

Challenge #4
15.057
Spring '03
Integer Programming Modeling

Variability creates cost. Variability in demand, in lead-time, in capacity, in quality all increases both the cost and the complexity of the business.

Part A. Identify the key sources of variability in your business (or in a business you have been involved in).

Part B. Describe the costs this variability engenders.

Part C. Outline strategies your company uses to manage this variability.

Part D. Suggest and briefly evaluate alternative strategies.