

## **ME-705- Operations Research and Supply Chain**

**Unit 1 Linear system and distribution models:** Mathematical formulation of linear systems by LP, solution of LP for two variables only, special cases of transportation and assignment and its solution, Vogel's forward looking penalty method, cell evaluation degeneracy, use of SW Lindo, Tora, Excell.

**Unit 2 Supply chain (SCM):** Definition, importance, expenditure and opportunities in SCM; integration of inbound, outbound logistics and manufacturing to SCM, flow of material money and information, difficulties in SCM due to local v/s system wide (global) optimization and uncertainties in demand and transportation; Bull-whip effect; customer value; IT, info-sharing and strategic partnerships; plant and warehouse-network configuration; supply contracts and revenue sharing; outsourcing; transportation, cross docking and distribution, forecasting models in SCM; coordination and leadership issues; change of purchasing role and vendor rating, variability from multiple suppliers.

**Unit 3 Inventory models:** Necessity of inventory in process and safety stock, problem of excess inventory and cycle time (=WIP/ Throughput), JIT/ lean mfg; basic EOQ/ EPQ models for constant review Q-system(S,s); periodic review, base stock P-system; service level, lead time variance and safety stock;; ABC, VED and other analysis based on shelf life, movement, size, MRP technique and calculations, lot sizing in MRP, linking MRP with JIT; evolution of MRP to ERP to SCM and e-business.

**Unit 4(a) Waiting Line Models** Introduction, Input process, service mechanism, Queue discipline, single server (M/M/1) average length and times by Little's formula, optimum service rate; basic multiple server models (M/M/s)

(b) **Competitive strategy:** concept and terminology, assumptions, pure and mixed strategies, zero sum games, saddle point, dominance, graphical, algebraic and LP methods for solving game theory problems.

**Unit 5: (a) Decision analysis:** decision under certainty, risk probability and uncertainty; Hurwicz criteria; AHP- assigning weight and consistency test of AHP

(b) **Meta-heuristics** Definition of heuristic and meta-heuristic algorithms; introduction to Tabu search, Simulated Annealing and Genetic algorithms and solution of traveling salesman and non linear optimization problems.

### **References:**

1. Hillier FS and Liberman GJ; Introduction to Operations Research concept and cases; TMH
2. Simchi-Levi, Keminsky; Designing and managing the supply chain; TMH.
3. Srinivasan G; Quantitative Models In Operations and SCM; PHI Learning
4. Mohanty RP and Deshmukh SG; Supply Chain Management; Wiley India
5. Taha H; Operations research; PHI
6. Sen RP; Operations Research-Algorithms and Applications; PHI Learning
7. Sharma JK; Operations Research; Macmillan
8. Ravindran , Philips and Solberg; Operations research; Wiley India
9. Vollman, Berry et al; Manufacturing planning and control for SCM; TMH.
10. Bowersox DJ, Closs DJ, Cooper MB; Supply Chain Logisti Mgt; TMH
11. Burt DN, Dobler DW, StarlingSL; World Class SCM; TMH
12. Bronson R ;Theory and problems of OR; Schaum Series; TMH

### **List of experiments (please expand it):**

1. Use computer and software to solve problems contained in the syllabus
2. Case studies in SCM