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**MALLIKA PARVEEN**

## ABSTRACT

The objective of this research is to emphasize a need for an integrated approach to the lean manufacturing system in order to achieve total leanness along the supply chain to gain significant competitive advantages. The research focuses on the following five key dimensions.

- i. Pricing, investment and order quantity decisions in a supply chain between a manufacturer and a retailer: The relation between the optimal configuration of investment, price and order quantity from the perspective of manufacturer and retailer are discussed. The collaboration between manufacturer and retailer for setting a maximum-profit price is recommended.
- ii. Just-in-time (JIT) inventory analysis for a buyer and vendor considering the quality improvement, setup cost and lead time reductions: The integrated joint buyer-vendor optimal policy compared to independent buyer-vendor optimal policy is recommended with the objective of minimum total cost. Buyer integration with high quality vendor is preferred due to lower total costs. Constraints on the quality improvement yields higher total relevant cost for buyer and vendor coordination. Investment on quality results in small lot size, which is a hallmark of JIT system. JIT integrated inventory model is investigated with the objective of simultaneously optimizing the order quantity, setup cost, process quality, number of deliveries and lead time. The investments in setup cost reduction, quality improvement and lead time reduction, results in reduction of total cost, order quantity and number of deliveries.
- iii. Optimal cycle length and number of inspections considering the setup cost reduction and quality improvement: Investment in setup cost reduction will result in reduction in primarily the optimal production run length means small lot size, while the investments in quality improvement results in number of inspections undertaken to be unity during each production run. The investment in setup cost reduction and quality improvement in (a) imperfect production process and (b) imperfect production process with inspection and restoration are considered using both time-varying lot

sizes approach and common cycle approach. The time-varying lot sizes approach is recommended with the objective of minimizing the total cost.

- iv. Optimal batch size in a single-stage production system with inspection errors and optimal number of kanbans in a multi-stage JIT production-delivery system with rework consideration: The effect of process inspection and restoration in the imperfect production process with inspection errors considering the following three different scenarios are investigated: (a) single lot of raw material - multiple lot of finished product - multiple delivery of the product, (b) single lot of raw material - multiple lot of finished product - single delivery of the product, and (c) single lot of raw material - single lot of finished product - single delivery of the product. The analysis shows that incorporating the inspection and restoration in the imperfect production process results in larger batch sizes and lower total costs. Modeling aspects of rework process is developed for the following cases: (i) economic order quantity and production run length for a single-stage production system, and (ii) the optimal batch quantity and number of kanbans in a multi-stage production system. The rework policy consideration results in higher total cost.
  
- v. Analysis of lean manufacturing tools for supply chain performance: This study focuses on distinguishing and analyzing the lean tools in achieving reduced lead time, minimum rework, less inspections, low inventory, less setup cost, optimal cycle time, optimal batch size, quality improvements and JIT production-delivery. Fourteen lean tools are identified and investigated with their percentage importance by providing insight into organizations designing lean supply chains through secondary data collected from the Industry Week's best plant award winners. The study reaffirms that adopting a lean supply chain in any manufacturing organization is significant in increasing the productivity gains. Six major lean tools emerged from this work (a) kaizen, (b) 5S, (c) JIT, (d) value stream mapping, (e) kanban, and (f) six sigma are recommended for the commitment to lean manufacturing by industries at the supply chain level coupled with the employee involvement to realize the benefits of lean.

## TABLE OF CONTENTS

S. No.	Title	Page No.
	ACKNOWLEDGEMENTS	iii
	ABSTRACT	iv
	TABLE OF CONTENTS	vi
	LIST OF TABLES	xii
	LIST OF FIGURES	xiv
	LIST OF ABBREVIATIONS	xvi
	CHAPTER 1: INTRODUCTION	1
1.1	Research Background	1
1.1.1	Supply chain system	1
1.1.2	Supply chain integration	2
1.1.3	Lean manufacturing principles	3
1.1.4	Lean manufacturing tools and classification	4
1.1.5	Lean manufacturing implementation in supply chain	5
1.1.6	An integrated approach to lean supply chain	6
1.1.7	Lean supply chain performance	7
1.1.8	Productivity gains using lean tools	7
1.2	Organization of Chapters	8
	CHAPTER 2: LITERATURE REVIEW	10
2.1	Research Scope	10
2.1.1	Supply chain analysis for coordination, pricing, order quantity and investment decisions	10
2.1.2	JIT integrated inventory model for a buyer and a vendor	12
2.1.3	Analysis of deteriorating production processes lot sizing, number of inspections, investments for setup cost reduction and quality improvement	15
2.1.4	Optimal batch size and optimal number of kanbans in a single-stage and multi-stage JIT production system with rework of defective items	19
2.1.5	Lean manufacturing tools for supply chain	22
2.2	Research Propositions and Managerial Implications	23
2.2.1	Pricing, investment and order quantity decisions in collaboration between a manufacturer and a retailer	24
2.2.2	JIT integrated inventory model for a buyer and a vendor considering the impact of quality improvement, setup cost and lead time reductions	26
2.2.3	Optimal cycle length and number of inspections in a deteriorating production process with investment on setup cost reduction and quality improvement	28

S. No.	Title	Page No.
2.2.4	Optimal batch size in a single-stage imperfect production system with inspection errors and optimal number of kanbans in a multi-stage JIT production-delivery system with rework consideration	31
2.2.5	Analysis of lean tools for supply chain performance	33
2.3	Research Objectives	35
2.4	Research Methodology	36
2.4.1	Comprehensive research methodology	36
2.4.2	Generalized solution algorithm and procedure	37
2.4.3	Optimization method	38
	 CHAPTER 3: PRICING, INVESTMENT AND ORDER QUANTITY DECISIONS IN COLLABORATION BETWEEN A MANUFACTURER AND A RETAILER	 40
3.1	Analysis of Pricing, Investment and Order Quantity for a Manufacturer and Retailer	40
3.1.1	Coordination models	42
3.1.1.1	<i>Model I No-coordination</i>	46
3.1.1.2	<i>Model II Intra-coordination of manufacturer</i>	48
3.1.1.3	<i>Model III Intra-coordination of retailer</i>	50
3.1.1.4	<i>Model IV Intra-coordination of manufacturer and retailer</i>	52
3.1.1.5	<i>Model V Inter-coordination of manufacturer and retailer for order quantity</i>	54
3.1.1.6	<i>Model VI Inter-coordination of manufacturer and retailer for investment and pricing</i>	55
3.1.1.7	<i>Model VII Inter-coordination of manufacturer and retailer for order quantity &amp; investment and pricing</i>	57
3.1.1.8	<i>Model VIII Inter and Intra-coordination of manufacturer and retailer</i>	57
3.1.2	Numerical investigations	59
3.2	Managerial Implications	66
	 CHAPTER 4: JIT INTEGRATED INVENTORY MODEL FOR A BUYER AND A VENDOR CONSIDERING THE IMPACT OF QUALITY IMPROVEMENT, SETUP COST AND LEAD TIME REDUCTIONS	 69
4.1	JIT Integrated Inventory Model for a Buyer and Vendor considering Quality Improvement	69
4.1.1	Integrated inventory model for a vendor and buyer	72
4.1.2	Quality improvement models	74
4.1.2.1	<i>Quality improvement in an integrated model with joint investment</i>	74
4.1.2.2	<i>Quality improvement in a decentralized model with vendor investment</i>	76
4.1.2.3	<i>Quality improvement in a decentralized model with buyer investment</i>	77
4.1.2.4	<i>Quality improvement in a decentralized model with both buyer and vendor investment</i>	78

S. No.	Title	Page No.
4.1.3	Numerical case study	79
4.1.3.1	<i>Vendor selection</i>	82
4.1.3.2	<i>Budgetary constraints</i>	86
4.2	JIT Integrated Inventory Model for a Buyer and Vendor considering Quality Improvement, Setup Cost and Lead Time Reductions	89
4.2.1	Quality improvement, setup cost and lead time reduction model	92
4.2.2	Numerical computation	93
4.3	Managerial Implications	96
	CHAPTER 5: OPTIMAL CYCLE LENGTH AND NUMBER OF INSPECTIONS IN A DETERIORATING PRODUCTION PROCESSES WITH INVESTMENT ON SETUP COST REDUCTION AND QUALITY IMPROVEMENT	98
5.1	Optimal Cycle Length and Number of Inspections in a Deteriorating Production Process with Investment in Setup Cost Reduction and Quality Improvement	98
5.1.1	Optimal cycle length and number of inspections in a deteriorating production process	101
5.1.1.1	<i>Model for setup cost reduction in a deteriorating production process</i>	101
5.1.1.2	<i>Model for quality improvement in a deteriorating production process</i>	104
5.1.1.3	<i>Model for both setup cost reduction and quality improvement in a deteriorating production process</i>	108
5.1.2	Numerical example	110
5.1.2.1	<i>Numerical example for setup cost reduction model</i>	110
5.1.2.2	<i>Numerical example for quality improvement model</i>	113
5.1.2.3	<i>Numerical example for both setup cost reduction and quality improvement model</i>	116
5.2	Optimal Cycle Length and Number of Inspections in a Deteriorating Production Processes with Investment in Setup Cost Reduction and Quality Improvement	121
5.2.1	Optimal cycle length and number of inspections in a deteriorating production processes under time-varying lot sizes approach and common cycle approach	124
5.2.1.1	<i>Model for investment in setup cost reduction and quality improvement in a deteriorating production processes under time-varying lot sizes approach</i>	124
5.2.1.2	<i>Model for investment in setup cost reduction and quality improvement in a deteriorating production processes under common cycle approach</i>	127
5.2.1.3	<i>Model for investment in setup cost reduction and quality improvement in a deteriorating production processes with inspection and restoration under time-varying lot sizes approach</i>	128

S. No.	Title	
5.2.1.4	<i>Model for investment in setup cost reduction and quality improvement in a deteriorating production processes with inspection and restoration under common cycle approach</i>	131
5.2.2	Numerical case studies	134
5.3	Managerial Implications	141
	CHAPTER 6: OPTIMAL BATCH SIZE IN A SINGLE-STAGE IMPERFECT PRODUCTION SYSTEM WITH INSPECTION ERRORS AND OPTIMAL NUMBER OF KANBANS IN A MULTI-STAGE JIT PRODUCTION-DELIVERY SYSTEM WITH REWORK CONSIDERATION	144
6.1	Optimal Batch Size in a Single-Stage Imperfect Production System due to Inspection Errors	144
6.1.1	Model formulation for optimal batch size and number of inspections in a single-stage imperfect production system incorporating process inspection and restoration	147
6.1.1.1	<i>Single purchase multiple delivery (SPMD) with inspection errors</i>	147
6.1.1.2	<i>Single purchase multiple delivery (SPMD) with process inspection and restoration</i>	154
6.1.1.3	<i>Single purchase single delivery (SPSD, <math>m=1</math>) with inspection errors</i>	157
6.1.1.4	<i>Single purchase single delivery (SPSD, <math>m=1</math>) with process inspection and restoration</i>	159
6.1.1.5	<i>Lot-for-lot (LFL, <math>m=1, n=1</math>) with inspection errors</i>	161
6.1.1.6	<i>Lot-for-lot (LFL, <math>m=1, n=1</math>) with process inspection and restoration</i>	163
6.1.2	Numerical computation	164
6.2	Optimal Batch Size in a Single-Stage Imperfect Production-Delivery System with Rework	169
6.2.1	Model formulation for single-stage production-delivery system with rework	171
6.2.2	Computational results	174
6.3	Optimal Number of Kanbans in a Multi-Stage JIT Production-Delivery System with Rework Consideration	176
6.3.1	Model formulation for multi-stage production-delivery system with rework controlled by kanban mechanism	179
6.3.1.1	<i>Cost of raw material inventory</i>	179
6.3.1.2	<i>Cost of work-in-process inventory</i>	180
6.3.1.3	<i>Cost of finished goods inventory</i>	181
6.3.1.4	<i>Total cost of multi-stage production system</i>	181
6.3.1.5	<i>Total cost of multi-stage production system with rework processing cost</i>	181
6.3.2	Computational results	183
6.4	Managerial Implications	186

S. No.	Title	Page No.
	CHAPTER 7: ANALYSIS OF LEAN MANUFACTURING TOOLS IN LEAN SUPPLY CHAIN	188
7.1	Analysis of Lean Manufacturing Tools in Lean Supply Chain	188
7.2	Data Collection and Plants' Characteristics	189
7.3	Lean Manufacturing Tools	190
7.4	Analysis of Lean Manufacturing Tools	191
7.4.1	Analysis of lean manufacturing tools for quality improvements	193
7.4.2	Analysis of lean manufacturing tools for reduced inspections	194
7.4.3	Analysis of lean manufacturing tools for JIT methods	195
7.4.4	Analysis of lean manufacturing tools for setup cost reduction	196
7.4.5	Analysis of lean manufacturing tools for lead time reduction	197
7.4.6	Analysis of lean manufacturing tools for rework reduction	197
7.4.7	Analysis of lean manufacturing tools for optimum batch size and optimum cycle time	198
7.5	Managerial Implications	199
	CHAPTER 8: CONCLUSIONS AND SCOPE FOR FUTURE WORK	201
8.1	Conclusions	201
8.1.1	Collaboration between manufacturer and retailer for setting a maximum-profit price	201
8.1.2	An integrated inventory optimal policy considering quality improvement, setup cost reduction and lead time reduction	202
8.1.3	Determination of optimal cycle length and optimal number of inspections using time-varying lot sizes approach in an imperfect production processes considering quality improvement and setup cost reduction.	203
8.1.4	Determination of the optimal raw material ordering quantity, finished product batch size and number of kanbans (for a multi-stage production system) for production – delivery situations considering process inspection, restoration and rework	204
8.1.5	Lean tools for the supply chain performance	204
8.2	Scope for Future Work	205
	REFERENCES	207
	APPENDIX A	225
A.1	Concavity of $\Pi_1$ in $P_1^*$ and $\alpha^*$ and $\Pi_2$ in $P_2$ and $\theta$	225
A.2	Variation of $\Pi_1^*$ , $\Pi_2^*$ , $P_1^*$ , $\alpha^*$ , $P_2^*$ and $\theta^*$ wrt $\eta$ and $\zeta$	225
A.3	Concavity of $\Pi_j$ in $\alpha^*$ , and $\theta^*$	226
A.4	Variation of $\Pi_j^*$ , $P_1^*$ , $\alpha^*$ , $P_2^*$ and $\theta^*$ wrt $\eta$ and $\zeta$	226
A.5	Proof of Lemma 3.1	227
A.6	Proof of Lemma 3.2	228
A.7	Proof of Lemma 3.3	229
A.8	Proof of Lemma 3.4	230



S. No.	Title	Page No.
	APPENDIX B	231
B.1	Proof of Positive Definiteness of Hessain Matrix of $TRC(M,N,Q,\theta)$ in $Q$ and $\theta$	231
B.2	Proof of Positive Definiteness of Hessain Matrix of $TRC_s(M,N,Q,\theta)$ in $Q$ and $\theta$	231
B.3	Proof of Positive Definiteness of Hessain Matrix of $TRC_b(Q,\theta)$ in $Q$ and $\theta$	232
B.4	Proof of Positive Definiteness of Hessain Matrix of $TRC_b(Q,\lambda,\theta)$ and $TRC_s(M,N,\lambda,\theta)$ in $Q$ and $\theta$	232
B.5	Proof of Positive Definiteness of Hessain Matrix of $TRC(Q,m,\theta,S,L)$ in $Q$ , $\theta$ and $S$ .	233
	APPENDIX C	235
C.1	Proof of Convergence of $\lambda_2$	235
C.2	Proof of Convergence of $T(n_i)$	235
	APPENDIX D	237
D.1	Derivation of Average Finished Goods Inventory	237
D.2	Derivation of Average Finished Goods Inventory with Rework	238
D.3	Proof for Global Optimality of Total Cost	240
	APPENDIX E	241
E	Analysis of Supply Chain Parameters with Lean Tools	241
	LIST OF PUBLICATIONS	242
	BRIEF BIOGRAPHY OF THE CANDIDATE	243
	BRIEF BIOGRAPHY OF THE SUPERVISOR	244

## LIST OF TABLES

Table No.	Title	Page No.
2.1	Comparison of different features on some research works on supply chain coordination for pricing, order quantity and investment decisions	25
2.2	Comparison of different features on some research works on integrated JIT inventory	27
2.3	Comparison of different features on some research works on economic production quantity model	29
2.4	Comparison of different features on some research works on rework and number of shipments in a production system	32
2.5	Comparison of different features on some research works on analysis of lean manufacturing tools	34
3.1	Optimized results for various models for demand as a function of price, selling effort, and product quality level	61
3.2	Optimized results for various models for demand as a function of price	62
3.3	Optimized results for various models for demand as a function of price, selling effort, and product quality level as a result of 10% increase in A	63
3.4	Optimized results for various models for demand as a function of price, selling effort, and product quality level as a result of 10% increase in e	63
3.5	Optimized results for various models for demand as a function of price, selling effort, and product quality level as a result of 10% increase in $\gamma$	64
3.6	Optimized results for various models for demand as a function of price, selling effort, and product quality level as a result of 10% increase in $\lambda$	64
4.1	Comparison of results of integrated and decentralized quality improvement (Banerjee and Kim, 1995)	81
4.2	Comparison of results of integrated and decentralized quality improvement (Yang and Pan, 2004)	82
4.3	Comparison of results of vendor with high quality using integrated and decentralized quality policies (Banerjee and Kim, 1995)	83
4.4	Comparison of results of vendor with high quality using integrated and decentralized quality policies (Yang and Pan, 2004)	83
4.5	Comparison of results of vendor with lower cost rate for quality improvement (Banerjee and Kim, 1995)	84
4.6	Comparison of results of vendor with lower cost rate for quality improvement (Yang and Pan, 2004)	85
4.7	Comparison of results of vendor with budgetary constraints on the minimum quality using integrated and decentralized quality policies (Banerjee and Kim, 1995)	89
4.8	Lead time component data	95
4.9	Optimal values of quality improvement, setup cost and lead time reduction	96
4.10	Summary of the comparison considering investment in setup cost reduction	96
5.1	Comparison of the optimal solution with and without investment in setup cost reduction	112-113
5.2	Comparison of the optimal solution with and without investment in quality improvement	115-116

<b>Table No.</b>	<b>Title</b>	<b>Page No.</b>
5.3	Optimal solution with investment in both setup cost reduction and quality improvement and its comparison without investment	120-121
5.4	Example data ( $r_o=\$10, r_I=\$0.1, i_k=i_a=0.1, a_i=1000, b_i=30$ )	133
5.5	Example data ( $r_o=\$10, r_I=\$0.2, i_k=i_a=0.1, a_i=40, b_i=30$ )	133
5.6	Example data ( $r_o=\$150, r_I=\$10, i_k=i_a=0.1, a_i=40, b_i=30$ )	133
5.7	Example data ( $r_o=\$10, r_I=\$2, i_k=i_a=0.1, a_i=40, b_i=30$ )	133
5.8	Optimal solutions and comparisons for imperfect process model	134
5.9	Optimal solutions and comparisons for imperfect process model using common cycle (CC) approach	135
5.10	Optimal solutions and comparisons for imperfect process model with inspection and restoration	137
5.11	Optimal solutions and comparisons for imperfect process model with inspection and restoration using common cycle (CC) approach	138
5.12	A comparative study of the expected total average cost	139
6.1	Optimal batch size and expected total cost	164
6.2	Effect of fraction of non-conforming units ( $\alpha$ ) with quality and rework	165
6.3	Effect of fraction of non-conforming units ( $\alpha$ ) with quality and rework including inspection and restoration	166
6.4	Effect of value added by the manufacturing process (V) with quality and rework	166
6.5	Effect of value added by the manufacturing process (V) with quality and rework including inspection and restoration	167
6.6	Effect of type I inspection error ( $E_1$ ) with quality and rework	167
6.7	Effect of type I inspection error ( $E_1$ ) with quality and rework including inspection and restoration	167
6.8	Effect of type II inspection error ( $E_2$ ) with quality and rework	168
6.9	Effect of type II inspection error ( $E_2$ ) with quality and rework including inspection and restoration	168
6.10	Input data for a single-stage production system ( $\beta_j=0.01, C_j=10$ )	175
6.11	Comparison of optimum results for a single-stage production system	175
6.12	Comparison of modified results for a single-stage production system	176
6.13	Input data for a multi-stage production system under kanban mechanism ( $K_o=110, H_o=45, \beta_i=0.01, C_i=10 (i=1,2,3,4)$ )	184
6.14	Comparison of results for a multi-stage production system under kanban mechanism	184
6.15	Comparison of all possible modified results for a multi-stage production system under kanban mechanism	185
7.1	Comprehensive description of lean tools used in lean supply chain	190

## LIST OF FIGURES

Fig. No.	Title	Page No.
1.1	Supply chain system	2
2.1	Multi-stage production system with kanban operations	20
2.2	Flow diagram for research methodology	37
2.3	Generalized flow diagram for solution algorithm and procedure	38
3.1	Supply chain models for manufacturer and retailer	44-45
3.2	Variation of Z with A	65
3.3	Variation of Z with e	65
3.4	Variation of Z with $\gamma$	65
3.5	Variation of Z with $\lambda$	65
3.6	Variation of Z with A and e	66
3.7	Variation of Z with $\gamma$ and $\lambda$	66
4.1	Inventory pattern for raw materials, production and retail	73
4.2	Variation of TRC with $\theta_0$	85
4.3	Variation of TRC with q	85
4.4	Variation of TRC with $\theta_0$ and q	86
4.5	Variation of TRC with $q_\theta$	94
4.6	Variation of TRC with $q_s$	94
4.7	Variation of TRC with $q_\theta$ and $q_s$	95
5.1	Variation of C with $\delta_k$	118
5.2	Variation of C with $\delta_\alpha$	118
5.3	Variation of C with $\delta_k$ and $\delta_\alpha$	118
5.4	Variation of ETC with $a_i$	140
5.5	Variation of ETC with $b_i$	140
5.6	Variation of ETC with $a_i$ and $b_i$	140
6.1	Single purchase multiple delivery (SPMD)	148
6.2	Effect of inspection errors	151
6.3	Single purchase single delivery (SPSD)	158
6.4	Lot-for-Lot (LFL)	162
6.5	Variation of ETC with $\alpha$ and $v$	166
6.6	Variation of ETC with $E_1$ and $E_2$	166
6.7	Raw material inventory level in a single-stage production system	172
6.8	Finished goods inventory level in a single-stage production system	173
6.9	Raw material inventory level in a multi-stage production system	180
6.10	Work-in-process inventory of an intermediate stage	180
6.11	Variation of TC with $\beta_i$	183
6.12	Variation of TC with $C_i$	183
6.13	Variation of TC with $\beta_i$ and $C_i$	184
7.1	Classification of Manufacturing Plants based on similarity of products	189
7.2	Analysis of Plants achievements based on supply chain parameters	193
7.3	Analysis of quality improvements	194
7.4	Analysis of reduced inspections	195
7.5	Analysis of JIT methods	196
7.6	Analysis of set-up cost reduction	196
7.7	Analysis of lead time reduction	197
7.8	Analysis of rework reduction	198

<b>Fig. No.</b>	<b>Title</b>	<b>Page No.</b>
7.9	Analysis of optimum batch size and optimum cycle time	199
7.10	Major lean tools used in lean supply chain	200
D.1	Inventory build-up and lumpy demand	237
D.2	Inventory build-up and lumpy demand with rework	238

## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Full Expansion of the Abbreviation</b>
5S	Sort-Set-Standardize-Shine-Sustain
CC	Common Cycle
ELSP	Economic Lot Scheduling Problem
EPQ	Economic Production Quantity
ETC	Expected Total Cost
IW	Industry Week
JELS	Joint Economic Lot Size
JIT	Just In Time
JTC	Joint Total Cost
KKT	Karush-Kuhn-Tucker
LEAP	Lean Processing Programme
LFL	Lot For Lot
LSC	Lean Supply Chain
R&D	Research And Development
ROP	Re Order Point
SPC	Statistical Process Control
SPMD	Single Purchase Multiple Delivery
SPSD	Single Purchase Single Delivery
TPM	Total Productive Maintenance
TPS	Toyota Production System
TQM	Total Quality Management
TRC	Total Relevant Cost
VSM	Value Stream Mapping
WIP	Work In Process