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SOUTHERN MISSISSIPPI

# Efficient Freight Movement & Transportation Modeling

**Dr. MD Sarder**

**The Center for Logistics, Trade and Transportation  
The University of Southern Mississippi**

*creative* | **BOLD** | *determined*

**ITTS Conference 2010  
Memphis, Tennessee**

# Research Needs

Meeting ever increasing customer expectations  
Efficient uses of transportation networks  
Leaner and greener operations  
Stay competitive



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# Logistics Modeling in Large Scale Disaster Relief

Minimize *Total Unsatisfied Weighted Demand*

Subject to:

*Commodity Flow Constraints*

*Vehicular Flow Constraints*

*Constraints that Link Commodities and Vehicles*

*Facilities Location Constraints*

*Facility Capacities Constraints*

*Equity (recipients/commodities) Constraints*

Minimize 
$$\sum_{i \in V} \sum_t \sum_c RU_{it}^c \cdot UD_{it}^c$$

*Equity Constraint:*

$$\frac{\sum_{t'} \sum_m \sum_j X_{ji(t'-t_{jm})}^{cm}}{\sum_{t'} Dem_{it'}^c} \geq \alpha_{\min} \quad \forall i \in POD, c, t$$

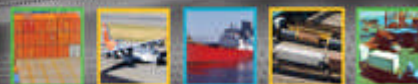
$$\frac{\sum_{t'} \sum_m \sum_j X_{ji(t'-t_{jm})}^{cm}}{\sum_c \sum_{t'} \sum_m \sum_j X_{ji(t'-t_{jm})}^{cm}} \geq \beta_{\min} \quad \forall i \in POD, c, t$$

$$\frac{\sum_c \sum_{t'} \sum_m \sum_j X_{ji(t'-t_{jm})}^{cm}}{\sum_i \sum_c \sum_{t'} \sum_m \sum_j X_{ji(t'-t_{jm})}^{cm}} \geq \gamma_{\min} \quad \forall i \in POD, t$$

*Facility Location and Capacities for Temporary Facilities*

$$\sum_c \sum_j X_{ijt}^{cm} \leq Lcap_{it}^m \times Loc_i^t \quad \forall i \in W, m, t$$

$$\sum_c \sum_j X_{ji(t-t_{jm})}^{cm} \leq Ucap_{it}^m \times Loc_i^t \quad \forall i \in W, m, t$$



# Logistics Modeling in Large Scale Disaster Relief

Supply nodes and Transfer nodes:

$$\sum_j X_{ji(t-t_{j,m})}^{cm} + \sum_{m'} XT_{i(t-k_{i,m})}^{cm'm} + CX_{i(t-1)}^c + Sup_{it}^c$$

$$= \sum_j X_{ijt}^{cm} + \sum_{m'} XT_{it}^{mm'} + CX_{it}^c \quad \forall i \in U, c, m, t$$

Facility Capacities for Permanent Facilities

$$\sum_c \sum_j X_{ijt}^{cm} \leq Lcap_{it}^m \quad \forall i \in V, m, t$$

$$\sum_c \sum_j X_{ji(t-t_{j,m})}^{cm} \leq Ucap_{it}^m \quad \forall i \in LC, m, t$$

Demand nodes:

$$\sum_m \sum_j X_{ji(t-t_{j,m})}^{cm} + UD_{it}^c = Dem_{it}^c + UD_{i(t-1)}^c \quad \forall i \in POD, c, t$$

Vehicular Flow Constraints

$$\sum_j Y_{ji(t-t_{j,m})}^m + CY_{i(t-1)}^m + AV_{it}^m = \sum_j Y_{ijt}^m + CY_{it}^m \quad \forall i \in N, m, t$$

Linkage between Commodities and Vehicles

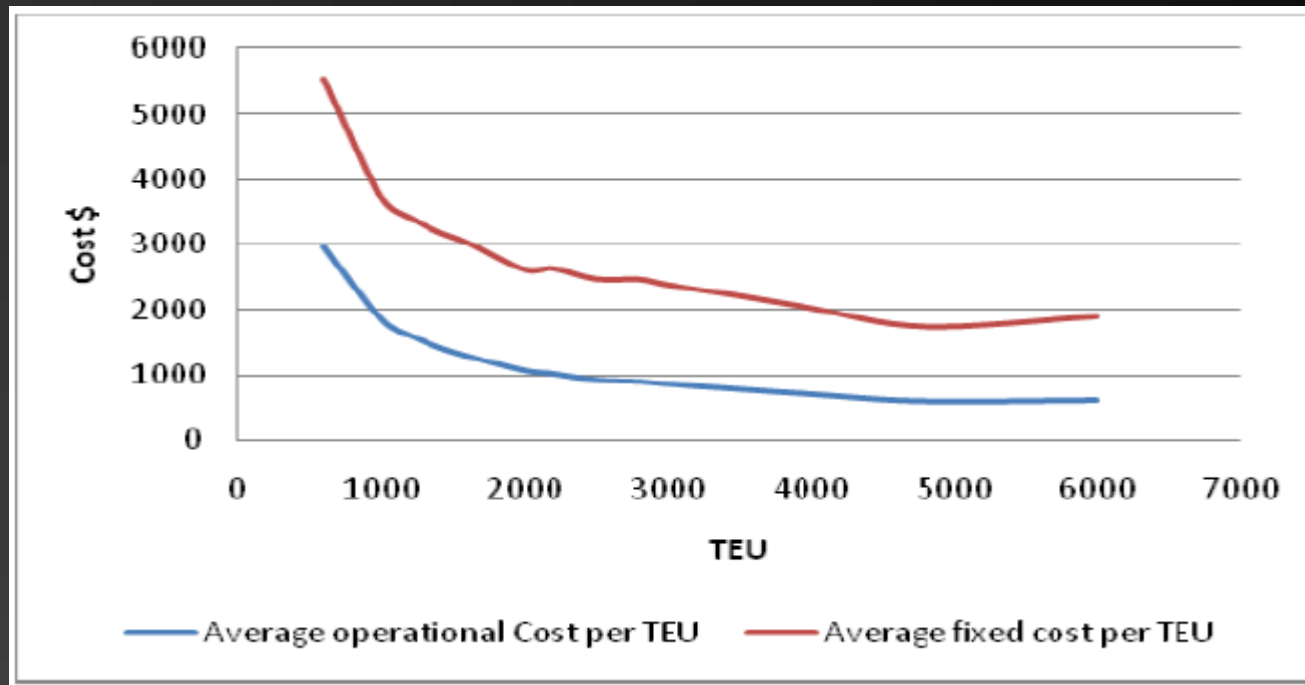
$$Cap_m \times Y_{ijt}^m \geq \sum_c w_c X_{ijt}^{cm} \quad \forall i \in N, m, t$$

Capacities for PODs:

$$\sum_c \sum_j X_{ji(t-t_{j,m})}^{cm} \leq Ucap_{it}^m \quad \forall i \in POD, m, t$$



# Cost Reduction Strategies for Maritime Shipping Industry



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# Cost Reduction Strategies for Maritime Shipping Industry

$$C = P \times \sum_{i,j,k} \left\{ \left[ MF_k \times \left( \frac{S_{1k}}{S_{0k}} \right)^3 + AF_k \right] \times \frac{d_{ij}}{24 \times S_{1k}} \right\}$$

$$AI_i = \frac{PA_i^2 / P_i / S_i}{\sum_j PA_j^2 / P_j / S_j} \dots\dots\dots$$

$$TI_i = \text{avg} \left( \frac{TA_i}{\sum_j TA_j}, \frac{LA_i}{\sum_j LA_j} \right) \dots\dots\dots$$

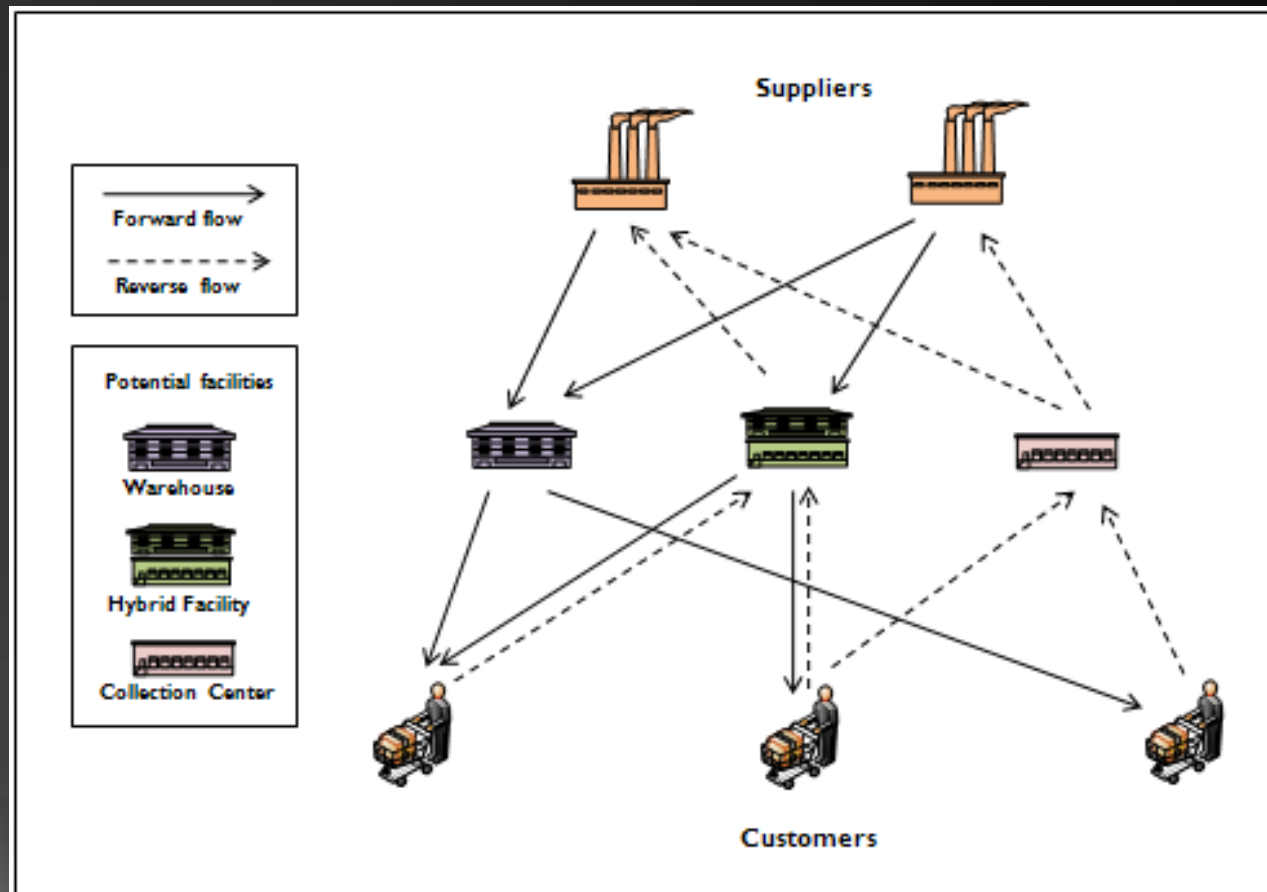
$$RRI_i = \text{avg} \left( \frac{PR_i^2 / P_i / S_i}{\sum_j PR_j^2 / P_j / S_j}, \frac{RR_i^2 / P_i / S_i}{\sum_j RR_j^2 / P_j / S_j} \right) \dots\dots\dots$$

$$EI_i = \frac{EP_i^2 / P_i / S_i}{\sum_j EP_j^2 / P_j / S_j} \dots\dots\dots$$

Speed Reduction Rate	Scenario 1 (million tons)	Average Fuel Savings per voyage (tons)	Scenario 2 (million tons)	Average Fuel Savings per Voyage (tons)
10%	7.3	120	4.0	60
20%	13.8	220	8.4	135
30%	19.4	310	13.0	200
40%	24.2	390	17.5	280
50%	28.0	450	21.6	350



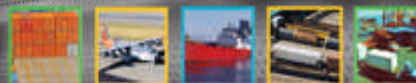
# Modeling Forward and Reverse Logistics Operations for 3PL



# Modeling Forward and Reverse Logistics Operations for 3PL

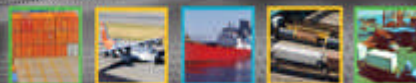
$$\begin{aligned}
 TC &= \sum_{t \in T, t \geq 1} \{SC(j, t) + FOC(j, t) + VC(p, i, j, k, t)\} \\
 SC(j, t) &= \sum_{j \in J} sw_{jt} A_{jt} (1 - A_{j,t-1}) + \sum_{j \in J} sh_{jt} C_{jt} (1 - C_{j,t-1}) + \sum_{j \in J} sc_{jt} E_{jt} (1 - E_{j,t-1}) \\
 FOC(j, t) &= \sum_{j \in J} ow_{jt} A_{jt} + \sum_{j \in J} oh_{jt} C_{jt} + \sum_{j \in J} oc_{jt} E_{jt} \\
 VC(p, i, j, k, t, s) &= \sum_{p \in P} \sum_{i \in I} \sum_{j \in J} \sum_{k \in K} X_{pijkt} cf_{pijkt} + \sum_{p \in P} \sum_{i \in I} \sum_{j \in J} \sum_{k \in K} Y_{pkjit} cr_{pkjit}
 \end{aligned}$$

$$\begin{aligned}
 TT &= \sum_{t \in T, t \geq 1} vot \times \left\{ \sum_{p \in P} \sum_{i \in I} \sum_{j \in J} \sum_{k \in K} tf_{pijkt} X_{pijkt} \right. \\
 &\quad + \sum_{p \in P} \sum_{i \in I} \sum_{j \in J} \sum_{k \in K} \sum_{s \in S} tr_{pkjit} Fr_{pkt} Y_{pkjits} \\
 &\quad \left. + \sum_{p \in P} \sum_{i \in I} \sum_{j \in J} \sum_{k \in K} \sum_{s \in S} (tf_{pijkt} + tr_{pkjit} + rt_{pit}) Fp_{pkt} Y_{pkjits} \right\}
 \end{aligned}$$



# Modeling Forward and Reverse Logistics Operations for 3PL

- (1)  $\sum_{p \in P} \sum_{i \in I} \sum_{k \in K} \gamma_p X_{pijkt} \leq Q_{jt} A_{jt} + R_{jt} C_{jt}, \forall j \in J, t \in T$
- (2)  $\sum_{p \in P} \sum_{i \in I} \sum_{k \in K} \gamma_p Y_{pkjit} \leq L_{jt} E_{jt} + U_{jt} C_{jt}, \forall j \in J, t \in T$
- (3)  $\sum_{p \in P} \sum_{j \in J} \sum_{k \in K} X_{pijkt} \leq M_{it}, \forall i \in I, t \in T$
- (4)  $\sum_{i \in I} \sum_{j \in J} X_{pijkt} \geq d_{pkt}, \forall p \in P, k \in K, t \in T$
- (5)  $\sum_{i \in I} \sum_{j \in J} Y_{pkjit} \geq r_{pkt}, \forall p \in P, k \in K, t \in T$
- (6)  $A_{jt} + C_{jt} + E_{jt} \leq 1, \forall j \in J, t \in T$
- (7)  $Fr_{pkt} + Fp_{pkt} = 1, \forall p \in P, k \in K, t \in T$
- (8)  $Fp_{pkt}, Fr_{pkt}, X_{pijkt}, Y_{pkjit} \geq 0, \forall p \in P, i \in I, \forall j \in J, k \in K, t \in T$
- (9)  $A_{jt}, C_{jt}, E_{jt} \in \{0, 1\}, \forall j \in J, t \in T$

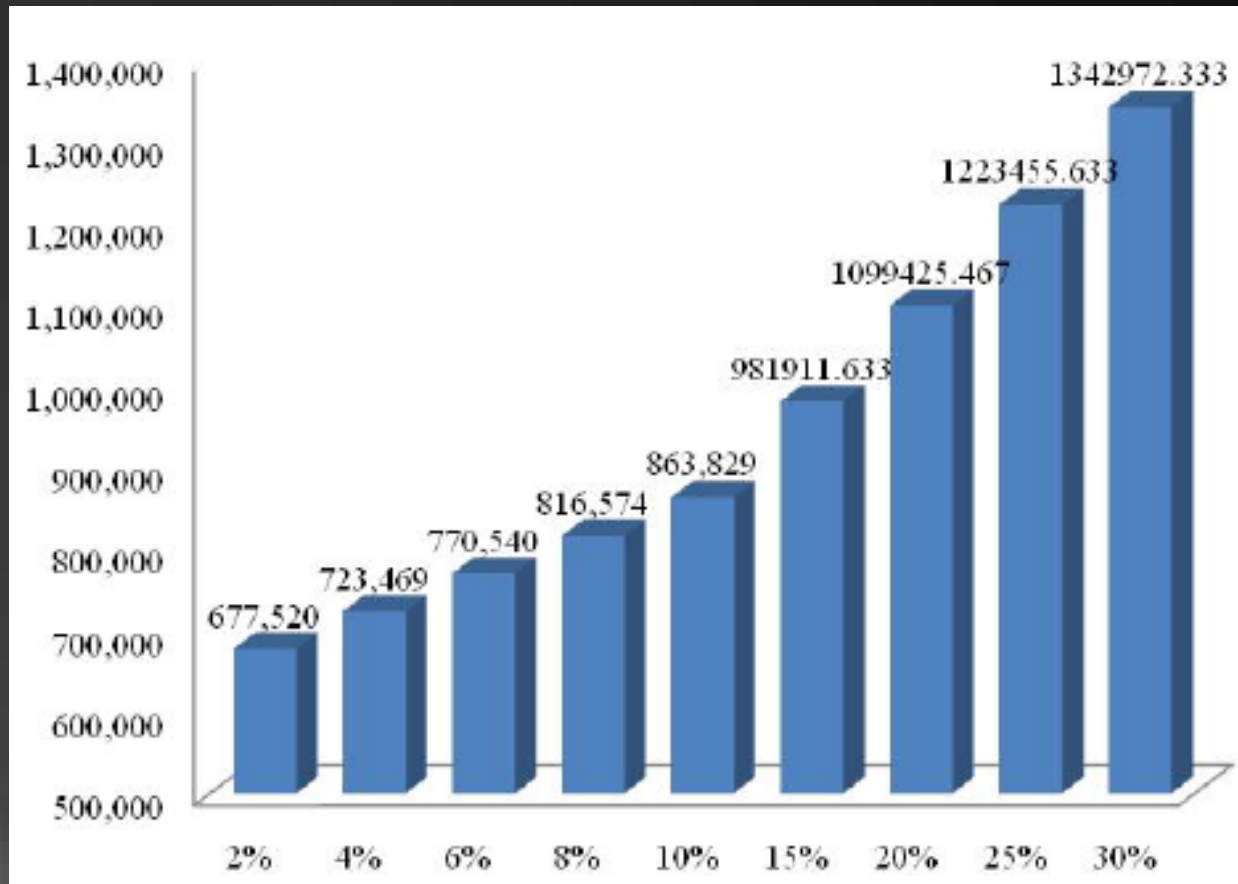


# Modeling Forward and Reverse Logistics Operations for 3PL

Return rate (%)	Total cost with hybrid facility (\$)	Total cost without hybrid facility (\$)	Cost savings (\$)
2.0	677,520	683,623	6,103
4.0	723,470	731,216	7,747
6.0	770,540	778,867	8,327
8.0	816,574	826,460	9,885
10.0	863,829	874,469	10,640
15.0	981,912	994,036	12,125
20.0	1,099,425	1,113,325	13,899
25.0	1,223,456	1,232,954	9,499
30.0	1,342,972	1,352,181	9,208



# Modeling Forward and Reverse Logistics Operations for 3PL

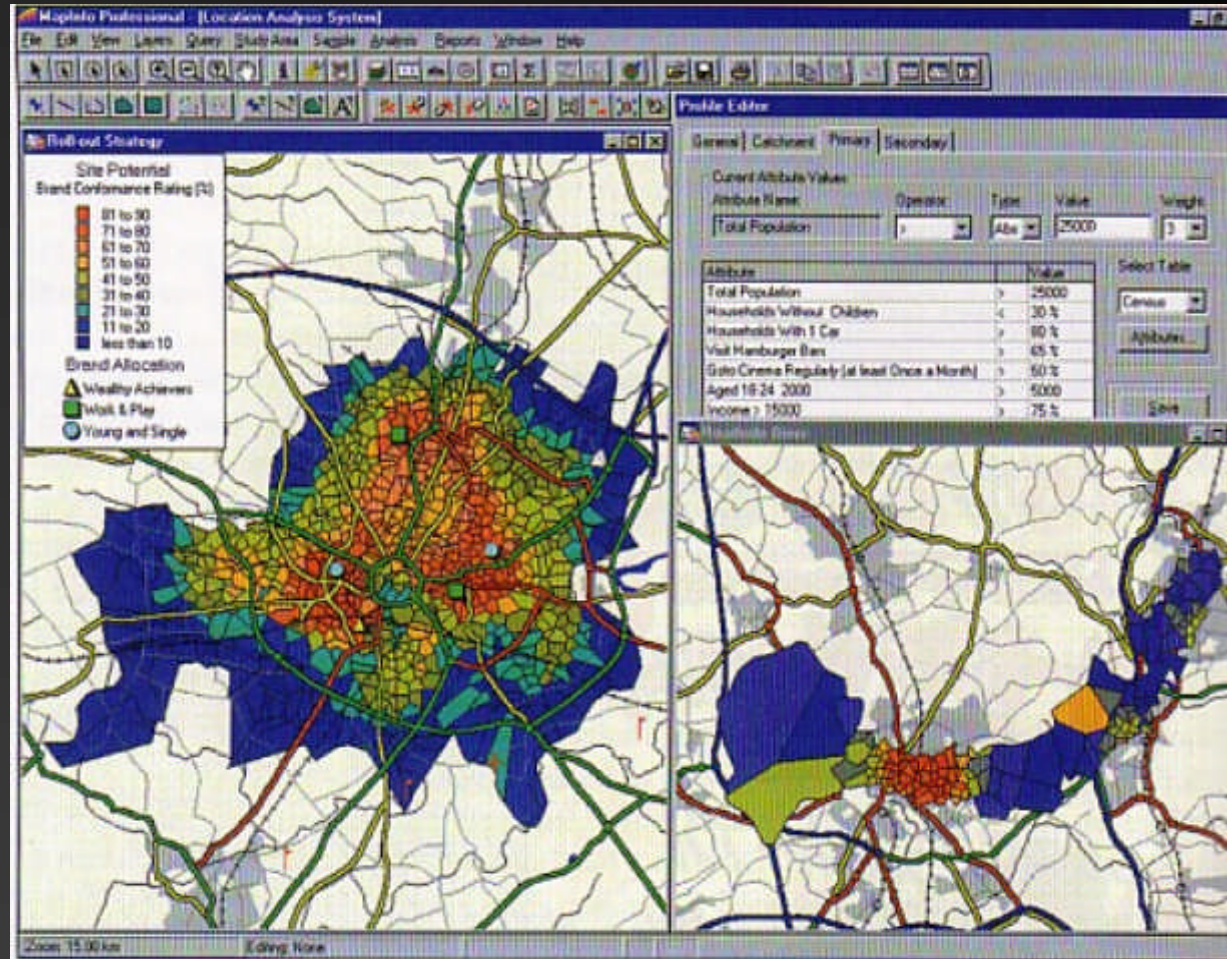
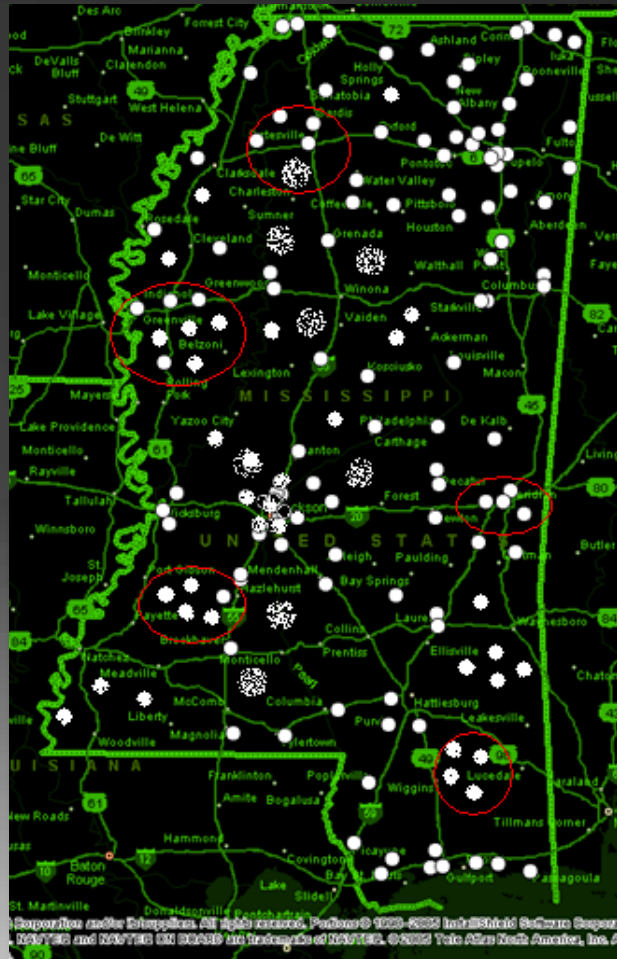


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# Locating Clusters/Hubs/Intermodal Facilities



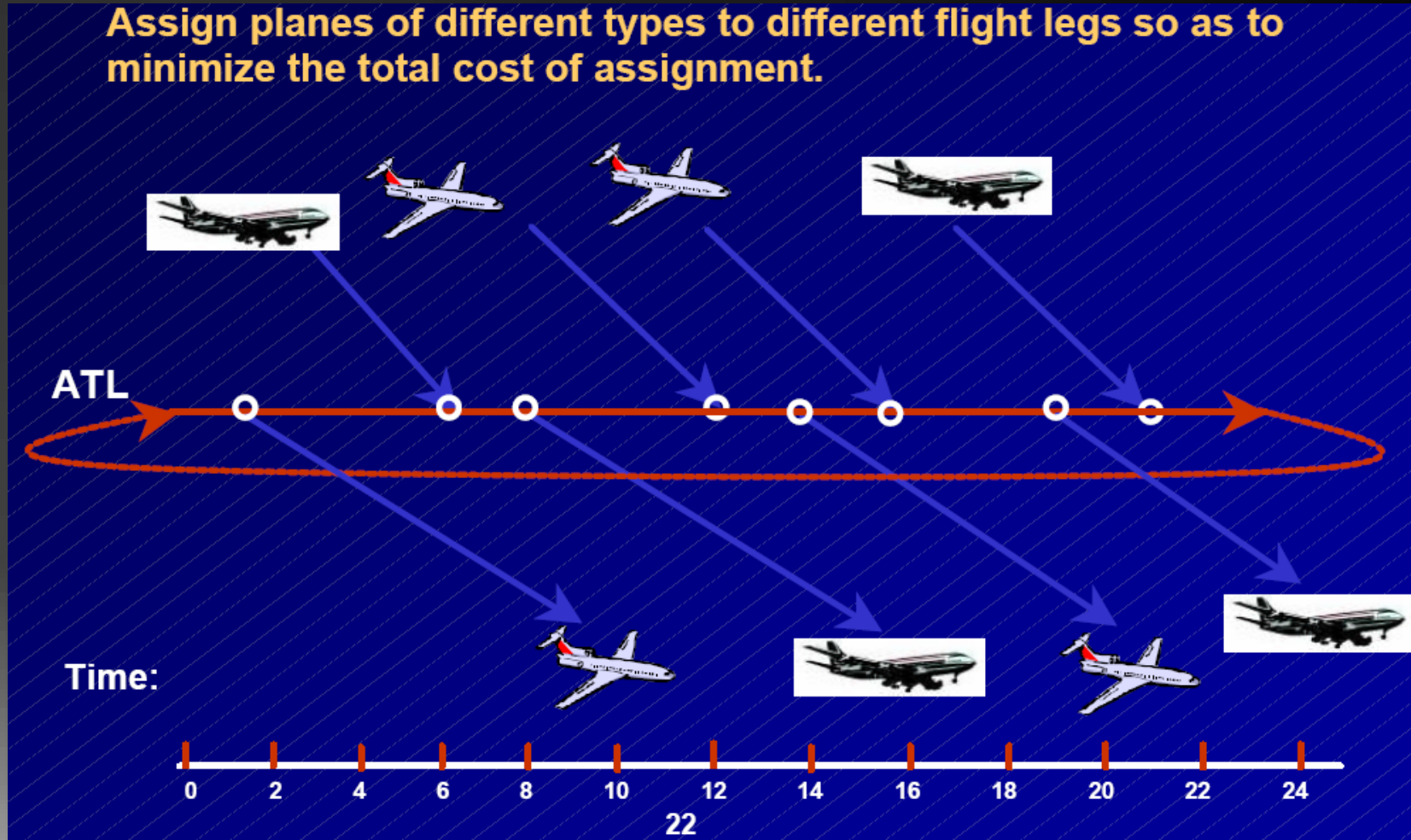
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# Network Optimization in Transportation Scheduling

Assign planes of different types to different flight legs so as to minimize the total cost of assignment.



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# Network Optimization in Transportation Scheduling

**Inbound Flights at Atlanta:**

		<b>City</b>	<b>Flight #:</b>	<b>Stops</b>	<b>Plane type</b>
		↓	↓	↓	↓
<b>6:00 AM</b>	<b>8:05 AM</b>	<b>Boston</b>	<b>709</b>	<b>0</b>	<b>???</b>
<b>6:30 AM</b>	<b>8:39 AM</b>	<b>JFK</b>	<b>538</b>	<b>0</b>	<b>???</b>
<b>12:25 PM</b>	<b>4:27 PM</b>	<b>DC</b>	<b>746</b>	<b>0</b>	<b>???</b>
<b>2:25 PM</b>	<b>6:13 PM</b>	<b>Philly</b>	<b>646</b>	<b>0</b>	<b>???</b>

**Outbound Flights at Atlanta:**

<b>6:00 AM</b>	<b>8:05 AM</b>	<b>Houston</b>	<b>657</b>	<b>0</b>	<b>???</b>
<b>6:30 AM</b>	<b>8:39 AM</b>	<b>Austin</b>	<b>987</b>	<b>0</b>	<b>???</b>
<b>12:25 PM</b>	<b>4:27 PM</b>	<b>Dallas</b>	<b>564</b>	<b>0</b>	<b>???</b>
<b>2:25 PM</b>	<b>6:13 PM</b>	<b>Phoenix</b>	<b>367</b>	<b>0</b>	<b>???</b>



# Network Optimization in Transportation Scheduling

## Inbound Flights at Atlanta:

		City	Flight #:	Stops	Plane type
6:00 AM	8:05 AM	Boston	709	0	M80
6:30 AM	8:39 AM	JFK	538	0	757
12:25 PM	4:27 PM	DC	746	0	M80
2:25 PM	6:13 PM	Philly	646	0	757

## Outbound Flights at Atlanta:

9:30 AM	11:45 AM	Houston	657	0	757
9:05 AM	11:00 AM	Austin	987	0	M80
7:00 PM	9:30 PM	Dallas	564	0	757
5:30 PM	7:45 PM	Phoenix	367	0	M80



# Network Optimization in Transportation Scheduling

<b>6:00 AM</b>	<b>11:00 AM</b>	<b>Boston</b>	<b>Austin</b>	<b>709/987</b>	<b>1</b>	<b>M80</b>
<b>6:30 AM</b>	<b>11:45 AM</b>	<b>JFK</b>	<b>Houston</b>	<b>538/657</b>	<b>1</b>	<b>757</b>
<b>12:25 PM</b>	<b>7:45 PM</b>	<b>DC</b>	<b>Phoenix</b>	<b>746/367</b>	<b>1</b>	<b>M80</b>
<b>2:25 PM</b>	<b>9:30 PM</b>	<b>Philly</b>	<b>Dallas</b>	<b>646/564</b>	<b>1</b>	<b>757</b>



# Thanks



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