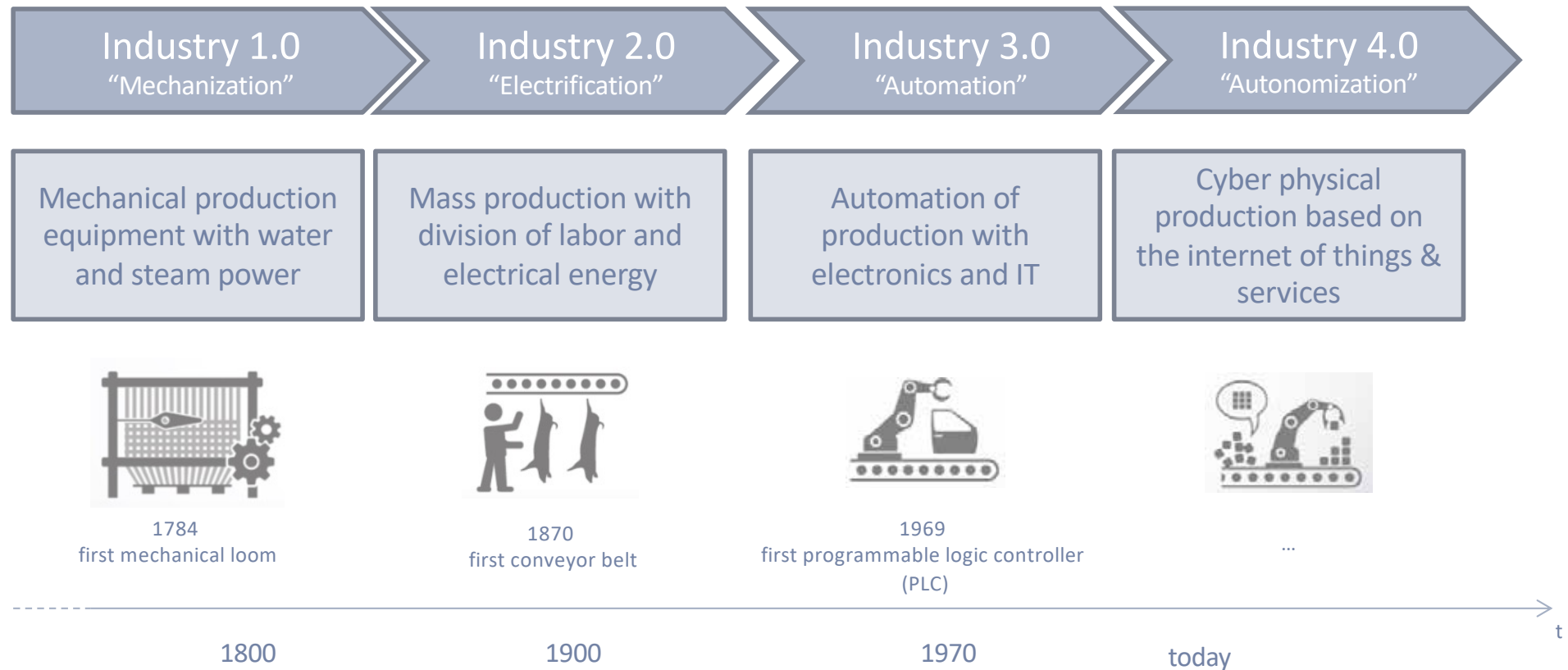
# PENCIL MANUFACTURING



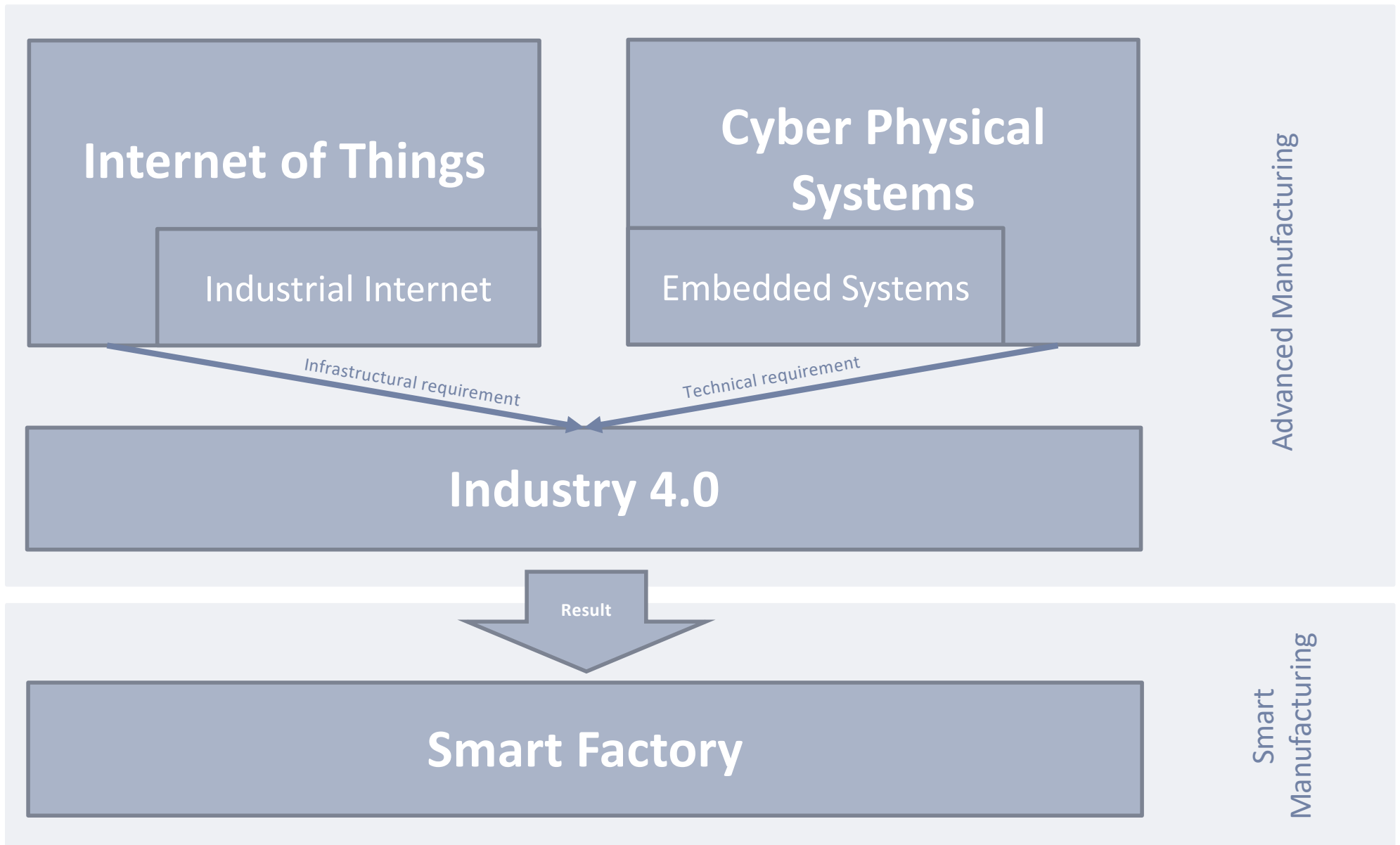
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## INDUSTRY 4.0

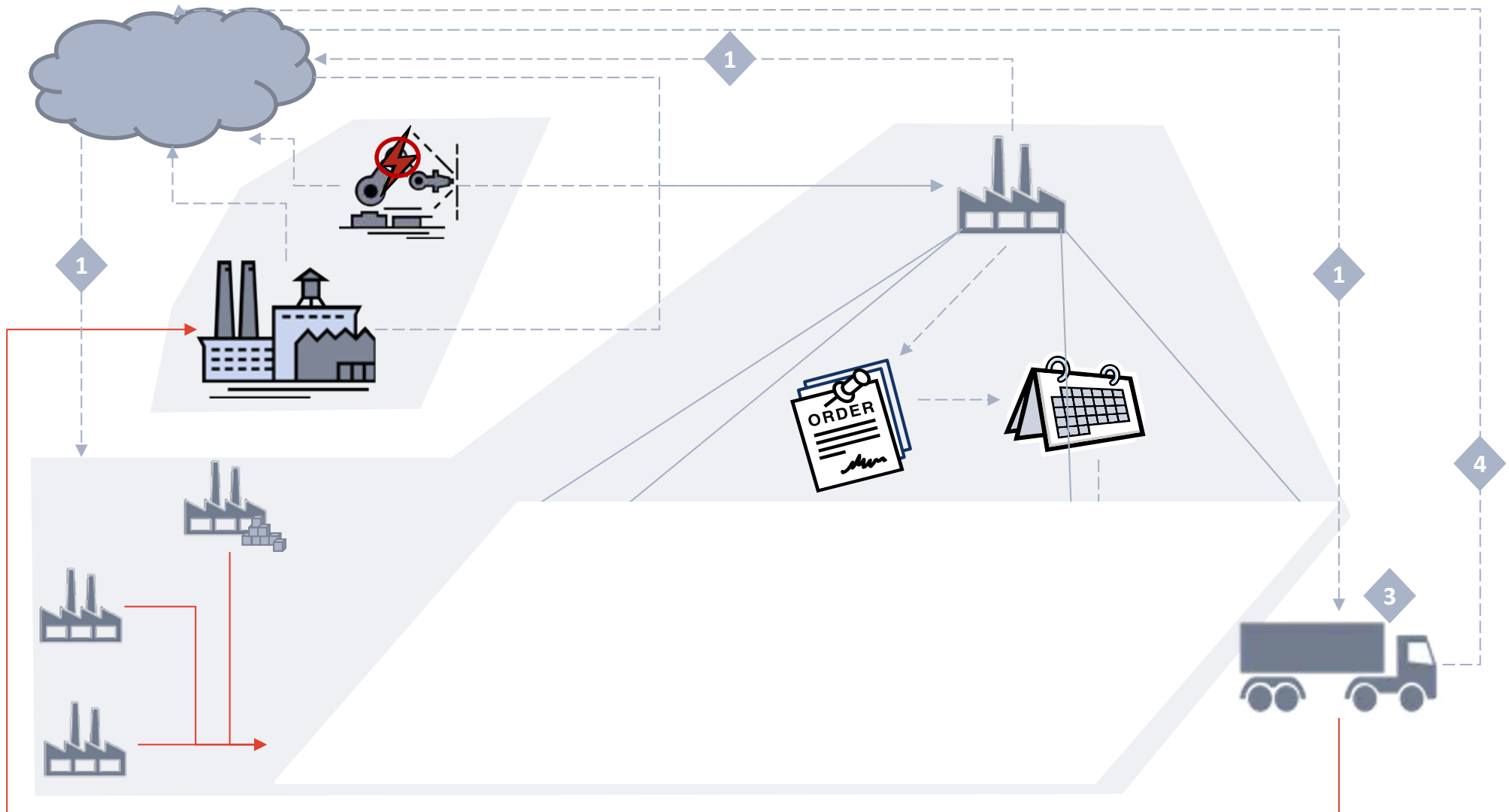
# THE FOURTH INDUSTRIAL REVOLUTION: INDUSTRY 4.0



## KEY TERMS



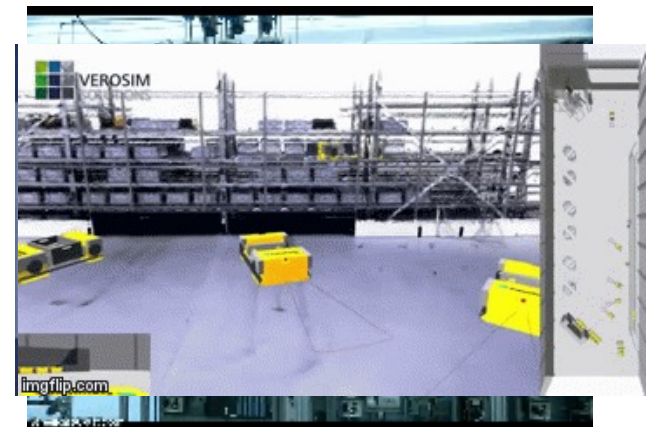
# IDEAL INFORMATION & MATERIAL FLOW IN INDUSTRY 4.0



- |          |   |          |                               |                       |
|----------|---|----------|-------------------------------|-----------------------|
| <b>1</b> | Precise and rapid matchmaking             | <b>3</b> | Custom Shipping (esp. P2P)    | ---> Information Flow |
| <b>2</b> | Remote Quality Control (CMM, 3D Scan, CT) | <b>4</b> | Ubiquitous Tracking & Tracing | —> Goods Flow         |

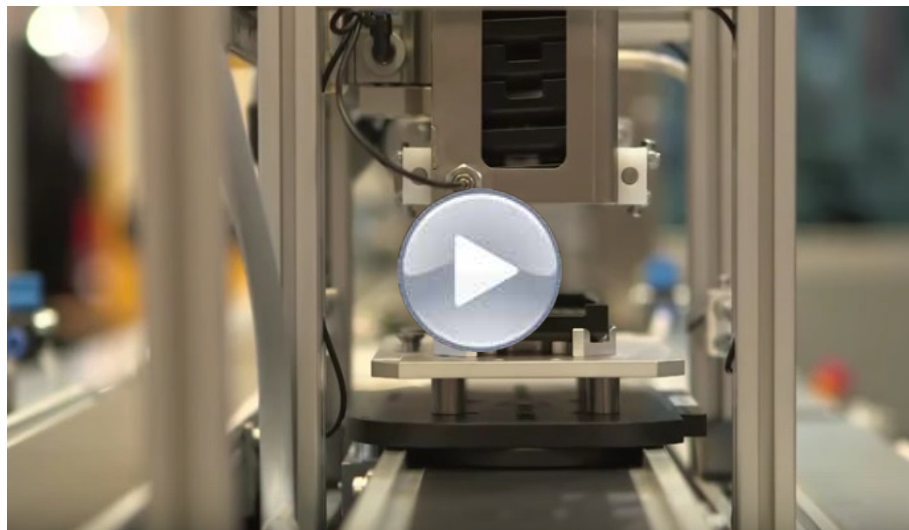
# GENERAL DEVELOPMENT STRATEGIES

Development approach	New development	New centralized systems and platforms for data consistency (e.g. SMLC)	New decentralized systems through distributed self-control (e.g. Fraunhofer IML)
	Further development	Central control through autonomous identification of materials (e.g. SAP)	Decentralized control through direct communication of materials with machines (e.g. DFKI)
		centralized	decentralized
		Degree of centrality of control	



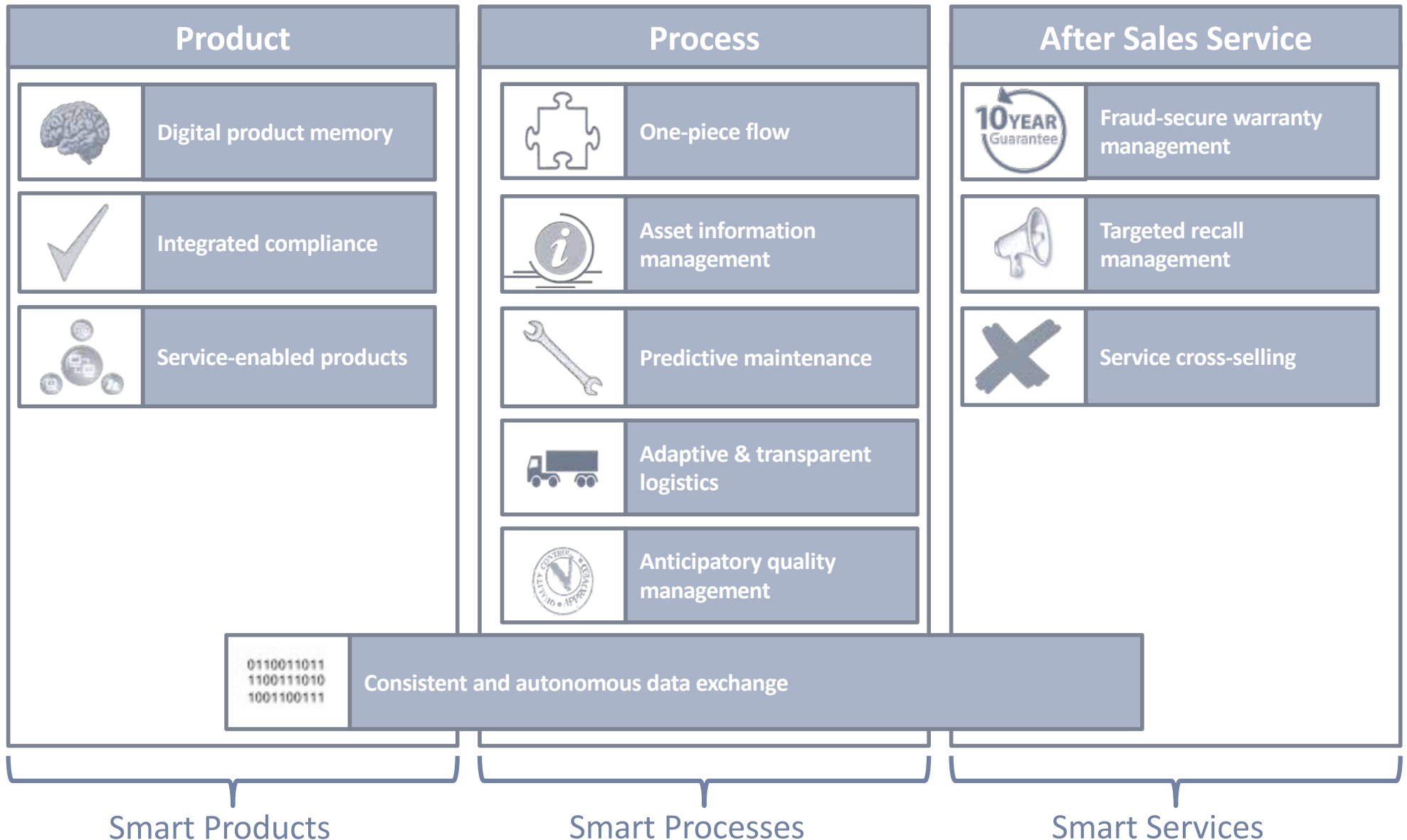
Pictures  
[SAP 2014] [DFKI 2014] [SMLC 2014] [IML 2015]

## EXAMPLE OF CENTRALIZED CONTROL: OPEN INTEGRATED FACTORY





# OPPORTUNITIES BY INDUSTRY 4.0

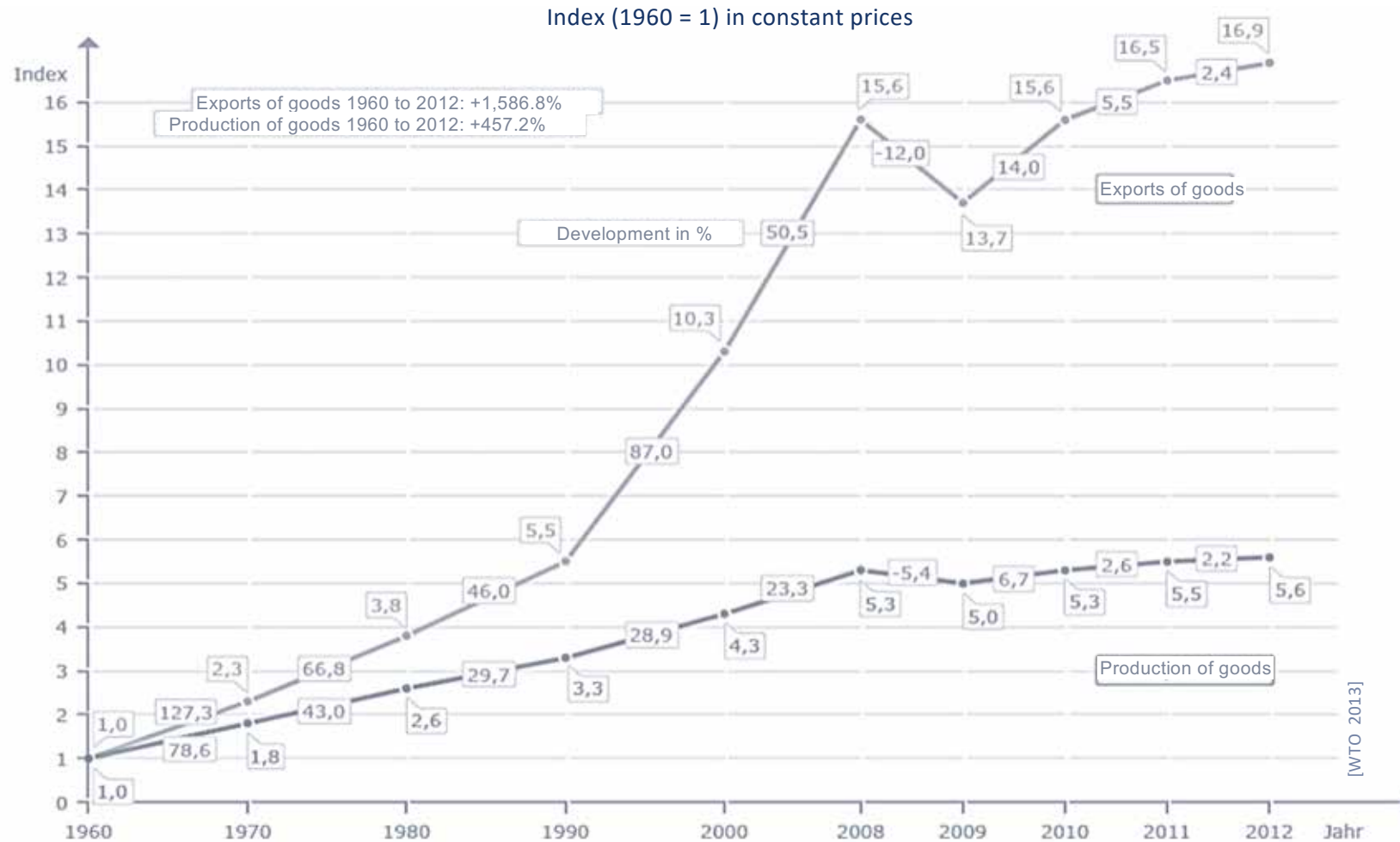


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## GLOBALIZATION & PRODUCTION

## Development of global manufacturing & cross-border goods trade

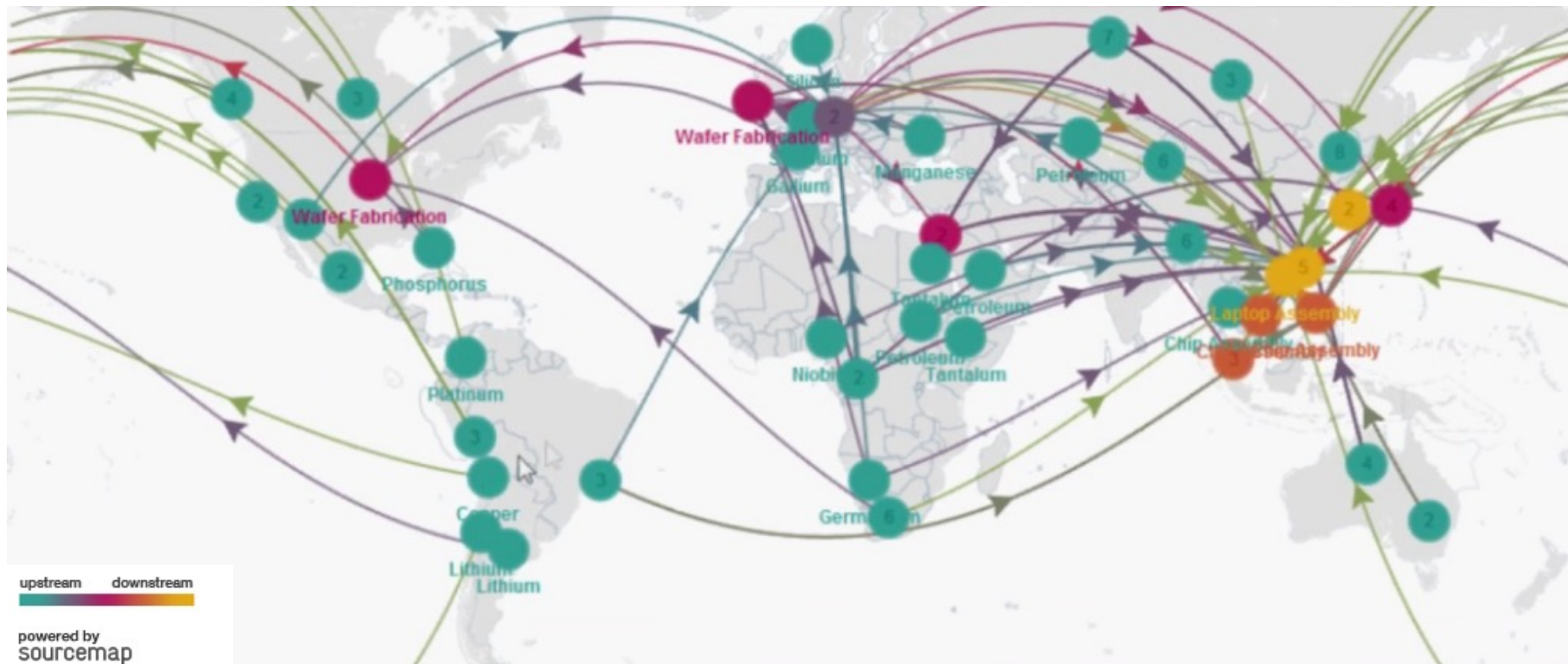
Index (1960 = 1) in constant prices



*Production is growing, becoming international & more complex*

# EXAMPLE 1: MANUFACTURING NETWORK OF A COMPLEX PRODUCT

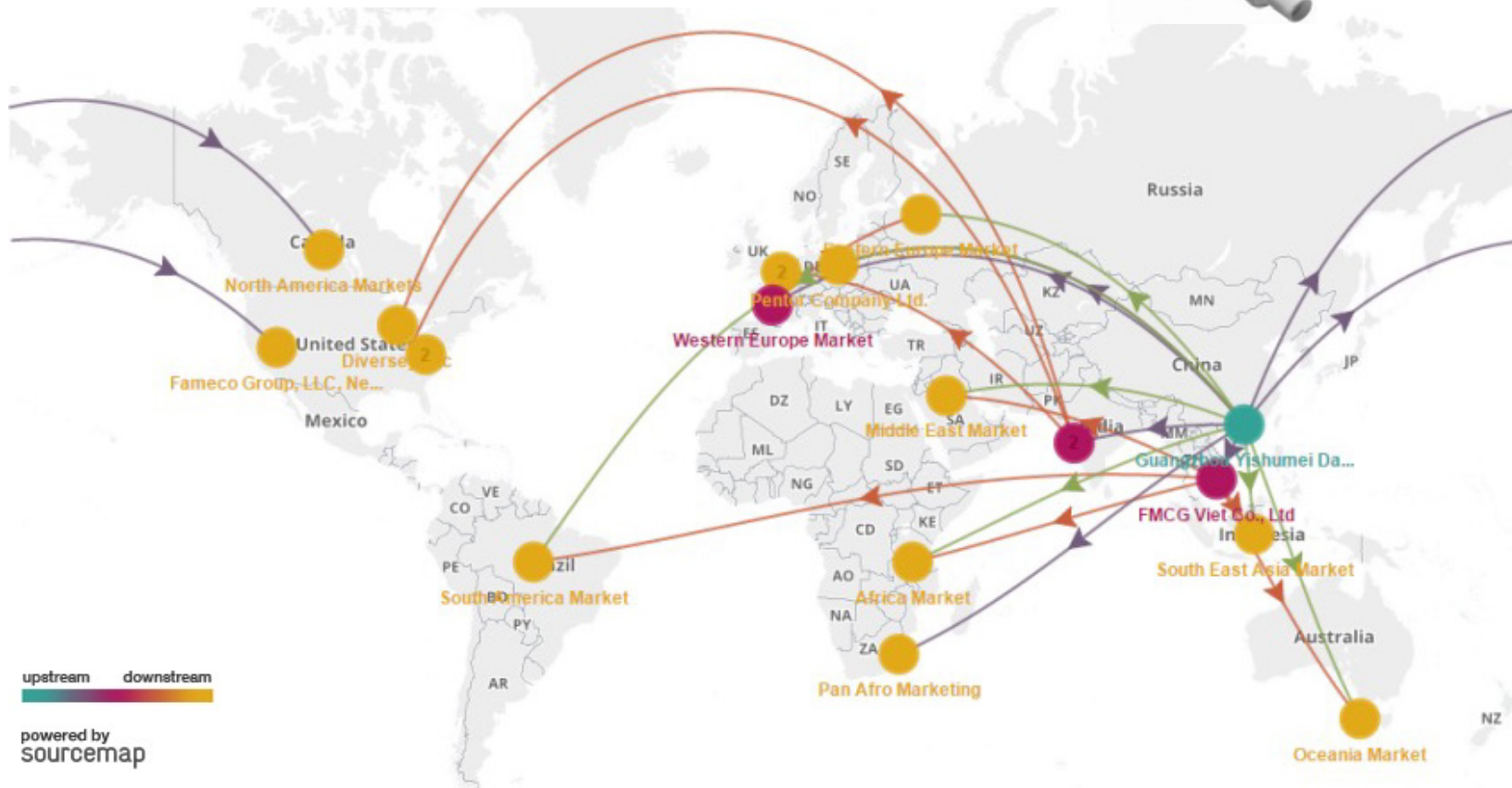
## Laptop Manufacturing



*Suppliers are all over the place  
Final manufacturing in East Asia*

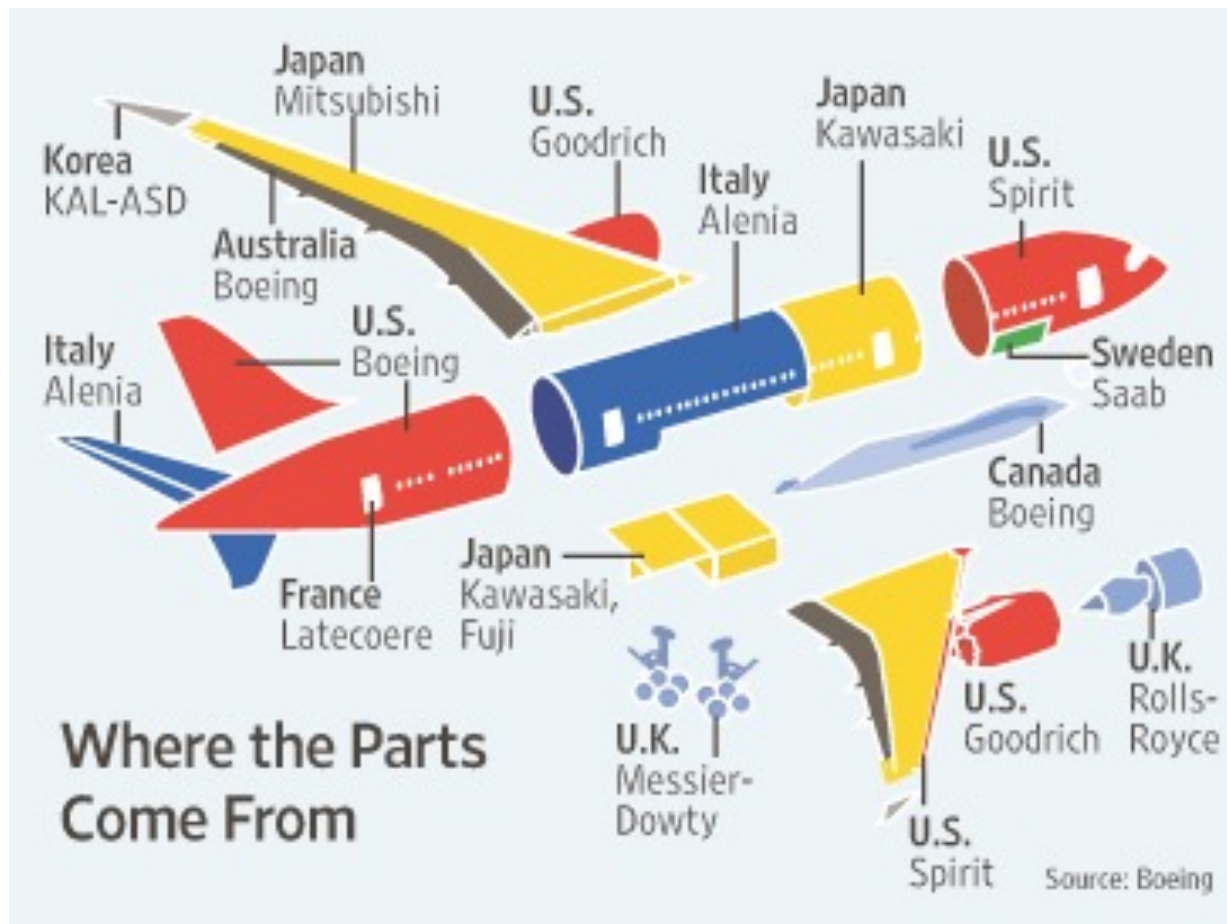
## EXAMPLE 2: MANUFACTURING NETWORK OF A SIMPLE PRODUCT

### Toothpaste Manufacturing



*Suppliers are located in one region  
Final manufacturing is all over the place*

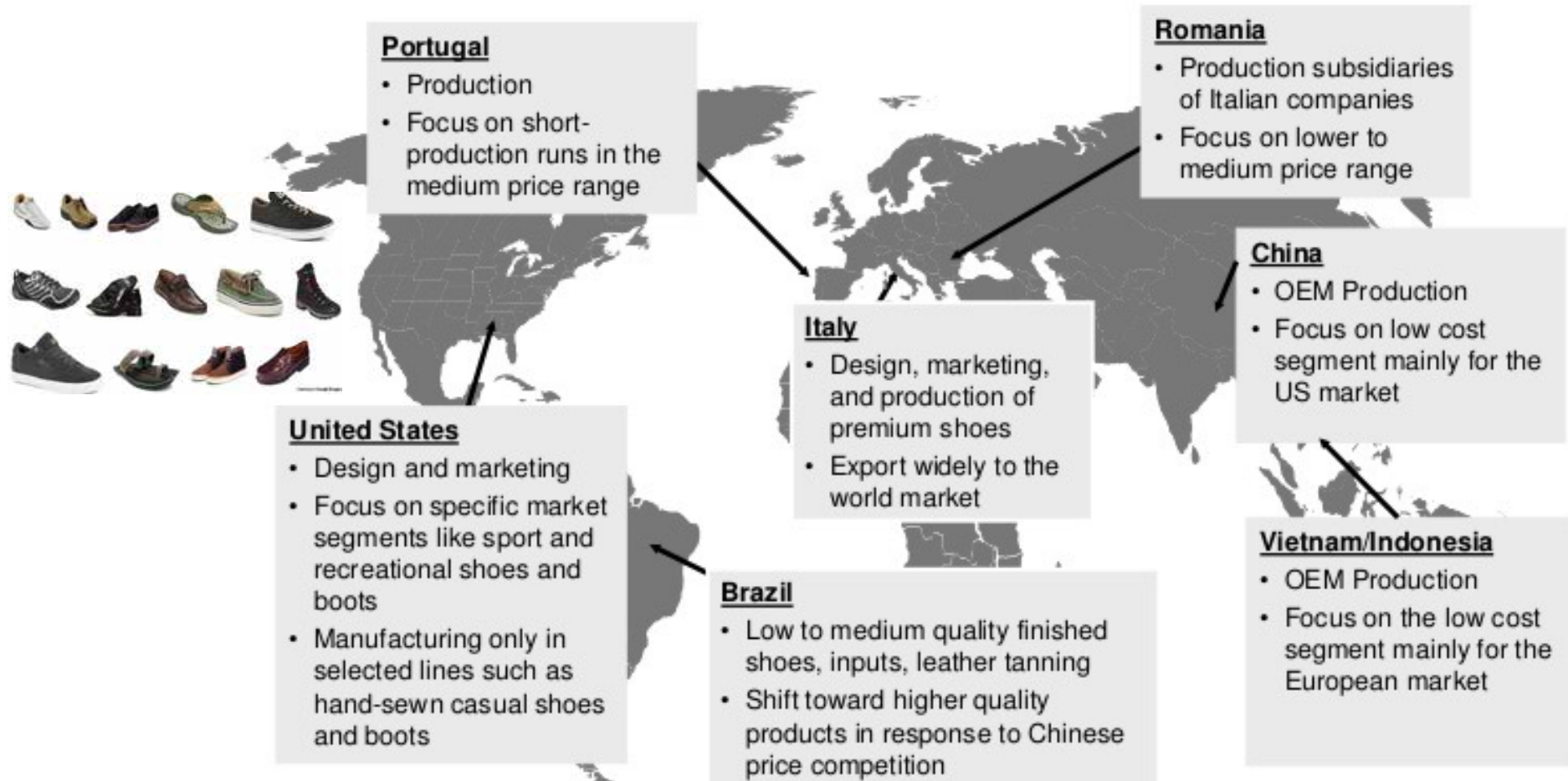
## EXAMPLE 3: NATIONALITY OF COMPONENTS IN AEROSPACE



*Patchwork products*



## EXAMPLE 4: GLOBAL POSITIONING OF MANUFACTURING SITES IN FOOTWEAR



*Regional clusters and strategies for location of manufacturing sites*



## IMPLICATIONS ON MANUFACTURING

Global suppliers

Global customers

Global markets w/ regional strategies

Hardly manageable supplier base

Diverse customer requirements

Ever harder to produce the right products, in the right quantity and time

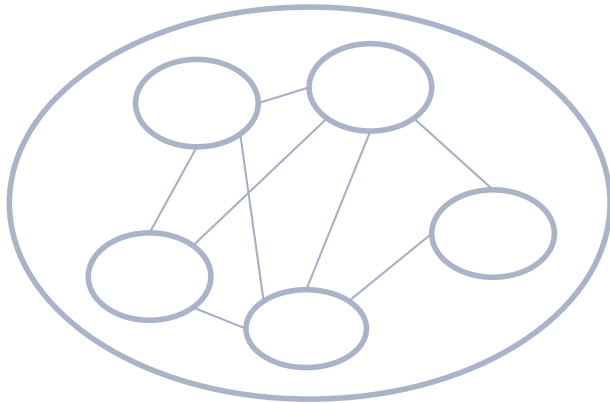
Production technologies need to support in managing this complexity

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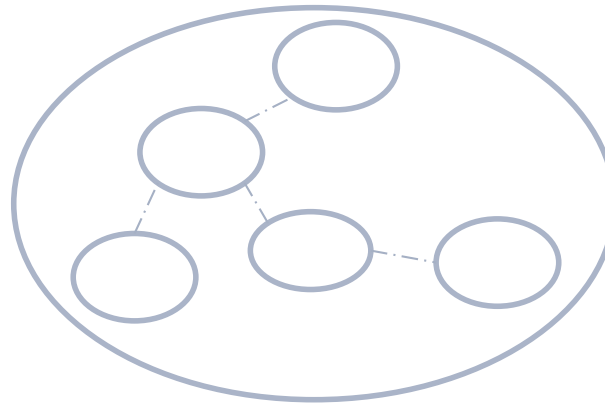
## PRODUCTION AS A SYSTEM

# PRODUCTION AS A SYSTEMS - ASPECTS

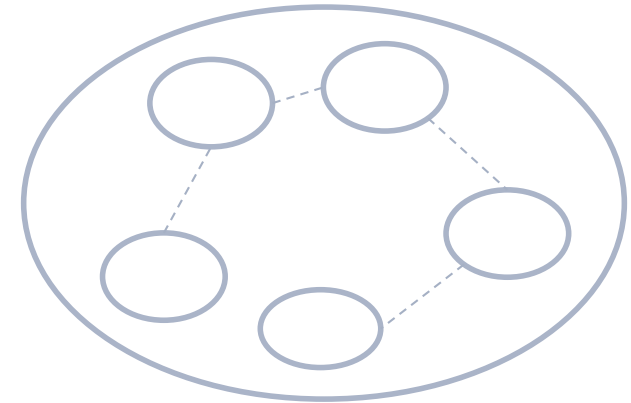
Material flows



Chain of command



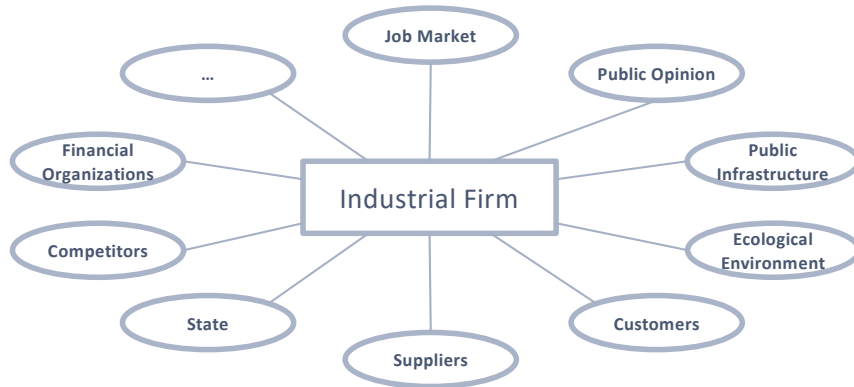
Information flows



- Each system can be analyzed based on particular filters that highlight specific **Aspects of a System**
- An industrial firm may be considered by specific aspects like material flow, information flow, paths
- Elements of a system may be relevant as to several aspects and may appear in several illustrations, e.g. Department is relevant as to material flow, information flow, etc.
- The different aspects of a system serve only for temporary reduction of complexity but show interdependencies among each other, like material and information flow
- The insights drawn from representations are strongly influenced by the respective aspect
- The consideration of a system through different aspects is the basis for the description of the layered structure of a system

# SYSTEM MODELS

## Environment-based Model



## Effect-based Model

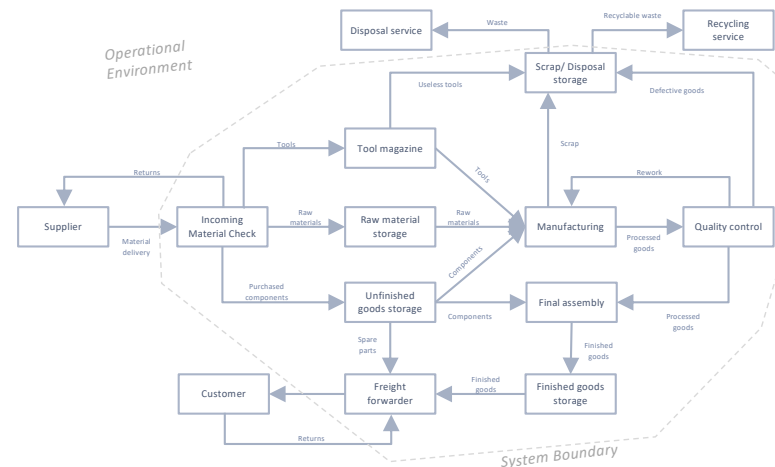


## Structure-based Models

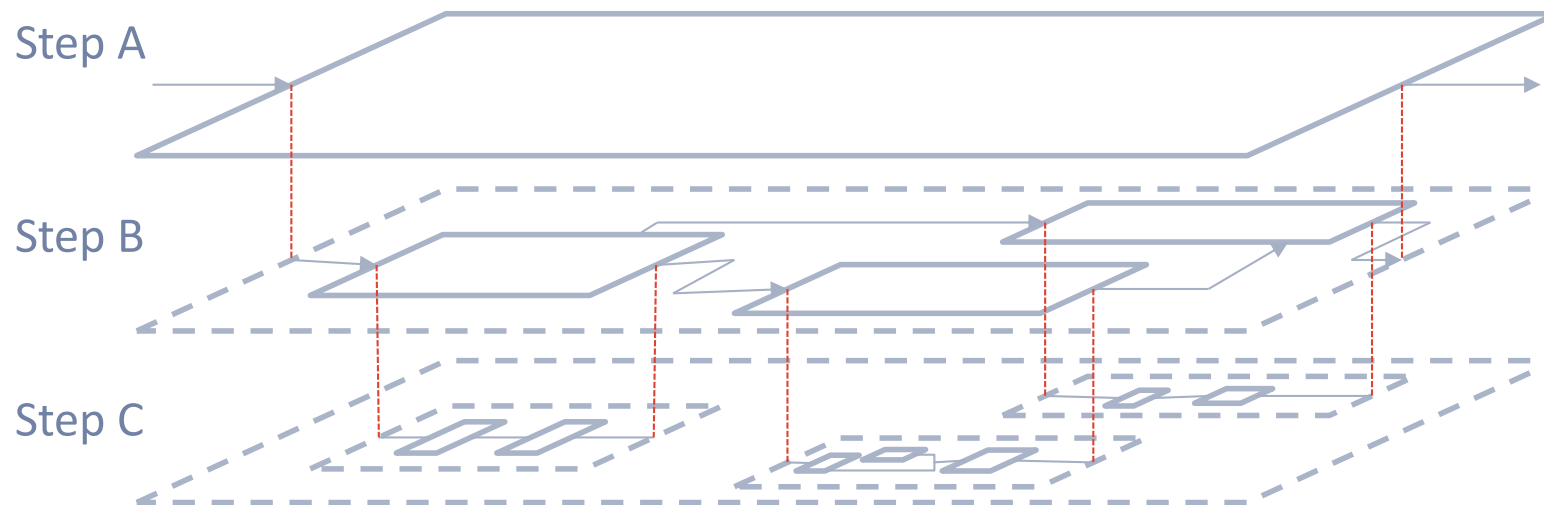
*Matrix*

from to	Supplier	Incoming materials storage	Tool magazine	Raw material storage	Unfinished goods storage	Disposal storage	Shop floor	Quality control	Final assembly	Finished goods storage	Customer
Supplier		100									
Incoming materials storage	5		10	70	20						
Tool magazine						10	5				
Raw material storage							70				
Unfinished goods storage							100	65		10	
Disposal storage											
Shop floor			5			10	170				
Quality control					155	5	10				
Final assembly									65		
Finished goods storage										65	
Customer											

*Graph*



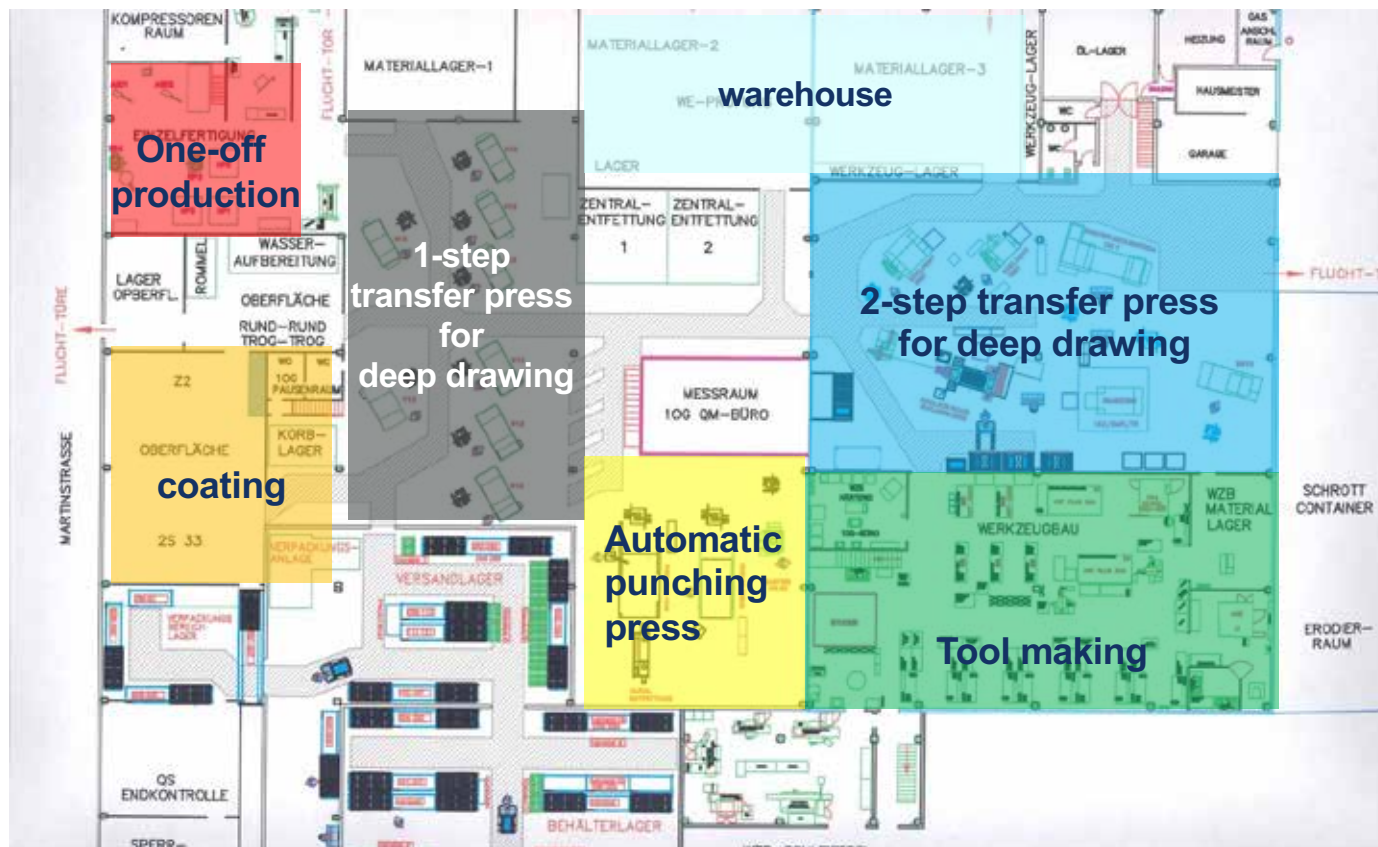
# SYSTEM HIERARCHIES



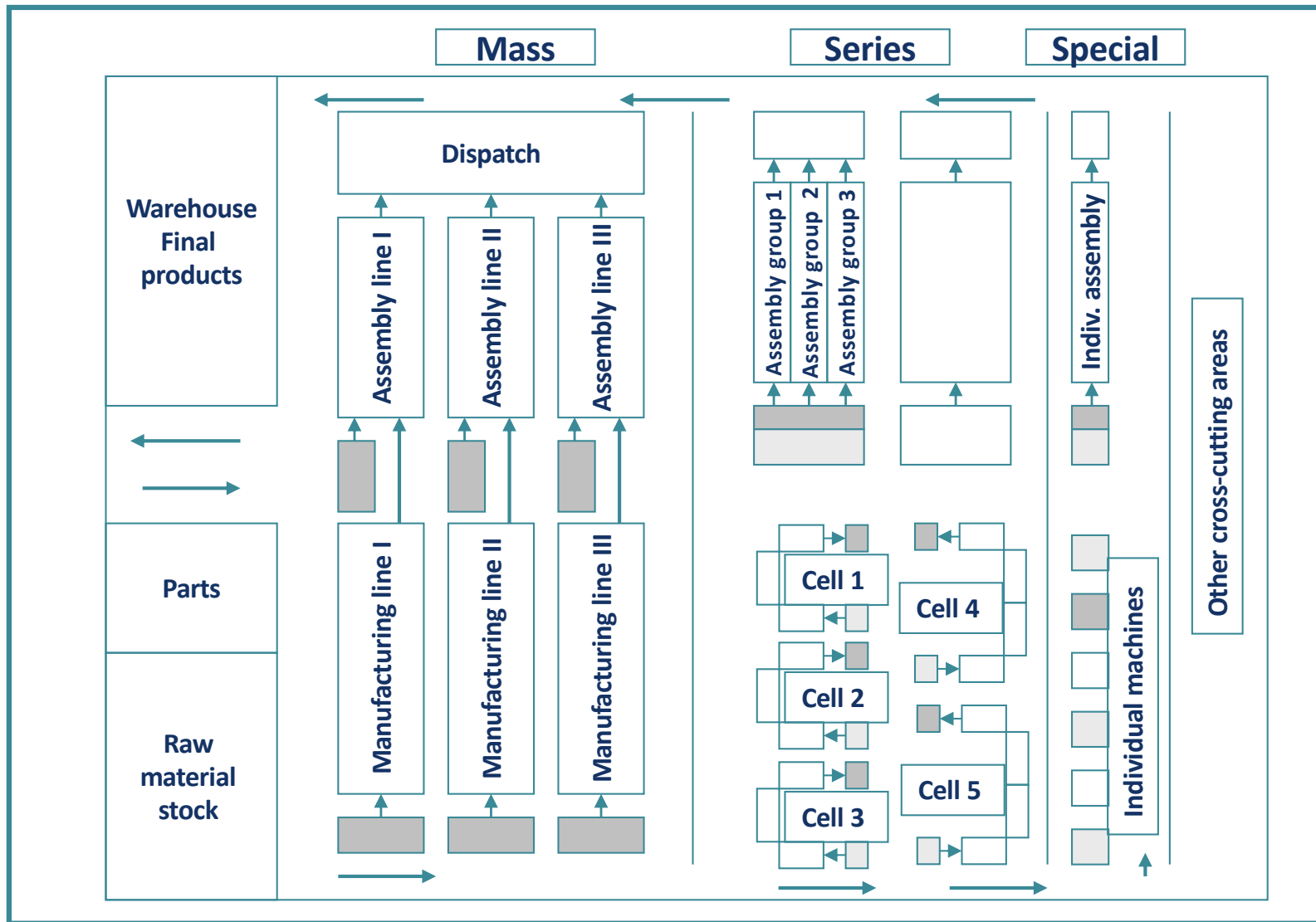
## EXAMPLE I

### Sleeve & cylinder manufacturing

#### Product portfolio



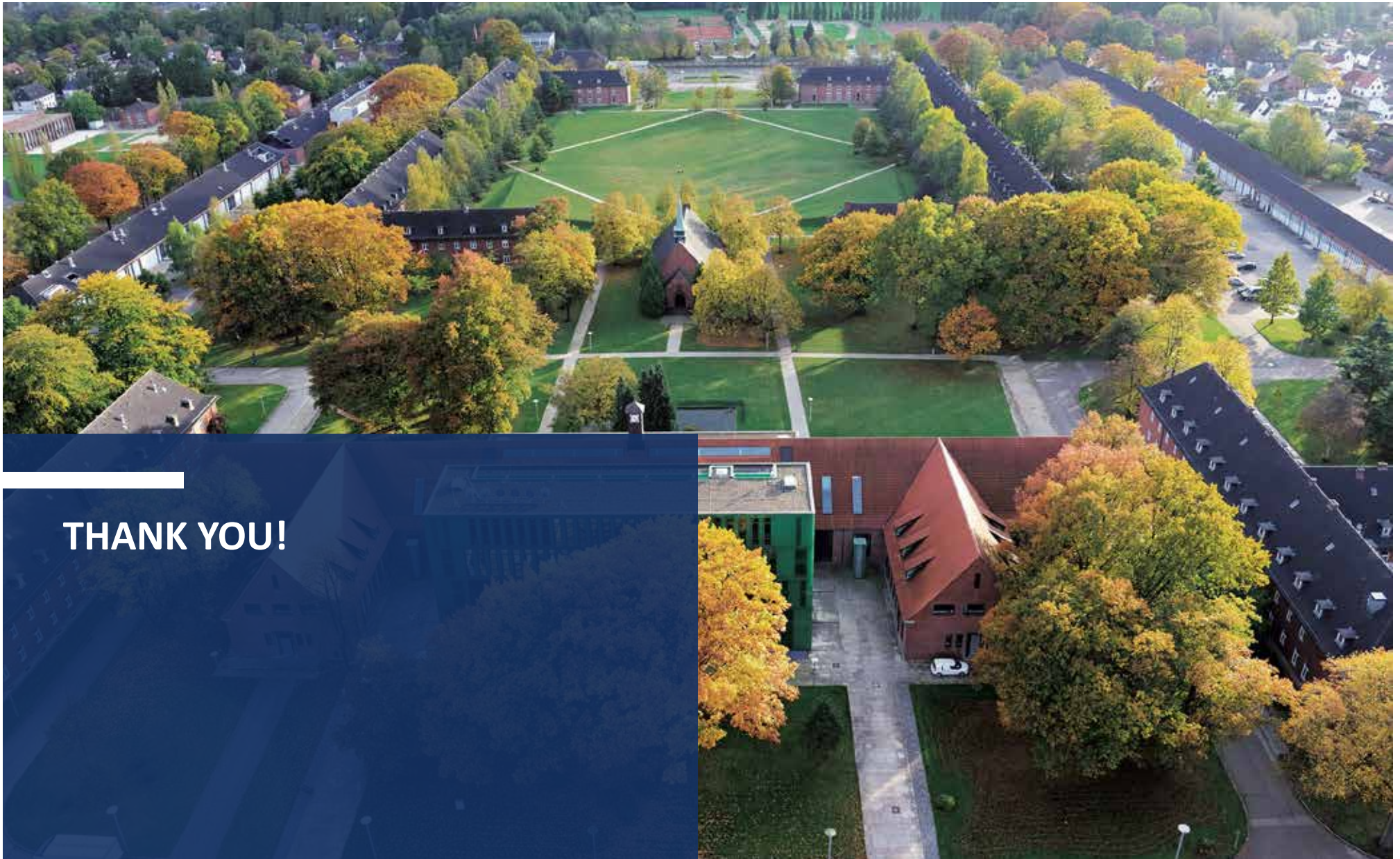
## EXAMPLE II







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THANK YOU!