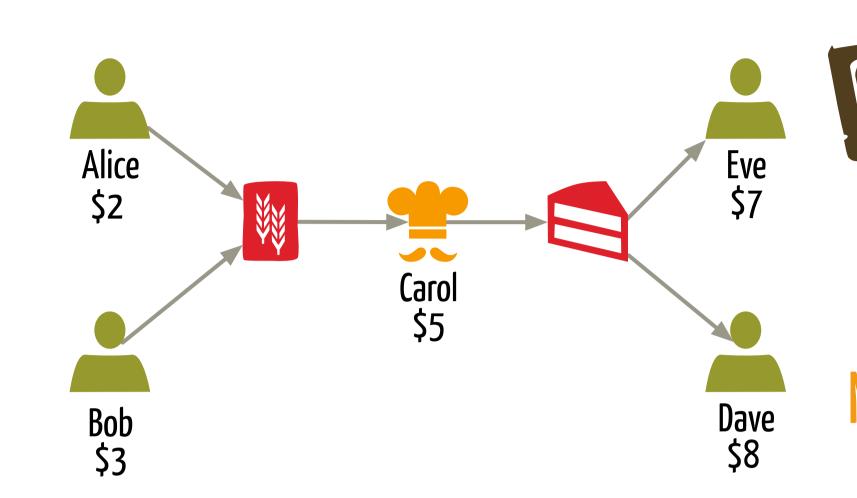
# Scalable decentralized supply chain formation through binarized belief propagation

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To provide a scalable method for Supply Chain Formation in markets with high degrees of competition and without third party mediators.



Reduced memory requirements Reduced communication requirements Solutions of higher quality than state of the art Max-sum based method over binary factor graph

# RB-LBP: The supply chain formation problem encoded as a binary factor graph

#### Max-sum

to find approximate solutions to decision into boolean choices. the Supply Chain Formation Boolean choices decouple agents' This allows to simplify the problem.

## Binary Variables

decisions.

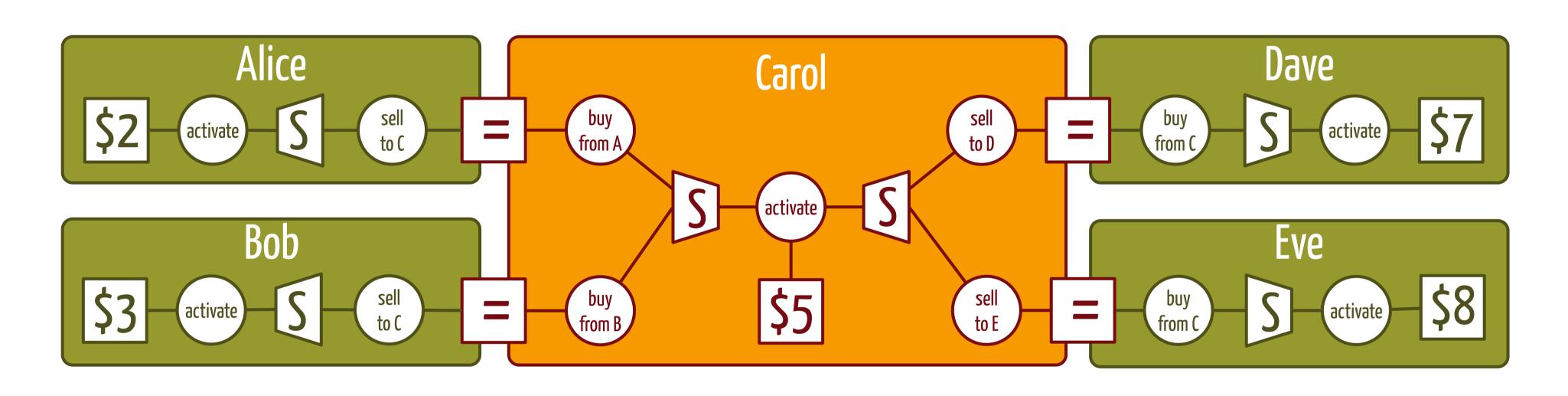
## Factors as logical constraints

memory.

expressions to compute messages. collaborate with them.

### Single-valued messages

Operates over a binary factor graph Each agent breaks down her No need to store factors in Each agent sends a single-valued message to each of her neighbours containing her willingness to



Activation Variable encodes an agent's decision to be active (the agent willingness to be part of the supply chain).

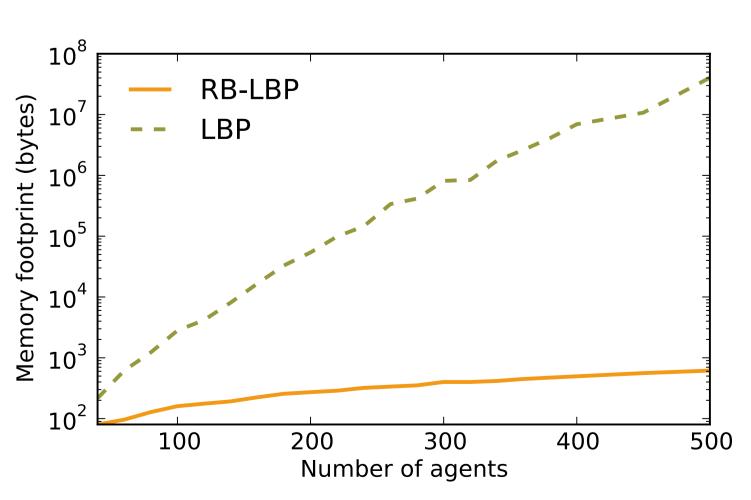
Option Variable encodes an agent's decision to trade each of her goods with each of her potential partners.

Activation Factor encodes an agent's activation cost.

Selection Factor guarantees that an agent trades each of her goods with at most another agent.

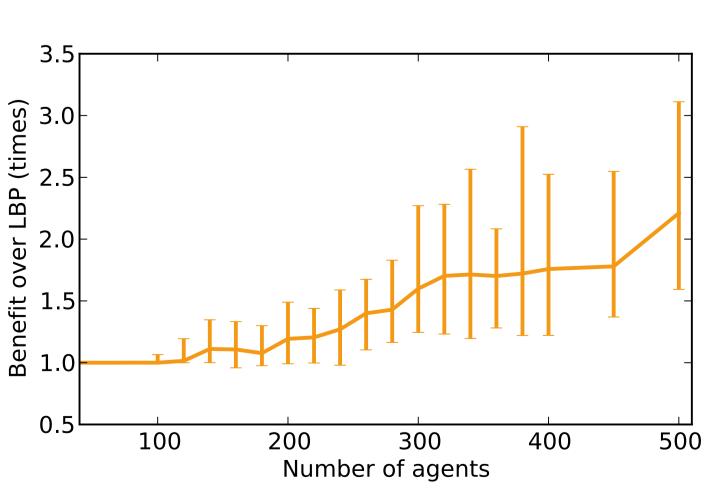
Equality Factor guarantees that an agent takes coherent decisions with her neighbors.

# Experimental Evaluation



agent bandwith (k LBP 400 100 200 300 500 Number of agents

LBP 200 300 100 400 500 Number of agents



up to 10<sup>5</sup> times less memory

up to 787 times less bandwidth

up to 20 times faster

up to twice better solutions

LBP is the state of the art decentralized method for Supply Chain Formation described in [M. Winsper and M. Chli. Decentralised supply chain formation: A belief propagation-based approach. In In Proceedings of the 19th European Conference on Artificial Intelligence (ECAI), 2010.]







