EXAMPLE 1 EXPO 2017

Capacity Planning and Production Scheduling for Aircraft Painting Operations Xiangzhen Li, Minxiang Zhang, Caroline Krejci, Cameron MacKenzie, John Jackman, Guiping Hu *Iowa State University* Charles Hu, Adam Graunke, Gabriel Burnett *Boeing*

Boeing painting operations

- New aircraft assigned to hangars for painting based on expert knowledge and heuristic scheduling
- Painting can occur in house or be outsourced



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Research questions

- Does Boeing have sufficient painting capacity to meet future demand?
- What is the future demand for airplanes?
- What is the optimal schedule for painting aircraft to minimize costs given demand?
- How does uncertainty (in painting times, future demand) impact the optimal schedule and decision about capacity?

Optimal schedule to minimize cost

- Time frame: 1 month increments (20 years total)
- Minimize cost
 - Cost of painting airplanes in house
 - Cost of outsourcing airplanes to be painted
 - Cost of being late
- Decision variables: assign each plane to a hangar for painting at each time (assignment problem)

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Constraints

- 5 different models of planes; each model has a different painting time
- Hangars can only paint certain models of planes
- Setup times can vary with hangar
- Job cannot be assigned until plane is released for painting
- Per-day tardiness penalty for planes that are finished late
- All jobs must be assigned to a hangar
- Each hangar can only paint one plane at a time

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Input data

- Monthly demand data from demand forecasting model
- 22 hangars: 12 in house and 10 outsource
- Cost as a function of painting time
 - \$6,000 per day (material and labor)
 - \$50,000 daily penalty cost for being late

Model	Setup and painting days								
737	3 or 4								
747	6								
767	5								
777	6 or 7								
787	5 or 6								

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Optimal Solution for Month 1

37 total airplanes

 Table 2. Schedule Gantt Chart for month 1

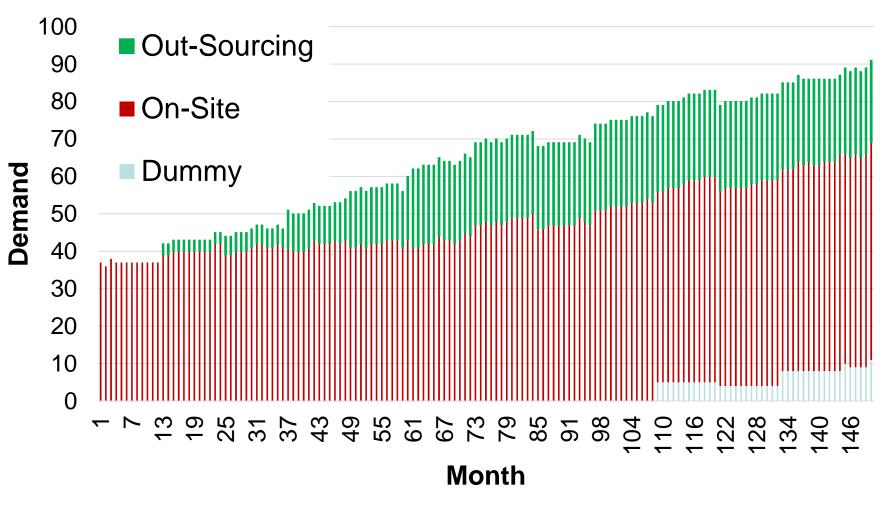
	Time																		
Hangar	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
1								3	2						33				737
2																			747
3			31							30									767
4				3	4									3	7				777
5								36	36					35					787
6										29									
7			6			16 26			26	5				27					
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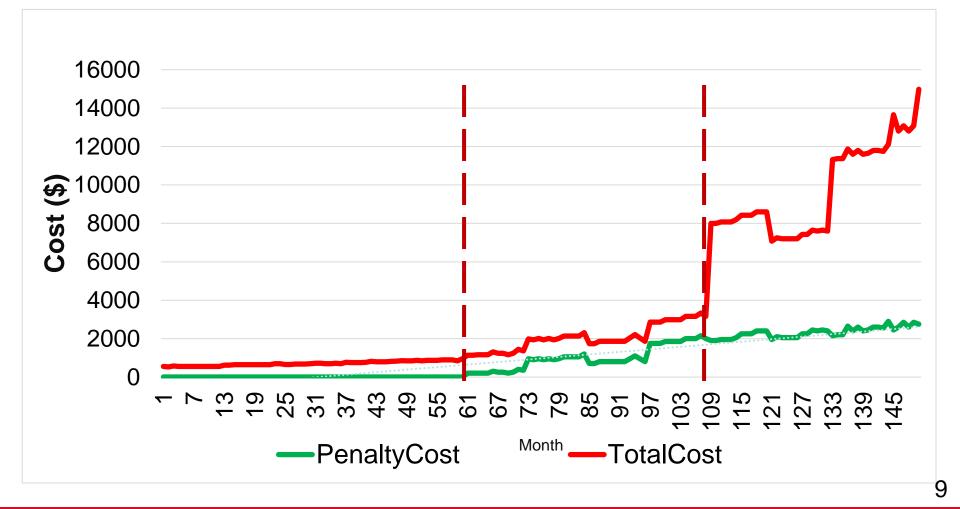
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Painting assignment



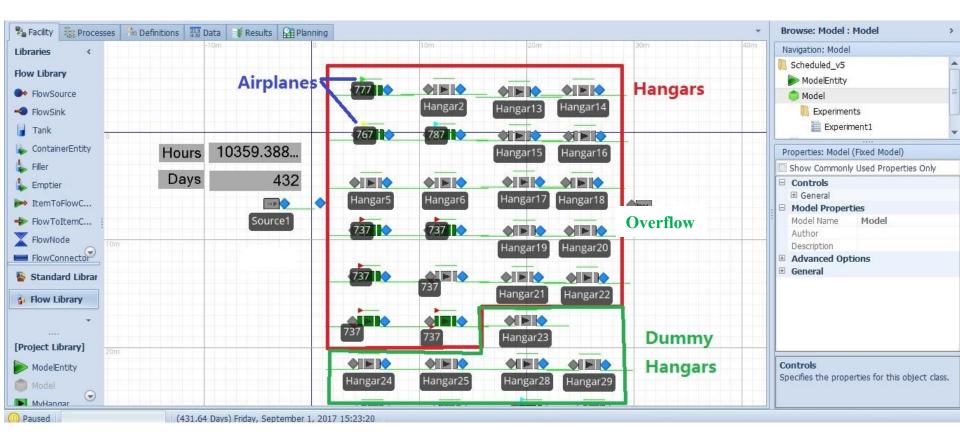
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Cost per month



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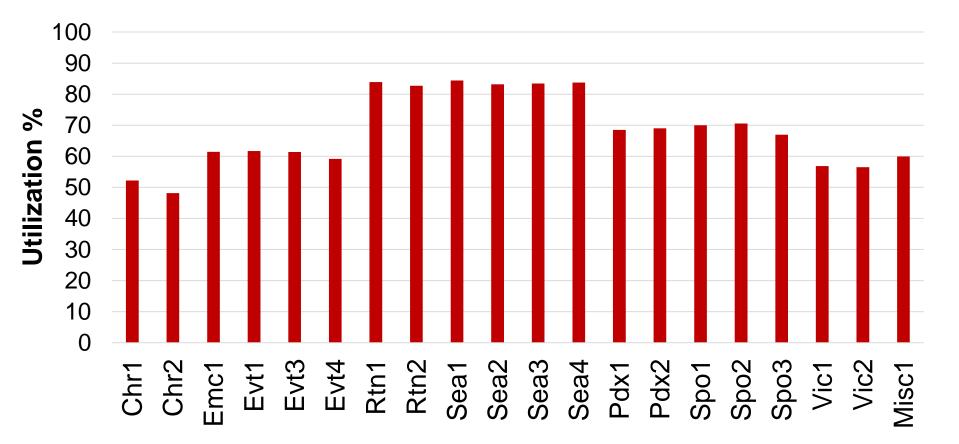
Simulation with random release dates and painting times



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Average hangar utilization



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Key conclusions

- Planes can be painted in house for years 0-2
- Delays start occurring in year 5
- Capacity exceeded in year 6
- Significant delays beginning in year 7

Due to demand uncertainty, capacity could be exceeded much earlier or later!

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