OM 338: Supply Chain Modeling and Optimization
Fall 2019
Unique No. 04265

Professor Anant Balakrishnan

Classroom: GSB 2.122
Class time: MW 9:30 to 11:00 am
Office: CBA 6.486
Hours: Wed. 11:00 am to noon
E-mail: anantb@mail.utexas.edu
Office hours: by appointment

Teaching Assistant: Parshu Hotkar, parshuram@utexas.edu, CBA 5.334Q
Office hours: Tues. 4:30 to 6 p.m. or by appointment

Course Description and Objectives
Effective management of operations and supply chains requires principled and data-driven planning and decision-making approaches to acquire, allocate, and deploy resources so as to improve efficiency and profitability. These decision problems often involve many inter-related issues, with complex tradeoffs, that must also satisfy various policy requirements and constraints. Due to these characteristics, manual or intuitive decision-making can be ineffective (sub-optimal), cumbersome, and time-consuming. So, supply chain and operations managers at leading companies in many different industries, ranging from manufacturing and transportation to retailing and services, have come to rely heavily on advanced decision technologies that are based on quantitative models and techniques to guide and improve their decisions. These models, from the field of management science, have become particularly important as companies invest in systems to exploit the increasing availability and accessibility of “big data.” Quantitative models, and the associated computer algorithms, serve as the “intelligence” needed for data-driven decisions and as the underlying “engine” for such business analytics initiatives. This course seeks to teach students the basic principles and applications of mathematical optimization and computer-based models and tools that are most commonly used for designing, planning, and managing supply chains, both for product fulfillment and service operations.

Specifically, the goals of the course are to:
- introduce students to the main modeling approaches – optimization, simulation, and queueing – that are widely used and relevant to supply chain and operations management;
- illustrate the use of these models to address operations planning and decision problems;
- enable students to frame and structure managerial decision problems, decide which model to apply, and how to formulate and create an appropriate model;
- outline some basic principles underlying the methods to analyze and solve these models; and,
• provide practice in creating and solving models using spreadsheets and other software.

The course is particularly relevant for students interested in supply chain management, operations, logistics, and consulting. Models and their applications covered in the course include:

• Linear optimization (also called Linear Programming);
• Network models;
• Integer and Non-linear optimization;
• Stochastic models, Simulation, and Queueing.

**Pre-requisite:** OM 335 or OM 335H

**Quantitative Reasoning Flag:** This course carries the Quantitative Reasoning flag. “The Quantitative Reasoning requirement helps you build skills necessary for understanding quantitative arguments in your adult and professional life. Courses carrying the Quantitative Reasoning Flag ask you to interpret quantitative models and apply quantitative reasoning to real-world problems.” ([http://www.utexas.edu/ugs/flags/students/about/quantitative-reasoning](http://www.utexas.edu/ugs/flags/students/about/quantitative-reasoning)). So, a substantial portion of the course emphasizes how to represent managerial decision and planning problems as quantitative models, solve these models, and interpret their results.

**Course materials**

The following textbook is very highly recommended:

**Winston, W. L. and S. C. Albright. Practical Management Science, 4th or later edition, Cengage Learning.**

This textbook (abbreviated as WA in the course schedule) emphasizes the use of Excel for modeling and solving supply chain and operations problems. In class, we will also emphasize mathematical modeling, in addition to using Excel to represent and solve these models. The book contains chapters corresponding to most of the topics covered in this course; we will use examples from these chapters for class discussions. Each chapter also contains exercises and practice problems. The course schedule contains the book sections that are relevant for each session. Going through this material and working out the practice problems/exercises will be very useful to supplement class discussions and reinforce learning. So, although the book is not designated as a ‘required’ textbook, students who need additional resources to learn the material covered in the course should get this book; it is very highly recommended.

Later in the course, we may use chapters from a book on Simulation (by Kelton, Smith, and Sturrock), and students may also be required to purchase one or two cases (directly from Harvard Business School Publishing or Ivey Publishing) for case discussion and group assignments. Announcements regarding these additional materials will be made in class during the semester.

The class discussions and homeworks require extensive use of Microsoft Excel. The course assumes that students know how to use Excel, and are very familiar with common features, commands, and operations in Excel. Students are strongly encouraged to refresh their Excel skills by going through the many Excel tutorials available online, especially on LinkedIn Learning (previously called Lynda.com). UT Austin students have free access to this material –
visit https://hr.utexas.edu/oe/ut-staff-professional-development/linkedin-learning to learn how to use LinkedIn Learning. Then click on the link called “UT Portal” and log in with your UT eid to search for and go through the various available courses. One very useful and popular course on this site is “Excel 2016 Essential Training.” Finally, the textbook by Winston and Albright also provides a good introduction to Excel. Class discussions will cover some of the advanced and special features of Excel needed for modeling and optimization.

**Course preparation and student evaluation**

Before each class, students are expected to review the material covered in previous sessions and are encouraged to go through the relevant book sections (listed in the course schedule). Active **class participation**—responding to questions, raising interesting issues, and contributing to better understanding the material—is strongly encouraged. The course requirements include regular **homework** assignments (see schedule) and three **tests** during the semester.

The main purpose of the **Homework assignments** is to reinforce and build upon the concepts and techniques discussed in class, and to provide practice in applying, implementing, and interpreting the results of various models. For **Individual Homework** (abbreviated as IHW) assignments, students are permitted to **discuss with classmates** the broad approach for solving the homework problems, but **each student must work out the details and write up the assignment on their own** (e.g., formulating mathematical models, implementing the models using Excel, working out numerical answers, interpreting the results). All questions in each assignment must be answered, but we may fully grade only selected problems. **DO not copy** answers or computer models for IHW from other students (current or past) or other sources, and **do not share** your completed assignment with others. In addition to IHW assignments, there will be one or two **Case assignments** that entail preparing a brief report to address some questions about the case. For these assignments, students are permitted to work in groups of up to four students; each group needs to submit only one written report. **Homework grades** will be based on clarity of work (including explanations), completeness, and correctness. Students who make a sincere attempt to answer a question and clearly explain their answer will receive at least 50% of the points allocated to that question. Additional points (above 50%) will be given based on the extent to which the student has understood and applied the learnings from class and the textbook, progressed towards solving the problem, and followed the appropriate approach.

The course **Exams** consist of three **tests** during the semester. These tests will have some overlapping coverage of topics (the scope of each test will be announced in class, prior to the test). For each test, students are permitted to bring one 8.5 x 11 inch sheet (two-sided) of handwritten notes, and a business calculator (use of computers and other electronic devices is not permitted during tests). **All tests will be held in the evening (from 7 p.m. to around 9 p.m.)** on the dates specified in the course schedule. Students who have legitimate and unavoidable **academic conflicts** should **inform the instructor at least two weeks before the test**, and may be required to provide supporting documentation for the conflict.

**Class participation** performance will be assessed based on regular attendance, preparedness for
class (e.g., answering questions), quality of comments, and participation in in-class exercises.

Grades for the course will be based on a weighted sum of scores for tests, homework, and class participation, with the following weights for each component:

- Tests (3 @ 25% each) 75%
- Homework (individual and group) 13%
- Class participation 12%

**Grading scheme and policies**
- Unless otherwise specified, homework assignments must be turned in (submitted via Canvas) before class on the day they are due. No credit for late homework submissions. Please submit your answers as a PDF file, together with any required spreadsheets. For hand-written answers, scan the document and submit as PDF file; do not submit photos of answer sheets.
- The lowest homework assignment score among all assignments will be dropped when determining the overall course homework score.
- All homework assignments have equal weight, and each test has a weight of 25%. The total actual points for each homework assignment and test varies (e.g., may not be out of 100), but the score for each assignment and test will be first converted to a % (i.e., out of 100) before computing the overall (weighted) final score and course grade.
- Canvas does not calculate the cumulative and average (weighted) scores properly. Use Canvas only to check your actual score on each assignment and test. Do not rely on cumulative or average scores shown in Canvas.
- The distribution of grades will follow the guidelines provided by the Undergraduate program. The instructor may “curve” the scores before deciding the letter grades.

**Academic Integrity and Honor Code**
By enrolling in this class, you agree to abide by the University’s and McCombs School’s code of professional conduct (see also “Policy on Scholastic Dishonesty” below), and the following important professional code of conduct and protocols for this course.
- Turn off cell phones. Do not text, chat, check e-mail, use web, etc. during class.
- During class you are permitted to use a laptop/tablet only for activities related to this class, i.e., to take notes or to follow the instructor in developing and solving computer models. During class, do NOT check e-mail, surf the web, send messages, or conduct work unrelated to the course.
- Do NOT copy (from other students or other sources) on tests, exams, and individual homework assignments.

**Use of Class Materials**
The materials provided and used in this class, including lecture materials, tests, and homework assignments, are copyright protected works. Any unauthorized copying of these materials is a violation of federal law and may result in disciplinary actions being taken against the student. Additionally, the sharing of class materials without the specific, express approval of the instructor may be a violation of the University's Student Honor Code and an act of academic dishonesty,
which could result in further disciplinary action. This includes, among other things, uploading class materials to websites for the purpose of sharing those materials with other current or future students.

**Feedback**

Your feedback is valuable, and facilitates continuous course improvement. Please let me know, throughout the semester, how to improve the course and the learning experience it provides.

**Students with Disabilities**

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, [http://diversity.utexas.edu/disability/](http://diversity.utexas.edu/disability/).

**Diversity and Inclusion**

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students’ learning needs be addressed and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

**Religious Holy Days**

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

**Policy on Scholastic Dishonesty**

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program’s Statement on Scholastic Dishonesty at [http://my.mccombs.utexas.edu/BBA/Code-of-Ethics](http://my.mccombs.utexas.edu/BBA/Code-of-Ethics). By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Conduct and Academic Integrity website at [http://deanofstudents.utexas.edu/conduct/](http://deanofstudents.utexas.edu/conduct/) to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

**Campus Safety**

Please note the following key recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security. More info at [https://preparedness.utexas.edu/](https://preparedness.utexas.edu/).
• Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings and assemble outside when a fire alarm is activated.
• Familiarize yourself with all exit doors of each classroom and building you may occupy.
• If you need evacuation assistance, inform the instructor in writing as soon as possible.
• In the event of an evacuation, follow the instruction of faculty or class instructors.
• Do not re-enter a building unless given instructions by Austin or UT police or fire authorities.

Behavior Concerns Advice Line (BCAL): 512-232-5050 or on-line.

In case of emergency, further information will be available at http://www.utexas.edu/emergency.
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<th>Session #</th>
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<th>Required Readings 1</th>
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<td>WA, Chapter 1, WA Sec. 2.1 to 2.3, WA Ex. 12.1 in Sec. 12.4</td>
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<td>Integer Optimization -- wrap-up</td>
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* All tests will be held in the evening, starting at 7 p.m. (Review session during regular class time on day of test.)

¹ WA = Winston-Albright "Practical Management Science"

² IHW = Individual Homework, GHW = Group Homework. All HW to be submitted via Canvas