## Brief Table of Contents

### **PART ONE**

### **Introduction to Operations Management 33**

- **1.** Introduction to Operations Management 33
- **2.** The Global Environment and Operations Strategy 59
- 3. Managing Projects 87
- 4. Forecasting Demand 133

## **PART TWO**

### **Designing Operations 183**

- 5. Product Design 183
- **6.** Quality Management and International Standards 219
  - Supplement 6: Statistical Process Control 249
- 7. Process Design 281Supplement 7: Capacity Planning 313
- **8.** Location Decisions 343
- 9. Layout Decisions 373
- 10. Job Design and Work Measurement 413

## **PART THREE**

#### **Managing Operations 449**

- **11.** Managing the Supply Chain 449
  Supplement 11: Outsourcing as a Supply-Chain Strategy 481
- 12. Managing Inventory 497
- **13.** Aggregate Scheduling 541
- **14.** Material Requirements Planning (MRP) and ERP 575
- **15.** Scheduling for the Short Term 613
- **16.** JIT, Lean Operations, and the Toyota Production System 651
- 17. Maintenance and Reliability Decisions 679

#### **Online Tutorials**

- 1. Statistical Tools for Managers T1-1
- 2. Acceptance Sampling T2-1
- **3.** The Simplex Method of Linear Programming T3-1
- **4.** The MODI and VAM Methods of Solving Transportation Problems T4-1
- 5. Vehicle Routing and Scheduling T5-1

## Table of Contents

About the Authors 7 Preface 19

## **PART ONE**

# Introduction to Operations Management 33

#### 1. Introduction to Operations Management 33

Global Company Profile: Hard Rock Cafe 34

What Is Operations Management? 36

Organizing to Produce Goods and Services 36

Why Study OM? 38

What Operations Managers Do 39

The Heritage of Operations Management 40

Operations in the Service Sector 42

Differences between Goods and Services 42

Growth of Services 43

Service Pay 43

**Exciting New Trends in Operations** 

Management 44

The Productivity Challenge 45

Productivity Measurement 46

Productivity Variables 48

Productivity and the Service Sector 50

Ethics and Social Responsibility 51

Chapter Summary 51 • Key Terms 52 • Ethical Dilemma 52 • Discussion Questions 52 • Solved

Ditentina 52 Discussion Questions 52 Sol

Problems 52 • Problems 53 • Case Studies:

Norwegian Salmon Processing Facility, Trondheim 55 • Video Case Studies: Frito-Lay: Operations

55 - video case siddies. Trilo Edy. Operation

Management in Manufacturing 55; Hard Rock

Cafe: Operations Management in Services 56 •

Bibliography 56 • Rapid Review 57 • Self Test 58

# 2. The Global Environment and Operations Strategy 59

Global Company Profile: Boeing 60

A Global View of Operations 62

Cultural and Ethical Issues 65

Developing Missions and Strategies 66

Mission 66

Strategy 66

Achieving Competitive Advantage Through

Operations 67

Competing on Differentiation 67

Competing on Cost 68

Competing on Response 68

Ten Strategic OM Decisions 71

Issues in Operations Strategy 72

Strategy Development and Implementation 75

Key Success Factors and Core Competencies 75

Build and Staff the Organization 77

Integrate OM with Other Activities 77

Global Operations Strategy Options 78

International Strategy 78

Multidomestic Strategy 79

Global Strategy 79

Transnational Strategy 79

Chapter Summary 80 • Key Terms 80 • Ethical

Dilemma 80 • Discussion Questions 81 • Solved

Problem 81 • Problems 81 • Case Studies: ALDI 82

• Video Case Studies: Strategy at Regal Marine 83;

Hard Rock Cafe's Global Strategy 83 •

Bibliography 84 • Rapid Review 85 • Self Test 86

#### 3. Managing Projects 87

Global Company Profile: Bechtel Group 88

The Importance of Project Management 90

Project Planning 90

The Project Manager 91

Work Breakdown Structure 92

Project Scheduling 93

Project Controlling 94

Project Management Techniques: PERT and CPM 95

The Framework of PERT and CPM 95

Network Diagrams and Approaches 95

Activity-on-Node Example 97

Activity-on-Arrow Example 100

Determining the Project Schedule 100

Forward Pass 101

Backward Pass 103

Calculating Slack Time and Identifying the

Critical Path(s) 104

Variability in Activity Times 105

Three Time Estimates in PERT 106

Probability of Project Completion 108

Cost-Time Trade-offs and Project Crashing 111

A Critique of PERT and CPM 113

Using Microsoft Project to Manage Projects 114

Chapter Summary 117 • Key Terms 117 • Ethical

Dilemma 117 • Discussion Questions 118 • Using

Software to Solve Project Management Problems

118 • Solved Problems 119 • Problems 122 • Case

Studies: Southwestern University: (A) 126 • Video

Case Studies: Project Management at Arnold Palmer

Hospital 127; Managing Hard Rock's Rockfest 128 •

Bibliography 129 • Rapid Review 131 • Self Test 132

#### 4. Forecasting Demand 133

Global Company Profile: Walt Disney Parks & Resorts 134

What Is Forecasting? 136

Forecasting Time Horizons 136

The Influence of Product Life Cycle 137

Types of Forecasts 137

The Strategic Importance of Forecasting 137

Human Resources 137

Capacity 137

Supply-Chain Management 138

Seven Steps in the Forecasting System 138

Forecasting Approaches 139

Overview of Qualitative Methods 139

Overview of Quantitative Methods 139

Time-Series Forecasting 140

Decomposition of a Time Series 140

Naive Approach 140

Moving Averages 141

Exponential Smoothing 144

Measuring Forecast Error 145

Exponential Smoothing with Trend Adjustment 148

Trend Projections 151

Seasonal Variations in Data 153

Cyclical Variations in Data 158

Associative Forecasting Methods: Regression

and Correlation Analysis 158

Using Regression Analysis for Forecasting 158

Standard Error of the Estimate 160

Correlation Coefficients for Regression Lines 161

Multiple-Regression Analysis 163

Monitoring and Controlling Forecasts 163

Adaptive Smoothing 165

Focus Forecasting 165

Forecasting in the Service Sector 166

Chapter Summary 167 • Key Terms 167 • Ethical Dilemma 168 • Discussion Questions 168 • Using Software in Forecasting 168 • Solved Problems 170 • Problems 172 • Case Studies: Southwestern University: (B) 178; Digital Cell Phone 179 • Video Case Studies: Forecasting at Hard Rock Cafe 180 • Bibliography 180 • Rapid Review 181 • Self Test 182

## **PART TWO**

## **Designing Operations 183**

#### 5. Product Design 183

Global Company Profile: Regal Marine 184

Goods and Services Selection 186

Product Strategy Options Support Competitive

Advantage 186

Product Life Cycles 187

Life Cycle and Strategy 188

Product-by-Value Analysis 188

Generating New Products 189

New Product Opportunities 189

Importance of New Products 189

Product Development 190

Product Development System 190

Quality Function Deployment (QFD) 191

Organizing for Product Development 193

Manufacturability and Value

Engineering 194

Issues for Product Design 195

Robust Design 195

Modular Design 195

Computer-Aided Design (CAD) 196

Computer-Aided Manufacturing (CAM) 197

Virtual Reality Technology 197

Value Analysis 197

Ethics, Environmentally-Friendly Designs,

and Sustainability 198

Systems and Life Cycle Perspectives 198

Time-Based Competition 200

Purchasing Technology by Acquiring a

Firm 201

Joint Ventures 202

Alliances 202

Defining a Product 202

Make-or-Buy Decisions 203

Group Technology 204

Documents for Production 204

Product Life-Cycle Management (PLM) 205

Service Design 206

Documents for Services 207

Application of Decision Trees to Product Design 209

Transition to Production 210

Chapter Summary 211 • Key Terms 211 • Ethical Dilemma 211 • Discussion Questions 211 • Solved Problem 212 • Problems 213 • Case Studies: Temsa Global's Product Strategy 214 • Video Case Studies: Product Design at Regal Marine 215 • Bibliography 215 • Rapid Review 217 • Self Test 218

## **6.** Quality Management and International Standards **219**

Global Company Profile: Arnold Palmer

Hospital 220

Quality and Strategy 222

**Defining Quality 222** 

Implications of Quality 223

Malcolm Baldrige National Quality Award 224

Cost of Quality (COQ) 224

Ethics and Quality Management 224

**International Quality Standards 225** 

ISO 9000 225

ISO 14000 225

**Total Quality Management 226** 

Continuous Improvement 227

Six Sigma 227

Employee Empowerment 228

Benchmarking 229

Just-in-Time (JIT) 230

Taguchi Concepts 231

Knowledge of TQM Tools 232

Tools of TQM 232

Check Sheets 232

Scatter Diagrams 233

Cause-and-Effect Diagrams 233

Pareto Charts 233

Flowcharts 234

Histograms 235

Statistical Process Control (SPC) 235

The Role of Inspection 236

When and Where to Inspect 236

Source Inspection 237

Service Industry Inspection 237

Inspection of Attributes versus

Variables 237

TQM in Services 238

Chapter Summary 241 • Key Terms 241 • Ethical Dilemma 241 • Discussion Questions 241 • Problems 242 • Case Studies: Southwestern University: (C) 244 • Video Case Studies: The Culture of Quality at Arnold Palmer Hospital 245; Quality at the Ritz-Carlton Hotel Company 245 • Bibliography 246 • Rapid Review 247 •

Self Test 248

## Supplement 6: Statistical Process Control **249**

Statistical Process Control (SPC) 250

Control Charts for Variables 252

The Central Limit Theorem 252

Setting Mean Chart Limits (x-Charts) 253

Setting Range Chart Limits (R-Charts) 257

Using Mean and Range Charts 257

Control Charts for Attributes 258

Managerial Issues and Control Charts 262

**Process Capability 263** 

Process Capability Ratio (C<sub>n</sub>) 263

Process Capability Index (Cpk) 264

Acceptance Sampling 265

Operating Characteristic Curve 266

Average Outgoing Quality 267

Supplement Summary 268 • Key Terms 268 •

Discussion Questions 268 • Using Software for

SPC 269 • Solved Problems 270 • Problems 271 •

Case Studies: Cecil Rice Export, Alexandria,

Egypt 275 • Video Case Studies: Frito-Lay's

Quality-Controlled Potato Chips 277; Farm to

Fork: Quality at Darden Restaurants 277 •

Bibliography 278 • Rapid Review 279 •

Self Test 280

## 7. Process Design 281

Global Company Profile: Harley-Davidson 282

Four Process Strategies 284

Process Focus 284

Repetitive Focus 285

Product Focus 286

Mass Customization Focus 286

Comparison of Process Choices 288

Process Analysis and Design 291

Flowchart 291

Time-Function Mapping 291

Value-Stream Mapping 292

Process Charts 293

Service Blueprinting 294

Special Considerations for Service Process

Design 294

Customer Interaction and Process Design 295

More Opportunities to Improve

Service Processes 297

Selection of Equipment and Technology 297

Production Technology 298

Machine Technology 298

Automatic Identification Systems (AISs)

and RFID 298

Process Control 299

Vision Systems 299

Robots 300

Automated Storage and Retrieval Systems

(ASRSs) 300

Automated Guided Vehicles (AGVs) 300

Flexible Manufacturing Systems (FMSs) 300

Computer-Integrated Manufacturing (CIM) 300

Technology in Services 301

Process Redesign 303

Sustainability 303

Resources 303

------

Recycle 303

Regulations 304

Reputation 304

Chapter Summary 305 • Key Terms 305 • Ethical Dilemma 305 • Discussion Questions 306 • Solved

Problem 306 • Problems 306 • Case Studies:

Rochester Manufacturing's Process Decision 307;

Environmental Sustainability at Tesco PLC.,

UK 308 • Video Case Studies: Green Manufacturing

and Sustainability at Frito-Lay 308; Process Analysis at Arnold Palmer Hospital 309; Process

Character of Wheel of Const. 210 a Bibliography 21

Strategy at Wheeled Coach 310 • Bibliography 310 •

Rapid Review 311 • Self Test 312

### Supplement 7: Capacity Planning 313

Capacity 314

Design and Effective Capacity 314

Capacity and Strategy 316

Capacity Considerations 317

Managing Demand 317

Demand and Capacity Management in the Service

Sector 319

Bottleneck Analysis and the Theory of

Constraints 320

Process Times for Stations, Systems, and Cycles 321

Theory of Constraints 323

Bottleneck Management 323

Break-Even Analysis 324

Single-Product Case 326

Multiproduct Case 326

Reducing Risk with Incremental Changes 328

Applying Expected Monetary Value (EMV) to

Capacity Decisions 329

Applying Investment Analysis to Strategy-Driven

Investments 330

Investment, Variable Cost, and Cash Flow 330

Net Present Value 330

Supplement Summary 333 • Key Terms 333 •

Discussion Questions 333 • Using Software for

Break-even Analysis 333 • Solved Problems 334 •

Problems 336 • Video Case Studies: Capacity

Planning at Arnold Palmer Hospital 339 •

Bibliography 340 • Rapid Review 341 • Self Test 342

#### **8.** Location Decisions **343**

Global Company Profile: FedEx 344

The Strategic Importance of Location 346

Factors That Affect Location Decisions 347

Labor Productivity 348

Exchange Rates and Currency Risk 348

Costs 349

Political Risk, Values, and Culture 350

Proximity to Markets 350

Proximity to Suppliers 350

Proximity to Competitors (Clustering) 350

Methods of Evaluating Location

Alternatives 351

The Factor-Rating Method 351

Locational Break-Even Analysis 352

Center-of-Gravity Method 354

Transportation Model 355

Service Location Strategy 356

How Hotel Chains Select Sites 357

The Call Center Industry 358

Geographic Information Systems 359

Chapter Summary 360 • Key Terms 360 • Ethical

Dilemma 361 • Discussion Questions 361 • Using

Software to Solve Location Problems 361 • Solved

Problems 362 • Problems 363 • Case Studies:

Finding a Location for Electronics Component

Manufacturing in Asia 368 • Video Case Studies:

Locating the Next Red Lobster Restaurant 369;

Where to Place the Hard Rock Cafe 369 •

Bibliography 370 • Rapid Review 371 •

Self Test 372

#### 9. Layout Decisions 373

Global Company Profile: McDonald's 374

The Strategic Importance of Layout

Decisions 376

Types of Layout 376

Office Layout 378

Retail Layout 379

Servicescapes 380

Warehousing and Storage Layouts 381

Cross-Docking 382

Random Stocking 382

Customizing 382

Fixed-Position Layout 382

Process-Oriented Layout 383

Computer Software for Process-Oriented

Layouts 387

Work Cells 388

Requirements of Work Cells 388

Staffing and Balancing Work Cells 389

The Focused Work Center and the Focused

Factory 391

Repetitive and Product-Oriented

Layout 392

Assembly-Line Balancing 393

Chapter Summary 398 • Key Terms 398 • Ethical Dilemma 398 • Discussion Questions 398 • Using Software to Solve Layout Problems 399 • Solved Problems 400 • Problems 402 • Case Studies: State Automobile License Renewals 408 • Video Case Studies: Laying Out Arnold Palmer Hospital's New Facility 408; Facility Layout at Wheeled Coach 410 • Bibliography 410 • Rapid Review 411 • Self Test 412

#### 10. Job Design and Work Measurement 413

Global Company Profile: Rusty Wallace's NASCAR Racing Team 414

Human Resource Strategy for Competitive Advantage 416

Constraints on Human Resource Strategy 416

Labor Planning 417

Employment-Stability Policies 417

Work Schedules 417

Job Classifications and Work Rules 418

Job Design 418

Labor Specialization 418

Job Expansion 418

Psychological Components of Job Design 419

Self-Directed Teams 420

Motivation and Incentive Systems 421

Ergonomics and the Work Environment 421

Methods Analysis 424

The Visual Workplace 425

Labor Standards 427

Historical Experience 427

Time Studies 427

Predetermined Time Standards 432

Work Sampling 435

Ethics 438

Chapter Summary 438 • Key Terms 438 • Ethical Dilemma 438 • Discussion Questions 439 • Solved Problems 439 • Problems 441 • Case Studies: Jackson Manufacturing Company 445 • Video Case Studies: Hard Rock's Human Resource Strategy 445 • Bibliography 446 • Rapid Review 447 • Self Test 448

## **PART THREE**

## **Managing Operations 449**

11. Managing the Supply Chain 449

Global Company Profile: Darden Restaurants 450 The Supply Chain's Strategic Importance 452 Supply-Chain Risk 453

Ethics and Sustainability 455

Supply-Chain Economics 456

Make-or-Buy Decisions 457

Outsourcing 457

Supply-Chain Strategies 457

Many Suppliers 457

Few Suppliers 457

Vertical Integration 458

Joint Ventures 459

Keiretsu Networks 459

Virtual Companies 459

Managing the Supply Chain 459

Issues in an Integrated Supply Chain 460

Opportunities in an Integrated Supply Chain 461

E-Procurement 463

Online Catalogs 463

Auctions 464

RFQs 464

Real-Time Inventory Tracking 464

Vendor Selection 465

Vendor Evaluation 465

Vendor Development 466

Negotiations 466

Logistics Management 466

Distribution Systems 467

Third-Party Logistics 467

Cost of Shipping Alternatives 468

Security and JIT 469

Measuring Supply-Chain Performance 470

The SCOR Model 472

Chapter Summary 473 • Key Terms 473 • Ethical

Dilemma 473 • Discussion Questions 473 • Solved Problems 474 • Problems 474 • Case Studies:

Dell's Value Chain 476 • Video Case Studies:

Delt's value Chain 4/0 • viaeo Case Studies:

Darden's Global Supply Chains 476; Arnold

Palmer Hospital's Supply Chain 477; Supply-Chain

Management at Regal Marine 478 • Bibliography

478 • Rapid Review 479 • Self Test 480

# Supplement 11: Outsourcing as a Supply-Chain Strategy **481**

What Is Outsourcing? 482

Strategic Planning and Core Competencies 483

The Theory of Comparative Advantage 484

Risks of Outsourcing 485

Evaluating Outsourcing Risk with Factor

Rating 487

Rating International Risk Factors 487

Rating Outsource Providers 488

Advantages and Disadvantages of Outsourcing 489

Advantages of Outsourcing 489

Disadvantages of Outsourcing 489

Audits and Metrics to Evaluate Performance 490 Ethical Issues in Outsourcing 490

Supplement Summary 491 • Key Terms 491 • Discussion Questions 491 • Using Software to Solve Outsourcing Problems 491 • Problems 491 • Case Studies: Outsourcing to Tata 493 • Video Case Studies: Outsourcing Offshore at Darden 493 • Bibliography 494 • Rapid Review 495 • Self Test 496

#### 12. Managing Inventory 497

Global Company Profile: Amazon.com 498

The Importance of Inventory 500

Functions of Inventory 500

Types of Inventory 501

Managing Inventory 501

ABC Analysis 501

Record Accuracy 503

Cycle Counting 503

Control of Service Inventories 505

Inventory Models 506

Independent vs. Dependent Demands 506 Holding, Ordering, and Setup Costs 506

Inventory Models for Independent Demand 506

The Basic Economic Order Quantity (EOQ)
Model 507

Minimizing Costs 507

Reorder Points 512

Production Order Quantity Model 513

Quantity Discount Models 516

Probabilistic Models and Safety Stock 519

Other Probabilistic Models 522

Single-Period Model 524

Fixed-Period (P) Systems 525

Chapter Summary 526 • Key Terms 527 • Ethical Dilemma 527 • Discussion Questions 527 • Using Software to Solve Inventory Problems 527 • Solved Problems 529 • Problems 532 • Case Studies: Herrer's Bicycle Shop, Tilburg, the Netherlands 536; Sturdivant Sound Systems 537 • Video Case Studies: Managing Inventory at Frito-Lay 537; Inventory Control at Wheeled Coach 538 • Bibliography 538 • Rapid Review 539 • Self Test 540

### 13. Aggregate Scheduling 541

Capacity Options 547

Global Company Profile: Frito-Lay 542
The Planning Process 544
Planning Horizons 544
The Nature of Aggregate Planning 545
Aggregate Planning Strategies 546

Demand Options 548

Mixing Options to Develop a Plan 548

Methods for Aggregate Planning 549

Graphical Methods 549

Mathematical Approaches 554

Comparison of Aggregate Planning Methods 556

Aggregate Planning in Services 556

Restaurants 558

Hospitals 558

National Chains of Small Service Firms 558

Miscellaneous Services 558

Airline Industry 559

Yield Management 559

Chapter Summary 562 • Key Terms 563 • Ethical Dilemma 563 • Discussion Questions 563 • Using Software for Aggregate Planning 564 • Solved Problems 564 • Problems 566 • Case Studies: Southwestern University: (G) 570; Andrew-Carter, Inc. 571 • Bibliography 572 • Rapid Review 573 • Self Test 574

# **14.** Material Requirements Planning (MRP) and ERP 575

Global Company Profile: Wheeled Coach 576

Dependent Demand 578

Dependent Inventory Model Requirements 578

Master Production Schedule 578

Bills of Material 580

Accurate Inventory Records 583

Purchase Orders Outstanding 583

Lead Times for Components 583

MRP Structure 583

MRP Management 588

MRP Dynamics 588

MRP and JIT 588

Lot-Sizing Techniques 589

Extensions of MRP 593

Material Requirements Planning II (MRP II) 593

Closed-Loop MRP 594

Capacity Planning 595

MRP in Services 596

Distribution Resource Planning (DRP) 596

Enterprise Resource Planning (ERP) 597

Advantages and Disadvantages of ERP Systems 600

ERP in the Service Sector 600

Chapter Summary 600 • Key Terms 600 • Ethical Dilemma 601 • Discussion Questions 601 • Using Software to Solve MRP Problems 601 • Solved Problems 602 • Problems 605 • Case Studies: Hill's Automotive, Inc. 608 • Video Case Studies: MRP at Wheeled Coach 609 • Bibliography 609 • Rapid Review 611 • Self Test 612

#### 15. Scheduling for the Short Term 613

Global Company Profile: Delta Air

Lines 614

The Importance of Short-Term

Scheduling 616

Scheduling Issues 616

Forward and Backward Scheduling 618

Scheduling Criteria 618

Scheduling Process-Focused Facilities 619

Loading Jobs 620

Input-Output Control 620

Gantt Charts 622

Assignment Method 623

Sequencing Jobs 626

Priority Rules for Dispatching Jobs 626

Critical Ratio 629

Sequencing N Jobs on Two Machines: Johnson's

Rule 630

Limitations of Rule-Based Dispatching

Systems 631

Finite Capacity Scheduling (FCS) 632

Scheduling Repetitive Facilities 633

Scheduling Services 634

Scheduling Service Employees with Cyclical Scheduling 636

Chapter Summary 637 • Key Terms 637 • Ethical Dilemma 637 • Discussion Questions 638 • Using Software for Short-Term Scheduling 638 • Solved Problems 640 • Problems 643 • Case Studies: Old Oregon Wood Store 646 • Video Case Studies: Scheduling at Hard Rock Cafe 647 • Bibliography 648 • Rapid Review 649 •

## **16.** JIT, Lean Operations, and the Toyota Production System **651**

Global Company Profile: Toyota Motor

Corporation 652

Self Test 650

Just-in-Time, the Toyota Production System,

and Lean Operations 654

Eliminate Waste 654

Remove Variability 655

Improve Throughput 656

Just-in-Time (JIT) 656

JIT Partnerships 657

Concerns of Suppliers 658

JIT Layout 659

Distance Reduction 659

Increased Flexibility 659

Impact on Employees 659

Reduced Space and Inventory 659

#### JIT Inventory 660

Reduce Inventory and

Variability 660

Reduce Lot Sizes 660

Reduce Setup Costs 662

#### JIT Scheduling 662

Level Schedules 663

Kanban 664

JIT Quality 666

**Toyota Production System 667** 

Continuous Improvement 667

Respect for People 667

Standard Work Practice 667

#### Lean Operations 668

Building a Lean Organization 668

Lean Operations in Services 669

Chapter Summary 671 • Key Terms 671 • Ethical

Dilemma 671 • Discussion Questions 671 • Solved

Problems 671 • Problems 672 • Case Studies: Mutual

Insurance Company of Iowa 673; JIT after a

Construct Company of Towa 075, 511 after a

Catastrophe 674 • Video Case Study: JIT at Arnold

Palmer Hospital 675 • Bibliography 675 • Rapid

Review 677 • Self Test 678

## **17.** Maintenance and Reliability Decisions **679**

Global Company Profile: Orlando Utilities

Commission 680

The Strategic Importance of Maintenance

and Reliability 682

Reliability 683

Improving Individual Components 683

Providing Redundancy 685

#### Maintenance 686

Implementing Preventive

Maintenance 686

Increasing Repair Capabilities 690

Autonomous Maintenance 690

Total Productive Maintenance 690

Techniques for Enhancing Maintenance 691

Chapter Summary 691 • Key Terms 691 • Ethical

Dilemma 692 • Discussion Questions 692 • Using

Software to Solve Reliability Problems 692 •

Solved Problems 692 • Problems 693 • Video

Case Studies: Maintenance Drives Profits at

Frito-Lay 695 • Bibliography 696 • Rapid

Review 697 • Self Test 698

Appendices A1

Indices I1

Photo Credits P1

#### **Online Tutorials**

#### 1. Statistical Tools for Managers T1-1

Discrete Probability Distributions T1-2

Expected Value of a Discrete Probability

Distribution T1-3

Variance of a Discrete Probability

Distribution T1-3

Continuous Probability Distributions T1-4

The Normal Distribution T1-4

Summary T1-7 • Key Terms T1-7 •

Discussion Questions T1-7 • Problems T1-7 •

Bibliography T1-7

### 2. Acceptance Sampling T2-1

Sampling Plans T2-2

Single Sampling T2-2

Double Sampling T2-2

Sequential Sampling T2-2

Operating Characteristic (OC) Curves T2-2

Producer's and Consumer's Risk T2-3

Average Outgoing Quality T2-5

Summary T2-6 • Key Terms T2-6 • Solved Problem

T2-7 • Discussion Questions T2-7 • Problems T2-7

# **3.** The Simplex Method of Linear Programming **T3-1**

Converting the Constraints to Equations T3-2

Setting Up the First Simplex Tableau T3-2

Simplex Solution Procedures T3-4

Summary of Simplex Steps for Maximization

Problems T3-6

Artificial and Surplus Variables T3-7

Solving Minimization Problems T3-7

Summary T3-8 • Key Terms T3-8 • Solved

Problem T3-8 • Discussion Questions T3-8 •

Problems T3-9

# **4.** The MODI and VAM Methods of Solving Transportation Problems **T4-1**

MODI Method T4-2

How to Use the MODI Method T4-2

Solving the Arizona Plumbing Problem with

MODI T4-2

Vogel's Approximation Method: Another Way to

Find an Initial Solution T4-4

Discussion Questions T4-8 • Problems T4-8

#### 5. Vehicle Routing and Scheduling T5-1

Introduction T5-2

Service Delivery Example: Meals-for-

*ME T5-2* 

Objectives of Routing and Scheduling

Problems T5-2

Characteristics of Routing and Scheduling

Problems T5-3

Classifying Routing and Scheduling

Problems T5-3

Solving Routing and Scheduling

Problems T5-4

Routing Service Vehicles T5-5

The Traveling Salesman Problem T5-5

Multiple Traveling Salesman Problem

The Vehicle Routing Problem T5-9

Cluster First, Route Second Approach T5-10

Scheduling Service Vehicles T5-11

The Concurrent Scheduler Approach T5-13

Other Routing and Scheduling Problems T5-13

Summary T5-14 • Key Terms T5-15 •

Discussion Questions T5-15 • Problems T5-15 •

Case Study: Routing and Scheduling of

Phlebotomists T5-17 • Bibliography

T5-17