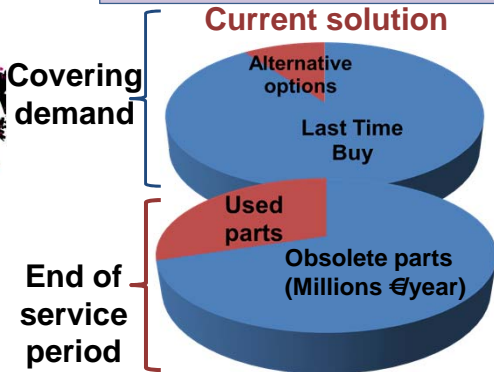




Problem
Production of spare parts stops at certain point in time. A decision (Last Time Buy) should be made to cover demand until the end of service period



Research Questions

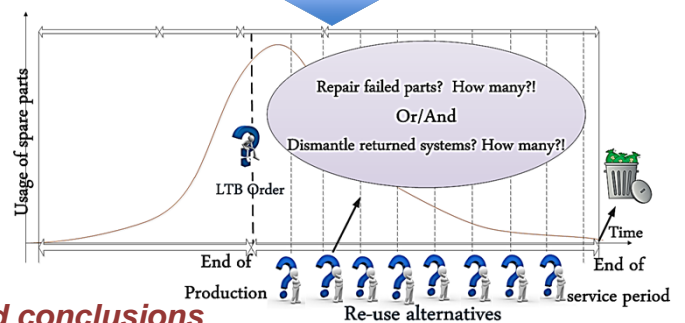
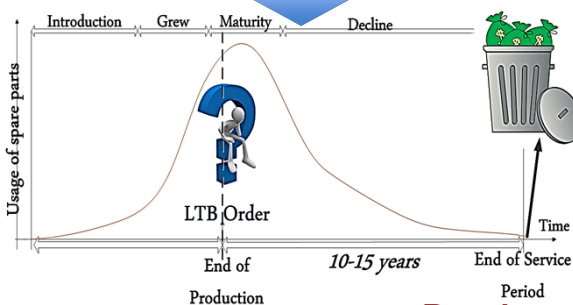
- 1) Integrate Last Time Buy order decision and re-use alternatives
- 2) Determine the best re-use alternative and its usage policy

Common practice in industry

- Over forecasting
- No forecast error
- No safety stock
- No risk assessment
- No cost trade off
- Very high service level
- Huge obsolescence cost

Method

- Stochastic Dynamic Programming for the small scale problems and benchmark
- Efficient Heuristic approach for the large scale problems



Results and conclusions

