# Cellular Manufacturing System Model under Demand Uncertainty

#### Muhammad Shodiq Abdul Khannan<sup>†</sup>

Department of Industrial Engineering, Faculty of Industrial Technology Universitas Pembangunan Nasional Veteran Yogyakarta, Indonesia Tel: (+62) 274-486-733 Fax: (+62) 274-486-400 E-mail: mshodiqak@gmail.com

#### Anas Ma'ruf

Department of Industrial Engineering, Faculty of Industrial Technology Institut Teknologi Bandung, Indonesia Tel: (+62) 22-2506449 Fax: (+62) 22-2506449 Email: <u>maruf@ti.itb.ac.id</u>

## Rachmawati Wangsaputra Department of Industrial Engineering, Faculty of Industrial Technology Institut Teknologi Bandung, Indonesia Tel: (+62) 22-2506449 Fax: (+62) 22-2506449

Email: rwangsap@lspitb.org

#### Sutrisno

Department of Industrial Engineering, Faculty of Industrial Technology Universitas Pembangunan Nasional Veteran Yogyakarta, Indonesia Tel: (+62) 274-486-733 Fax: (+62) 274-486-400 E-mail: trisno\_upnvy@yahoo.co.id

Abstract. In real-world problems, designing Cellular Manufacturing System (CMS) face the imprecise or fuzzy nature data such as demand uncertainty. Due to these considerations, this study proposes Dynamic CMS model under demand uncertainty. Dynamic CMS is a CMS where its machine-cell configuration may change during the planning period due to the demand changes. This model optimizes Cell Formation, Production planning and Worker assignment concurrently. Objective function of this model is minimizing total expected cost consisting machinery depreciation cost, operating costs, inter-cell material handling cost, intra-cell material handling cost, machine relocation costs, setup costs, back order cost, holding cost, subcontracting cost, worker assignment cost. This model determines optimum cell formation, production optimum policy (like determining quantity of production, inventory and subcontracting parts) and workers optimum assignment to manufacturing cells in each rolling period. The proposed model is an integer linear programming model. Numerical examples are elaborated in the paper to depict the influence of changes in fuzzy demand and fuzzy capacity on changes in total cost, and in production and worker optimum policy

Keywords: CMS, Production Planning, Worker Assignment, Fuzzy Demand

# **1. INTRODUCTION**

Cellular Manufacturing System (CMS) is a well known manufacturing system derived from Group Technology concept. The advantages of CMS is combining the flow shop's speed and efffiency, and job shop's flexibility (Khannan, 2012b). So, it is suitable for high volume dan high variety demand environment.

Basic CMS was developed to minimize material

handling cost (Ebara *et al.* 2006). In the next researcher Cell Formation Problem was introduced by considering several related cost such as machinery depreciation cost, operating costs, inter-cell material handling cost, intra-cell material handling cost, machine relocation costs, and setup costs (Jayakumar, 2010; Khannan, 2012a; and Khannan, 2012b). Cell Formation based on Garbie *et al.* (2008) can be divided into two categories: Robust CMS (Pillai, 2007), (Ebara, 2006), (Askin, 1997) and Dynamic CMS

<sup>†:</sup> Corresponding Author

(Jayakumar, 2010), (Javadian, *et al.* 2011). In Robust CMS the Cell Formation is fix during the whole planning period while Redesigning CMS the Cell Formation is reconfigurable in the rolling period.

Shorter product life cycle and variation of product mix let production planning variable such as inventory level, back order, production quantity and subcontracting quantity being considered in the CMS design. Several researchers consider production planning such as Mahdavi *et al.* (2010) and Niaki *et al.* (2011).

Worker is the main role in processing part in the manufacturing cell. Mahdavi *et.al.* (2009) considers worker flexibility, Mahdavi *et.al.* (2010) add worker assignment problem (include: hiring cost, firing cost, training cost) in the CMS design problem. Demand and Machine capacity in Mahdavi's model is deterministic. The recent researches such as Mohammadi (2014) use efficient Genetic Algoritm to solve lay out problem in CMS with processing routings and subcontracting approach. Negahban (2014) give literature review and analysis the use of simulation in CMS design.

In real-world problems, designing Cellular Manufacturing System (CMS) faces the imprecise or fuzzy nature data such as demand uncertainty. Ghezavati (2010) design integrated cellular manufacturing system with scheduling considering stochastic processing time. Safaei (2007) has developed interesting fuzzy programming approach to solve uncertainty problem but did not consider production planning and worker assignment yet. Due to these considerations, this study proposes CMS model under demand uncertainty. In this paper integrated model was developed to optimize Cell Formation, Production planning and Worker assignment concurrently. This model uses the integer linear programming to solve the problem.

# 2. THE MATHEMATICAL MODEL

Proposed Model was developed mostly based on Safaei et al. (2007), Niai, et al. (2011), and Khannan&Maruf (2012). This study proposed CMS model under demand uncertainty. Objective function of this model is minimizing total expected cost consisting machinery depreciation cost, operating costs, inter-cell material handling cost, intra-cell material handling cost, machine relocation costs, setup costs, back order cost, holding cost, subcontracting cost, and worker assignment cost. This model determines optimum cell formation, production optimum policy (like determining quantity of production, inventory and subcontracting parts) and workers optimum assignment to manufacturing cells in each rolling period.

#### **Asumptions:**

Following assumptions are made for the development of the model. The demand is a fuzzy quantities. Machine capacity, operating time, operating cost, amortized cost, relocation cost and setup cost are known and deterministic. Number of machine is fixed during planning periods.

#### Notation

## Index

- c index for manufacturing cell (c=1, ..., C)
- m index for machine type (m=1, ..., M)
- p index for part type (p=1, ..., P)
- *j* index for operation need by part p (j=1, ..., Op)
- *h* index for time periods (h=1,...,H)
- *w* Index for worker types (w=1,...,W)

## **Parameter Input**

- P number of part type
- $O_p$  number of operation for each part types
- M number of machine types
- C maximum number that cell can be developed
- H number of periods
- W Number of worker types
- $B_p^{inter}$  batch size for inter-cell movements of part type p
- $B_p^{intra}$  batch size for inter-cell movements of part type p
- C<sup>inter</sup> inter-cell material handling cost per batch
- C<sup>intra</sup> intra-cell material handling cost per batch
- C<sup>re</sup> redesign cost including install, shifting dan uninstalling
- $C^{amor}$  amortized cost of machine of type *m* per period
- $C_{m}^{oper}$  operating cost of machine type *m* for each unit time
- R<sup>intra</sup> intra-cellmaterial handling cost (redesign)
- R<sup>re</sup> redesign cost including install, shifting and uninstalling (redesign)
- Setup setup cost for part p pada mesin  $m \{ \text{mesin} \}$
- $S_{jpm}$  setup cost for individual operation *j* for part *p* at machine type *m* {\$/operasi}
- UB maximal cell size i.e., maximum number of machines per cell
- $D_{ph}$  demand for part type p at period h
- $\lambda_{ph}$  Unit sub contracting cost of part type p in period h
- $\psi_{ph}$  Unit holding cost of part type *p* in period *h*
- $\rho_{ph}$  Unit backorder cost of part type *p* in period *h*
- a<sub>*jpm*</sub> = 1, if operation *j* of part type *p* can be done on machine type *m*; 0, otherwise
- $t_{jpm}$  processing time required to process operation *j* of part type *p* on machine type *m* (hour)
- Lc Lower bound for cell size in term of machine types
- Uc Upper bound for cell size in term of machine

types

- Uw Upper bound for cell size in term of number of workers
- Am The number of available machines of type m
- Aw The number of available workers of type w
- LB Lower bound for subcontracting parts
- UB Upper bound for subcontracting parts
- UB Maximum number of machines which a *Lmachin* worker can serve
- $P_{mw}$  1 if worker type *w* is ready to work on machine type *m* or be able to acquire capability of working on machine by training; otherwise
- $\phi_{mw}$  Training cost per time unit of worker w for attaining performing skill on machine type m for a worker who can get necessary skill of working on machine by training
- $T_m$  Required time for training a worker who serves machine type *m* in terms of time unit
- $H_{wh}$  Hiring cost of worker type w within period h
- $F_{wh}$  Firing cost of worker type w within period h
- $S_{wh}$  Salary cost of worker type w within period h
- $T_{mh}$  Available time for machine type *m* in the period *h*
- $T_{wh}$  Available time for worker type w in the period h
- A An arbitrary big positive number

## **Decision variable**

- $N_{mch}$  Number of machines of type *m* assigned to cell *c* in period *h*
- $K^+_{mch}$  Number of machine type *m* added in cell *c* in period *h*
- K<sup>-</sup><sub>mch</sub> Number of machine type m removed in c ell c in period h
- $L_{mch}$  Number of worker type *w* assigned to cell *c* in period *h*
- $L^+_{mch}$  Number of worker type w added in cell c in period h
- $L_{mch}^{-}$  Number of worker type *w* removed in cell *c* in period *h*
- $Q_{ph}$  Number of demand of part type p to be produced in period h
- $S_{ph}$  Number of demand of part type p to be subcontracted in period h
- $I_{ph}$  Inventory level of part type *p* at end of period *h*;  $I_{p0}=I_{pH}=0$
- $B_{ph}$  Backorder level of part type *p* at end of period *h*;  $B_{p0}=B_{pH}=0$

$Y_{ph}$	1, if $Q_{ph} > 0$ ; 0 otherwise
$Y'_{ph}$	1, if $I_{ph} > 0$ and equals to 0 if $B_{ph} > 0$
$\mathbf{p}_{mw}$	1, if worker type $w$ is used to work on
	machine type $m$ ; 0 otherwise
$X_{jpmwch}$	1, if operation $j$ of part type $p$ is done
	on machine type $m$ with worker $w$ in cel
	1 c in period h; 0 otherwise

#### 3. Proposed Model

The proposed model is as follows:

1. Standard Model	
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$\begin{split} \operatorname{Min} & Z = Z(\mathbf{D}_{ph}^{H}) \\ \text{s.t. constraint 3 to constraint 21} \\ & \sum_{p=1}^{P} \sum_{j=1}^{Op} \sum_{w=1}^{W} X_{jpmwch} t_{jpm} Q_{ph}^{H} \leq \\ & T_{mh}^{L} N_{mch} \ \forall m, c, h \end{split}$	$\begin{split} \operatorname{Min} & Z = Z(\mathbf{D}_{ph}^{L}) \\ \text{s.t. constraint 3 to constraint 21} \\ & \sum_{p=1}^{P} \sum_{j=1}^{Op} \sum_{w=1}^{W} X_{jpmwch} t_{jpm} Q_{ph}^{L} \leq \\ & T_{mh}^{H} N_{mch} \ \forall m, c, h \end{split}$
$\begin{aligned} \mathbf{Q}_{ph} + \mathbf{I}_{p(h-1)} - \mathbf{B}_{p(h-1)} - \mathbf{I}_{ph} + \\ \mathbf{B}_{ph} + \mathbf{S}_{p(h-1)} = \mathbf{D}_{ph}^{H}  \forall p, h \end{aligned}$	$\begin{aligned} \mathbf{Q}_{ph} + \mathbf{I}_{p(h-1)} - \mathbf{B}_{p(h-1)} - \mathbf{I}_{ph} + \mathbf{B}_{ph} \\ + \mathbf{S}_{p(h-1)} = \mathbf{D}_{ph}^{L}  \forall p, h \end{aligned}$
Prob 1. High demand	Prob 2. Low demand

**Objective Function** 

$$Z^{f} = R^{amortized} + R^{operating} + R^{setup} + R^{intra} + R^{inter} + R^{relocation} + R^{ppic} + R^{hirefire} + R^{training} + R^{salary}$$
(1)

Constraint

$\sum_{p=1}^{P} \sum_{j=1}^{Op} \sum_{w=1}^{W} \mathbf{X}_{jpmwch}$	$\mathbf{L}_{jpm}\mathbf{Q}_{ph} \leq \mathbf{T}_{mh}\mathbf{N}_{mch} \ \forall n$	ı, c, h (2)
$\sum_{c=1}^{C} \sum_{j=1}^{O_p} \sum_{m=1}^{M} \mathbf{X}_{jpmwch}$	$\mathbf{L}_{jpm} \mathbf{Q}_{ph} \le \mathbf{L}_{wch} \ T_{wh} \ \forall j$	i,p,h (3)
$\mathbf{Q}_{ph} + \mathbf{I}_{p(h-1)} - \mathbf{B}_{p(h-1)}$	$-I_{ph} + B_{ph} + S_{p(h-1)} =$	
$D_{ph} \forall p, h$		(4)
$\sum_{c=1}^{C} \sum_{m=1}^{M} \sum_{j=1}^{O_p} \sum_{w=1}^{W} \mathbf{X}_j$	$p_{pmwch} \leq \mathrm{AQ}_{ph}  \forall p, h$	(5)
$\mathbf{N}_{mc(h-1)} + \mathbf{K}_{mch}^{+} - \mathbf{K}_{mc}^{-}$	$h_h = N_{mch}  \forall m, c, h$	(6)
$\mathbf{L}_{wc(h-1)} + \mathbf{L}_{wch}^{+} - \mathbf{L}_{wch}^{-}$	$= L_{wch}  \forall w, c, h$	(7)
$\sum_{m=1}^{M} N_{mch} \ge Lc$	∀c,h	(8)
$\sum_{m=1}^{M} N_{mch} \leq Uc$	$\forall c, h$	(9)
$\sum_{w=1}^{W} L_{wch} \leq Uw$	$\forall c, h$	(10)
$\sum_{c=1}^{C} N_{mch} \leq A_m$	∀ <i>m</i> , <i>h</i>	(11)
$\sum_{c=1}^{C} L_{wch} \leq A_w$	∀w,h	(12)
$p_{mw} \le P_{mw}$	$\forall w, m$	(13)
$\sum_{w=1}^{W} \mathbf{p}_{mw} = 1$	$\forall m$	(14)
$\sum_{m=1}^{M} p_{mw} \leq UB_{LMaching}$	e ∀c,h	(15)

 $\sum_{c=1}^{C} \sum_{m=1}^{M} \sum_{w=1}^{W} a_{jpm} X_{jpmwch} = Y_{ph} \forall j, p, h$ (16)

 $LB \le S_{ph} \le UB \quad \forall p, h \tag{17}$ 

$$\mathbf{I}_{pH} - \mathbf{B}_{pH} \quad \forall p \tag{18}$$

$$Q_{ph} \le A Y_{ph} \quad Q_{ph} \le Y_{ph} \qquad \forall p, h$$
<sup>(19)</sup>

$$I_{ph} \le A Y'_{ph} \quad B_{ph} \le A (1 - Y'_{ph}) \quad \forall p, h$$

$$(20)$$

 $N_{mch}, K_{mch}^+, K_{mch}^-, L_{wch}, L_{wch}^+, L_{wch}^-, Q_{ph}, S_{ph}, I_{ph}, B_{ph} \ge$ 

0 and integer, 
$$X_{jpmwch}$$
,  $p_{mw}$ ,  $Y_{ph}$ ,  $Y'_{ph} \in \{0,1\}$  (21)

(i). Amortized cost  

$$R^{amortized} = \sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{m=1}^{M} N_{mch} C_m^{amor} \qquad (22)$$

(ii). Operating Cost

 $R^{operating} =$ 

$$\sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{p=1}^{P} \sum_{j=1}^{O_{p}} \sum_{m=1}^{M} \sum_{w=1}^{W} \sum_{m=1}^{O_{per}} Q_{ph} t_{jpm} X_{jpmwch}$$
(23)

(iii). Setup Cost

$$R^{setup} =$$

$$\sum_{p=1}^{P} \left( \sum_{m=1}^{M} \operatorname{Setup}_{pm} + \sum_{p=1}^{P} \left( \sum_{m=1}^{M} \sum_{j=1}^{O_{p}} S_{jpm} X_{jpmwch} \right) Q_{ph} \right) (24)$$

(iv). Intra-cell material handling cost

$$R^{intra} = \frac{1}{2} \sum_{h=1}^{H} \sum_{p=1}^{P} \sum_{j=1}^{O_p-1} \sum_{c=1}^{C} \sum_{w=1}^{W} \left[ \frac{Q_{ph}}{B_p^{intra}} \right] C^{intra} \times \left( \sum_{m=1}^{M} |X_{j+1pmwch} - X_{jpmwch}| - |\sum_{m=1}^{M} X_{j+1pmwch} - \sum_{m=1}^{M} X_{jpmwch}| \right)$$
(v). Inter-cell material handling cost

$$R^{inter} = \frac{1}{2} \sum_{h=1}^{H} \sum_{p=1}^{P} \sum_{j=1}^{O_p-1} \sum_{c=1}^{C} \sum_{w=1}^{W} \left[ \frac{Q_{ph}}{B_p^{inter}} \right] C^{inter} \times$$

 $\begin{aligned} \left| \sum_{m=1}^{M} \mathbf{X}_{(j+1)pmwch} - \right| \\ \sum_{m=1}^{M} \mathbf{X}_{jpmwch} \end{aligned}$ (26) (vi). Relocation cost

 $R^{relocation} =$ 

$$\frac{1}{2}\sum_{h=1}^{H}\sum_{c=1}^{C}\sum_{m=1}^{M}C^{\rm re}(K_{mch}^{+}+K_{mch}^{-})$$
(27)

(vii). Production planning cost

 $R^{ppic} =$ 

$$\sum_{h=1}^{H} \sum_{p=1}^{P} \psi_{ph} I_{ph} + \rho_{ph} B_{ph} + \lambda_{ph} S_{ph}$$
(28)  
(viii).Hired and fired cost

 $R^{hirefire} =$ 

$$\sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{w=1}^{W} H_{wh} L_{wch}^{+} + F_{wh} \bar{L}_{wch}$$
(29)

$$R^{training} = \sum_{m=1}^{M} \sum_{w=1}^{W} p_{mw} \Phi_{mw} T_m$$
(30)

(x). Worker salary cost

$$R^{salary} = \sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{w}^{W} S_{wh} L_{wch}$$
(31)

The objective function of the standard model is minimizing total CMS design cost (1) which is consist of amortized cost (22), operating cost (23), setup cost (24), intra-cell material handling cost (25), inter-cell material handling cost (26), relocation cost (27), production planning cost (28), hired fired cost (29), worker training cost (30), and worker salary cost (31). Equation (2) is capacity constraint ensures machine capacity is not exceeded and determines the number of each machine type in each cell, Worker time Constraint (3) assures that available times for workers are not exceeded. Constraint (4) is material balance well known equation which creates equivalency for all parts quantity level between three consecutive periods. Constraint (5) shows that if a part has not been produced in a period or  $Q_{ph}=0$  none of its operation should have been dedicated to a machine, cell and worker. Balance constraint (6) ensures the number of machines is always the same after reconfiguring has been conducted. Balance worker Constraint (7) ensure number of available workers between three consecutive periods always the same. Constraints (8) and (9) indicate lower and upper bound for cell size respectively. Constraint (10) represents minimum number of workers that is assigned to each cell in each period. Constraint (11) guarantees number of machine type allocated to all cells in each period will not exceed number of available machines from that type in this period. Constraint (12) shows that in each period, total number of workers allotted to all cells from type w should not be more than number of available workers from type w in that period. Constraint (13) ensures that worker type w must have allocated to a machine which is able to work on it. Constraint (14) guarantees that each machine can be served only by one worker. Constraint (15) controls upper bound for number of machines which worker w serves them. Constraint (16) ensures that if a partial portion of part demands must be produced in a specific period, each required operation for processing that part on its related machine in each period just could have been assigned to one cell and be done only by one worker who is able to work on that machine. Constraint (17) indicates lower and upper bound for subcontracting quantity for each part in each period. Constraint (18) expresses that inventory and backorder level must be zero at the end of periods. Constraint (19) is supplementary for constraint 16. If +

necessary operations for processing parts in equation 16 can be done, then some portion of demand could be produced in that specific period. Constraint (20) ensures that inventory and backorder cannot happen simultaneously. Constraint (21) determines the type of decision variables.

#### **Fuzzy programming**

Max 
$$\lambda$$
  
Subject to  
Constraint (3) to constraint (21) and  
 $\lambda(Z_U - Z_L) =$   
 $(\sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{m=1}^{M} N_{mch} C_m^{amor} +$   
 $\sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{p=1}^{P} \sum_{j=1}^{O_p} \sum_{m=1}^{M} \sum_{w=1}^{W} C_m^{oper} [Q_{ph}] t_{jpm} X_{jpmwch}$   
 $\sum_{p=1}^{P} \left( \sum_{m=1}^{M} \operatorname{Setup}_{pm} + \sum_{p=1}^{P} \left( \sum_{m=1}^{M} \sum_{j=1}^{O_p} S_{jpm} X_{jpmwch} \right) Q_{ph} \right) +$   
 $\frac{1}{2} \sum_{h=1}^{H} \sum_{p=1}^{P} \sum_{j=1}^{O_p-1} \sum_{c=1}^{C} \sum_{w=1}^{W} \left[ \frac{Q_{ph}}{B_p^{intra}} \right] C^{intra} \times$   
 $(\sum_{m=1}^{M} |X_{j+1pmwch} - X_{jpmwch}| - |\sum_{m=1}^{M} X_{j+1pmwch} - \sum_{m=1}^{M} X_{jpmwch}|) +$   
 $\frac{1}{2} \sum_{h=1}^{H} \sum_{p=1}^{P} \sum_{j=1}^{O_p-1} \sum_{c=1}^{C} \sum_{w=1}^{W} \left[ \frac{Q_{ph}}{B_p^{inter}} \right] C^{inter} \times$   
 $|\sum_{m=1}^{M} X_{(j+1)pmwch} - \sum_{m=1}^{M} X_{jpmwch}| +$   
 $\frac{1}{2} \sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{m=1}^{M} C^{re} (K_{mch}^+ + K_{mch}) + \sum_{h=1}^{H} \sum_{c=1}^{C} \sum_{w=1}^{W} H_{wh} L_{wch}^+ + F_{wh} L_{wch}^- +$   
 $\sum_{m=1}^{H} \sum_{w=1}^{W} P_{mw} \Phi_{mw} T_m +$   
 $\sum_{h=1}^{M} \sum_{c=1}^{C} \sum_{w}^{W} S_{wh} L_{wch}$  (32)

$$Q_{ph} + I_{p(h-1)} - B_{p(h-1)} - I_{ph} + B_{ph} + S_{p(h-1)} =$$

$$(1 - \lambda)D_{ph}^{L} + \lambda D_{ph}^{U} \quad \forall p, h$$
(33)

The objective function of fuzzy model is maximizing  $\lambda$  which is decision level indicates the degree of membership in the decision fuzzy set. Equation (32) is objective fuzzy constraint. Equation (33) is material balance constraint well known equation which creates equivalency for all parts quantity level between two consecutive periods. Demand given in fuzzy number.

#### 4. NUMERICAL EXAMPLE

To illustrate and to check validity of the proposed model, two standard problems were solved by using branch-and-bound method. Numerical test use small sized data taken from Niaki et.al. (2011) by adding fuzzy number in demand and machine quantity. Example consists of 2 cells, 3 parts, 3 machines, 2 worker and 2 periods. Machine information and part information are shown in table 1 and table 2 respectively. Table 3 contain necessary a worker information data. The data set related to operation-partmachine is shown in table 4 includes processing time and setup cost. Table 5 show the objective solution value for the four standard problem includes total cost cost holding cost, back order cost, subcontracting cost, intercell movement cost, intra cell movement cost, constant cost, variable cost, setup cost, worker training cost, worker salary and relocation cost. Production plan decision variable shown in table 6 includes quantity number of subcontracting unit, backorder cost. Part, machines and worker assignment to cells in the rolling periods shown in table 7.

According to Table 5,  $Z_L = 17381$ .  $Z_U = 21571$ . By solving fuzzy programming model, optimum value of decision level and objective function is obtained as  $\lambda^*=0.09$ and  $Z(X^*)$  is 21185. Parts, machines and worker assignment to cell resulted from maximizing decision problem under decision level  $\lambda^{\text{best}}=0.092$  shown in table 7.

Table 1: Machine Information

Machine	Machine Information										
type	C <sup>amor</sup> <sub>m</sub>	C <sup>oper</sup> m	C <sup>re</sup> <sub>m</sub>	T <sub>m</sub>	A <sub>m</sub>	T <sub>m1</sub>	T <sub>m2</sub>				
1	1200	8	400	30	2	500	500				
2	1500	4	600	45	2	500	500				
3	1800	6	500	25	2	500	500				

rmation.
rmation

Part		Part Information								
type	D <sub>p1</sub>	D <sub>p2</sub>	$\lambda_{\mathrm{p}}$	$\psi_p$	$\rho_p$	$\mathbf{B}_{p}^{\text{inter}}$	${\rm B}_{\rm p}^{\rm intra}$	C <sup>inter</sup> p	C <sup>intra</sup> p	

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1	0	150-	3	1	14	50	5	25	5
		180							
2	60-	80-	6	2	12	50	5	30	6
	90	110							
3	120-	100-	9	3	10	50	5	15	3
	150	130							

Table 3 machine-worker matrix and worker information

	Item1			(Φn	(Omw) machine									
worker	1	2	3	1	2	3	Hw1	Hw2	Fw2	Sw1	Sw2	Aw	Tw1	Tw2
1	1	0	1	0	1000	5	200	200	150	500	500	2	500	500
2	0	1	1	1000	5	0	200	200	150	500	500	2	500	500

Table 4: operation-part-machine matrix includes processing time and setup cost

machine	Par	rt 1	Pai	rt 2	Part 3		
	$O_1$	$O_2$	$O_1$	$O_2$	$O_1$	O <sub>2</sub>	
1	0.4,6	0,0	0.3,5	0,0	0,0	0.1,7	
2	0.2,8	0,0	0,0	0.4,6	0.3,7	0,0	
3	0,0	0.3,7	0.2,8	0,0	0.1,5	0,0	

Table 5: Objective function value of the two standard problems.

	Zi*	Holding	Sub-	Intercell	Intracell	Constant	Variable	Setup	Training	Salary	relocation
			contracting			cost	cost				cost
Problem 1	21571	0	1740	105	1245	11700	3010	206	225	3000	337
Problem 2	17381	0	870	268	626	11400	1513	104	225	2000	375

# Table 6: Production plan for the two standard problems

			period 1			period 2	
		part 1	part 2	part 3	part 1	part 2	part 3
Problem 1	Subcontracting backorder holding production		96 300	32	60 300	32 64	40 152
	demand		120	120	300	160	200
Problem 4	Subcontracting backorder holding		48	24	30	16	20
	production		150		150	32	76
	demand		60	120	150	80	100

Table 7: parts, machines and worker assignment to cells resulted from maximizing decision problem under decision level  $\lambda^{\text{best}} = 0.092$ 

index		part		machines		worker	
		Cell 1	Cell 2	Cell 1	Cell 2	Cell 1	Cell 2
maximation	period 1	p1, p2, p3	p2, p3	m1, m2, m3	m1, m3	w2	w1

decision	period 2	p1, p2, p3	-	m1, m2,m3	-	w1, w2	-
problem							

### **5. CONCLUSION**

This paper proposed a cellular manufacturing system model under demand uncertainty. Main advantage of the proposed model are: This model consider Cellular Formation Problem cost, Production Planning cost, and Worker Assignment cost simultaneously in uncertain condition. We can decide the number of production unit, subcontract unit, inventory unit in each rolling period by this model. We can slso decide parts, machines and worker type assignment to cells in each rolling periods. Fuzzy integer linear programming is computational hard so it need a long computational time. For further research there are some guidelines as follows: (1) Application of metaheuristic for large sized problem, (2) incorporating other variables related to production planning and worker assignment problem.

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## APPENDIX

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# **AUTHOR BIOGRAPHIES**

**Muhammad Shodiq Abdul Khannan** is a lecturer in Department of Industrial Engineering, Faculty of Engineering Universitas Pembangunan Nasional Veteran Yogyakarta, Indonesia. He received a Master of Industrial Engineering, at Bandung Institute of Technology in 2012. His research interests include Cellular Manufacturing System and Collaborative Production Planning. His email address is <u>mshodiqak@gmail.com</u>

Anas Ma'ruf received doctor degree in Mechanical and Structural Engineering from Toyohashi University of Technology, Japan, in 2000. Since 2007 he is Associate Professor at the Manufacturing System Research Group, Faculty of Industrial Technology, Institut Teknologi Bandung. His research interest is in the field of CAD/CAM, intelligent manufacturing system and production planning and control for MTO industry. His email address is maruf@ti.itb.ac.id

**Rachmawati Wangsaputra** received doctor degree in New Mexico State University, Mexico in 2000. She is a lecturer at the Manufacturing System Research Group, Faculty of Industrial Technology, Institut Teknologi Bandung. Her research interest is in the field of intelligent manufacturing system, real time sceduling, and production planning and control for MTO industry. Her email address is rwangsap@lspitb.org

**Sutrisno** is a lecturer in Department of Industrial Engineering, Faculty of Engineering Universitas Pembangunan Nasional Veteran Yogyakarta, Indonesia. He received a Master of Industrial Engineering, at Bandung Institute of Technology in 2012. His research interests include Statistical Process Control and Manufacturing System. His email address is <<u>trisno\_upnvy@yahoo.co.id</u>>