

Decision support for operational harvest planning



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Background to project

- Part of the FlexWood project
 - Skogforsk
 - Logica (CGI)
 - Korsnäs (BillerudKorsnäs)
- Then: model development and testing
- Now: model adjustment, testing and implementation



FlexWood
Flexible Wood Supply Chain

CGI



BILLERUDKORSNÄS

















Model for operational harvest planning

- Create schedules for harvesting crews
- Create delivery plans ensuring
 - Right amount and assortment, in time, to the right cost
- Optimization model
 - Minimizing costs
 - Maximizing revenues
- Include reality
- Only model, no graphical user interface

$$\min z = z_{production} + z_{traveling} + z_{moving} + z_{transport} + z_{inventory}$$

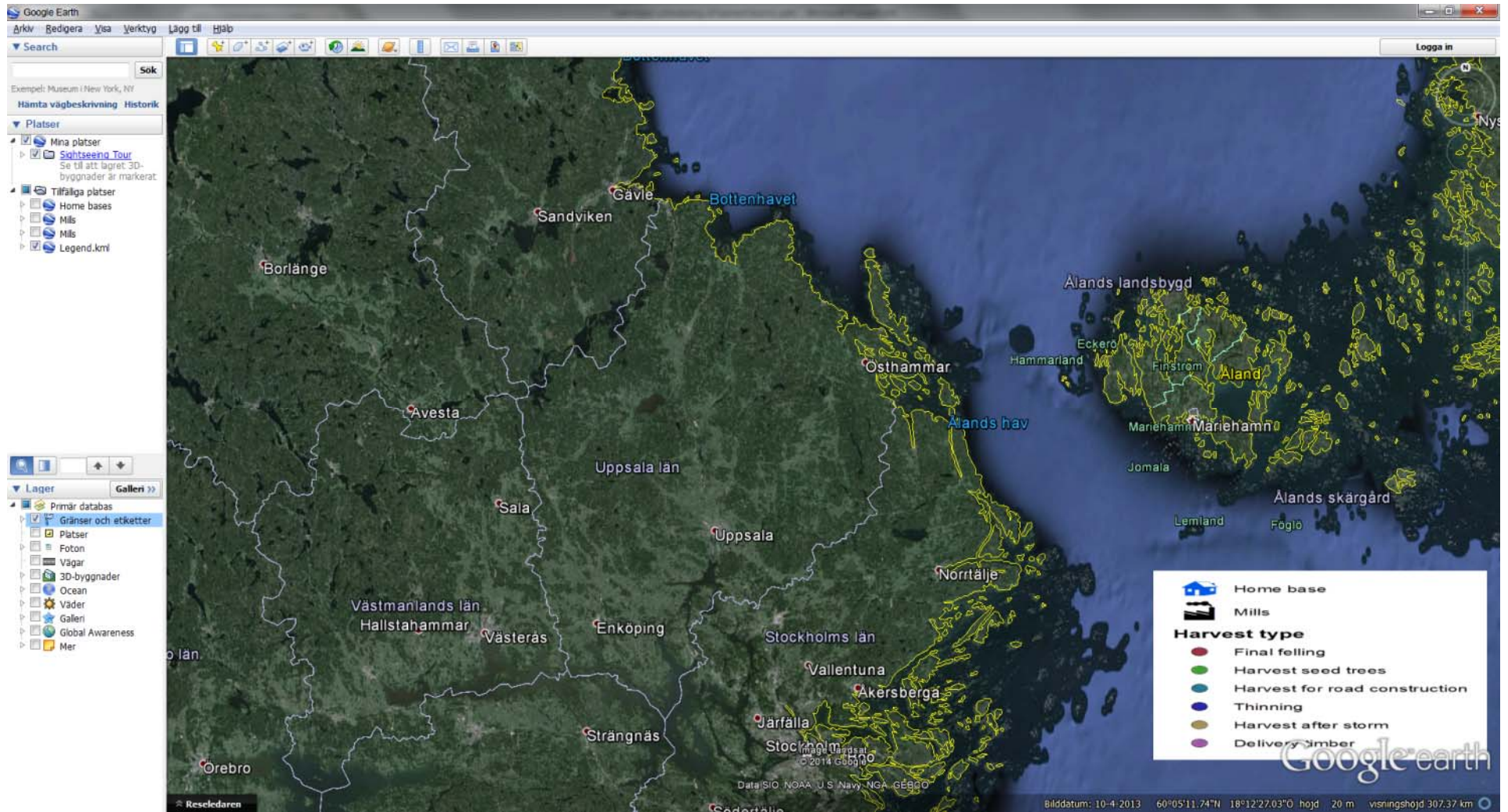
$$\text{s.t.} \quad \sum_{m \in M_i} \sum_{t \in T} y_{mit} = 1, \quad i \in I \quad (1)$$

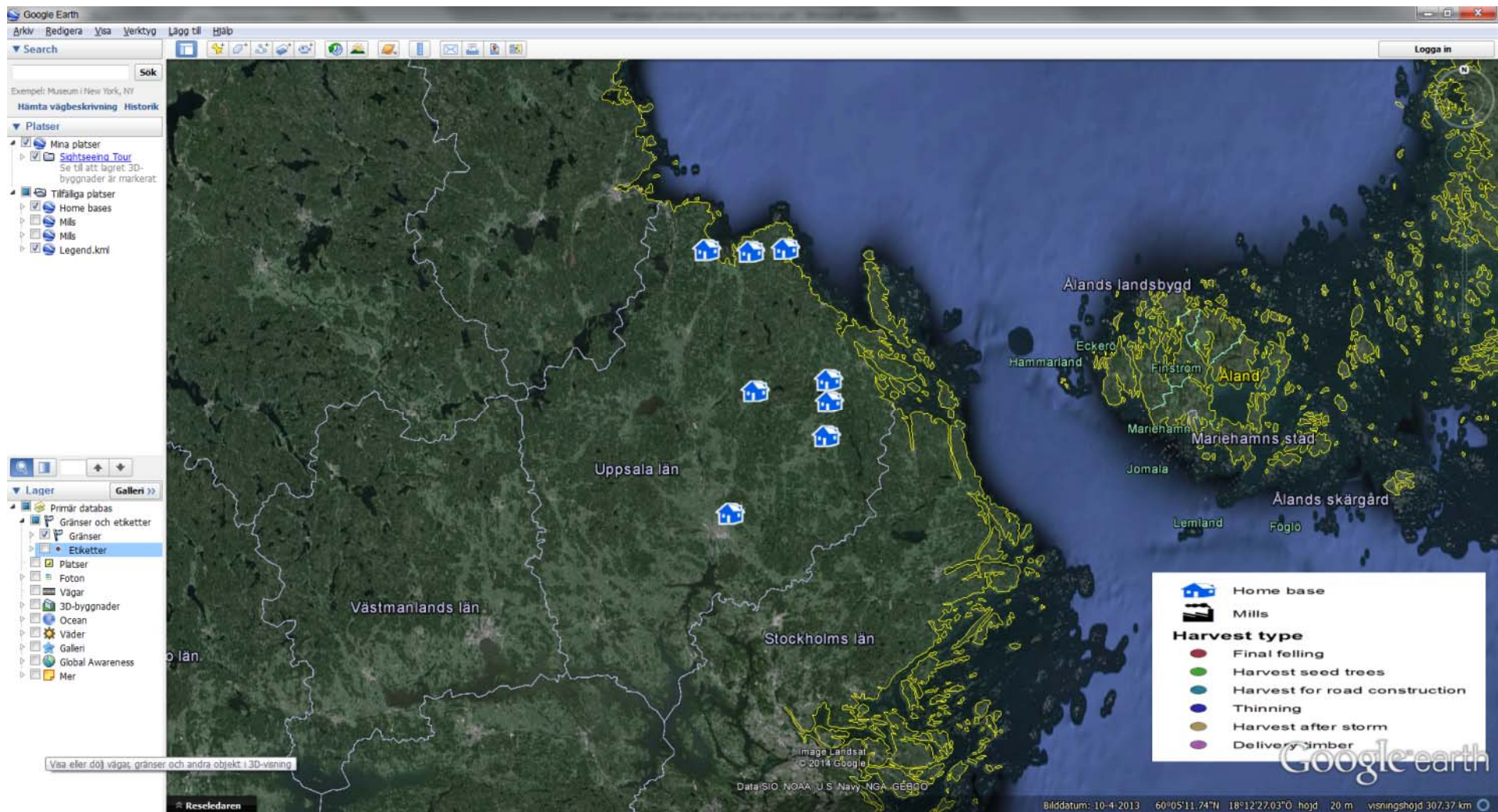
$$\sum_{i \in I_M} \sum_{t' \in (t - n_{mi} + 1) \dots t} y_{mit'} \leq 1, \quad m \in M, t \in T_B \quad (1b)$$

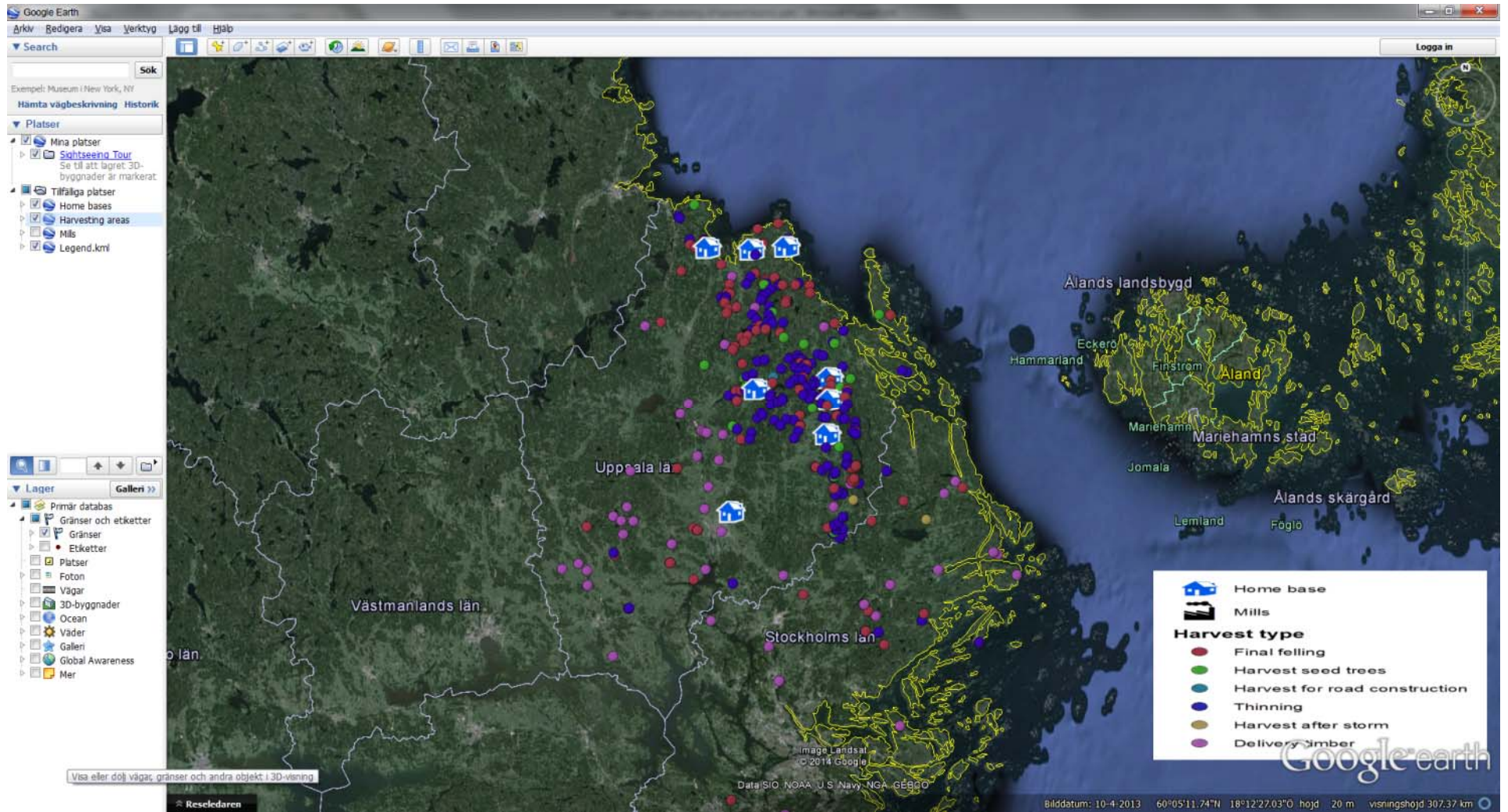
$$\sum_{i \in I} \sum_{t' \in (t - n_{mi} + 1) \dots t} t' \cdot u_{mit'} - \sum_{i \in I} v_{mi0} < \sum_{i \in I} t' \dots \quad m \in M \quad (1c)$$

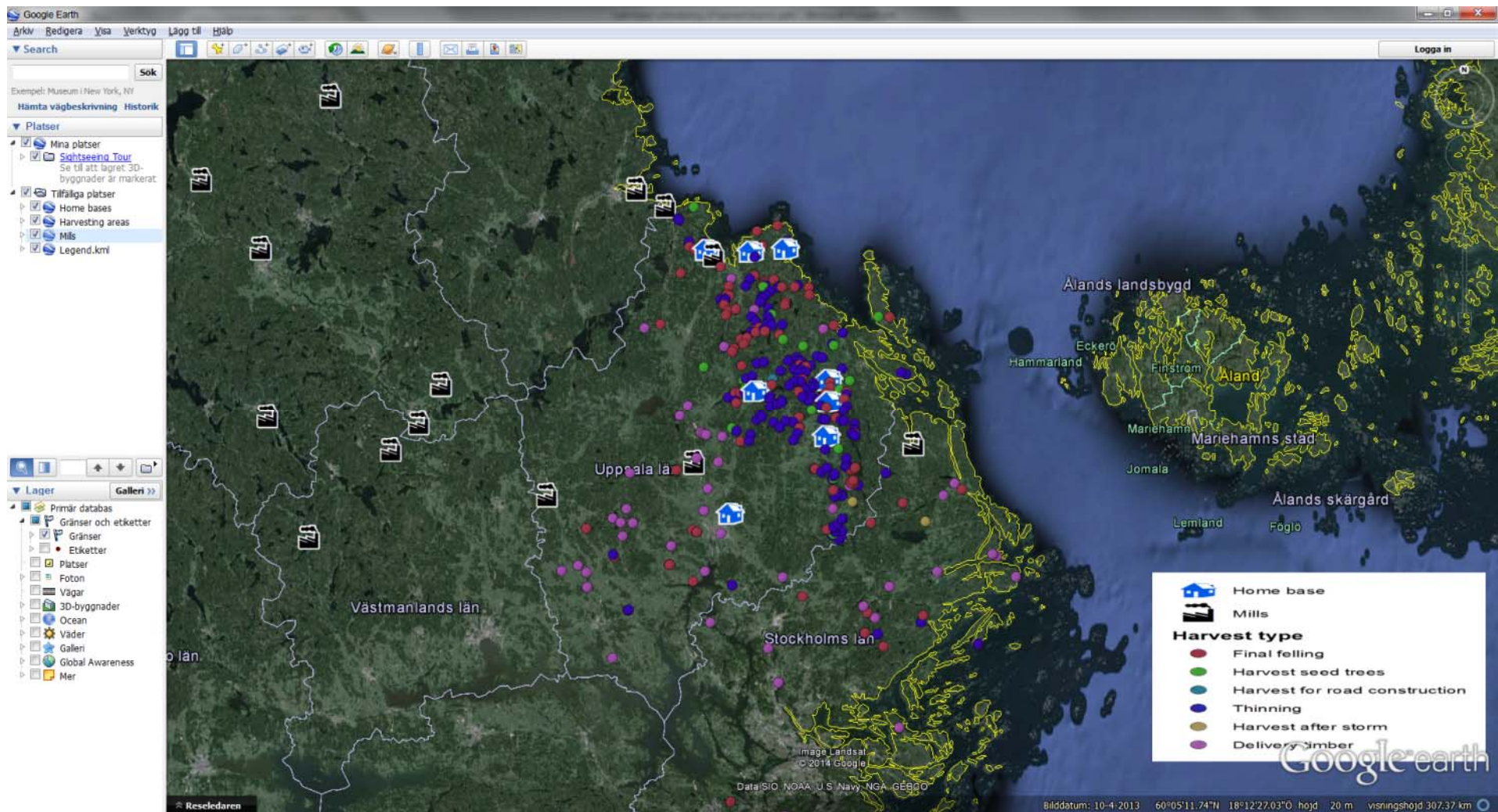
What is reality?

- Harvesting managers at forest companies
- Large areas with a large number of alternative stands
- 8-15 harvesting teams
 - Small, medium and large sized machines
 - Home bases and preferred working areas
- Short and long term planning
- Weekly delivery plans
- Choice of bucking pattern/ price lists
- Rain and thawing periods
 - Variation in accessibility
- Unforeseen happenings
 - Need of fast re-planning









Decisions

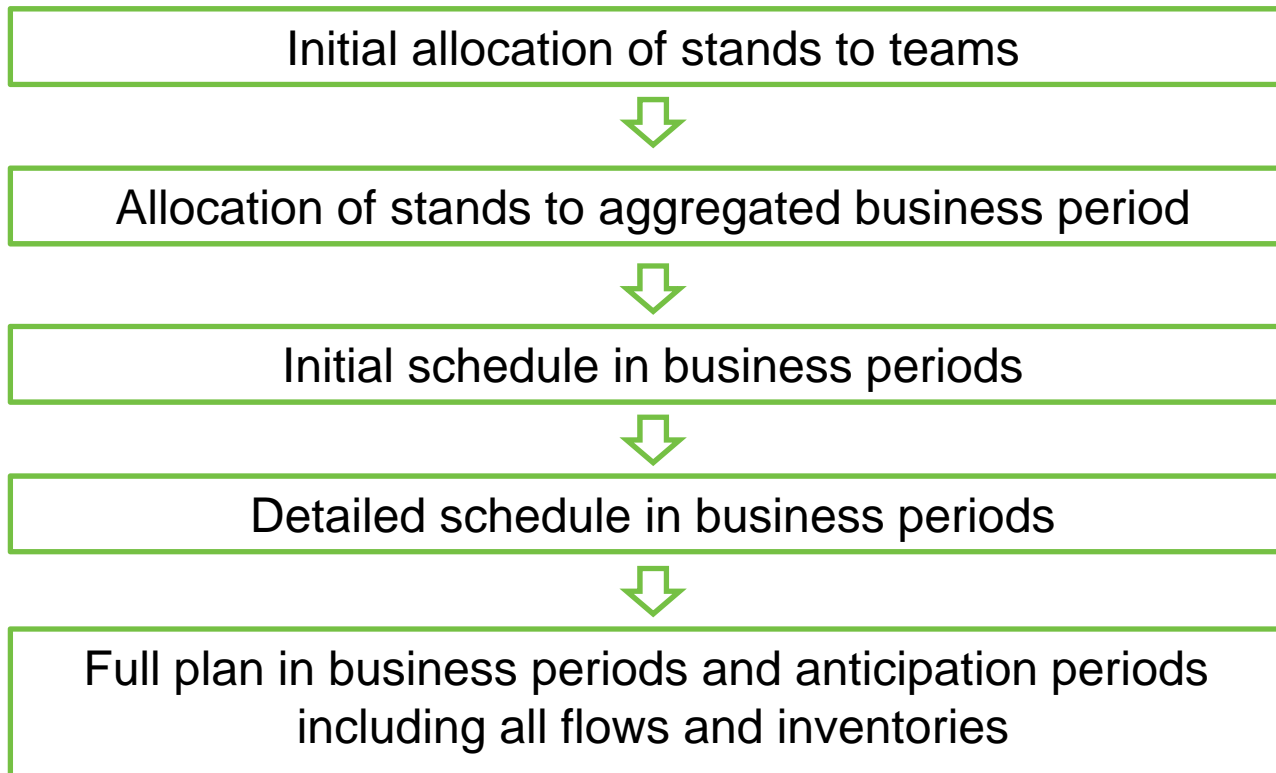
- Which stands to harvest and when
- Which bucking pattern/ price list to use
- By which team
- Where and when to deliver
- How to control inventory

Our model

- Objective to minimize costs for
 - Harvesting
 - Transportation of round wood
 - Relocation of machines
 - Employee travel
- Maximize profit when delivering to customer
- Up to one year planning horizon
- Detailed plan of the first month (day by day)
 - Business period
- Then aggregated plans on monthly level
 - Anticipation periods

Our model

- A sequence of models are solved





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Our model

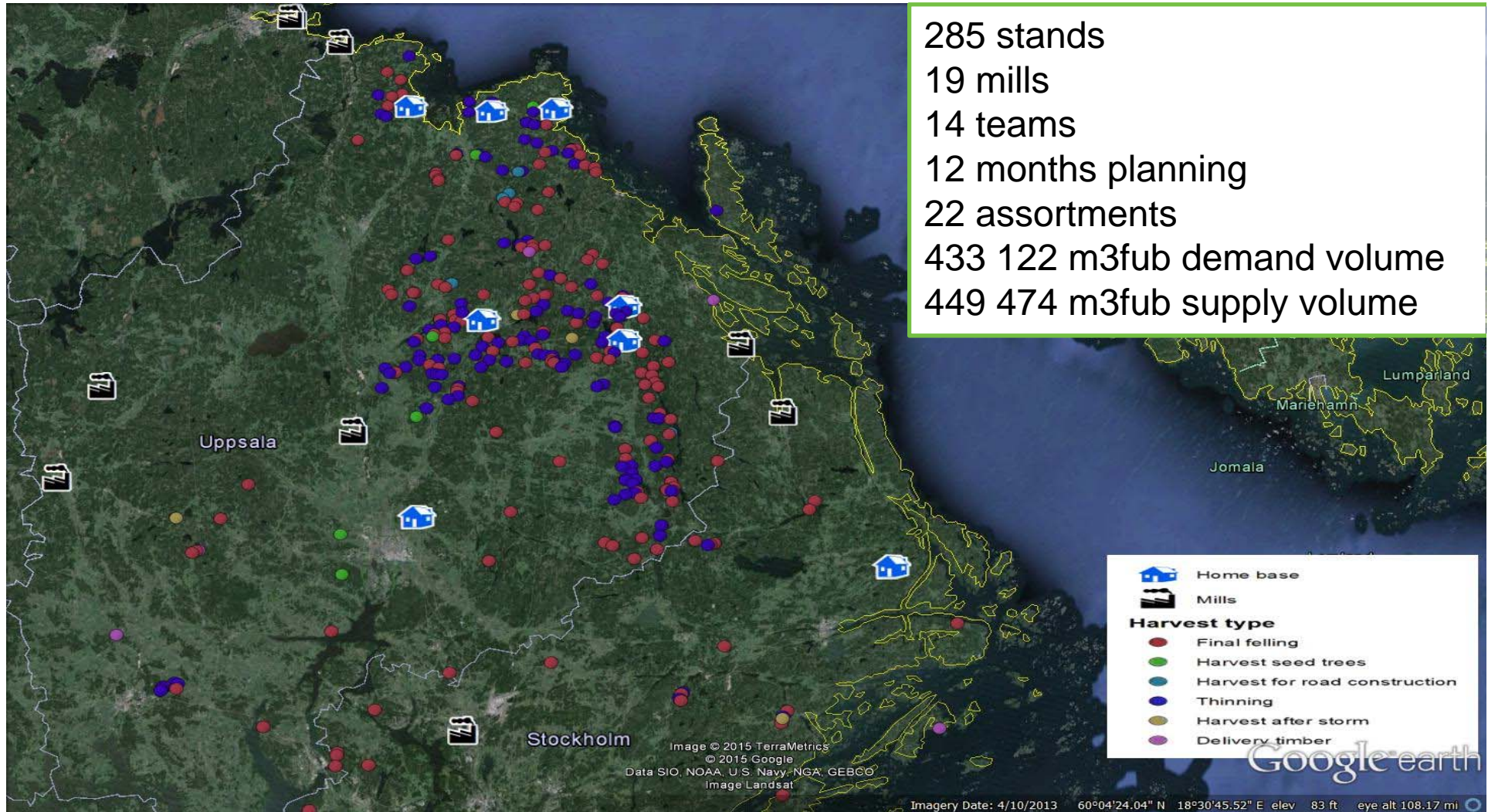
- A sequence of models are solved
- Possibility to give weights to
 - Revenue
 - Transportation cost
 - Harvesting cost
 - Relocation cost



Our model

- The result includes
 - a scheduling of all machines of the first 30 days
 - a note about what apt-file to be used in each stand
 - a description of the volumes that will be allocated to which mill
 - a summary of the costs (harvesting, relocation, transportation and other)
 - flows
 - inventories
 - summaries of how well the demand is achieved with the current solution

Case study





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Case information

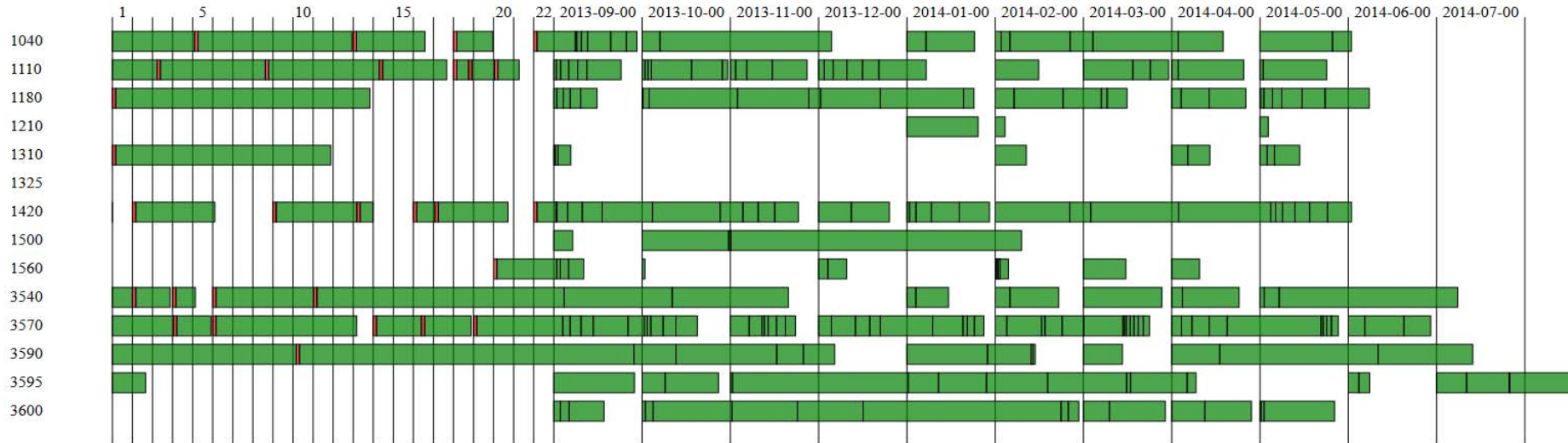
	P1	P2	P3	P4	P5
solution time	60 seconds	150 seconds	3 hours 3 seconds	3 seconds	>36 hours*
# binary variables	3 300	10 000	28 000	10	83 000
# continuous variables	300	565 000	18 000	114 000	689 000
# constraints	300	52 000	66 000	14 000	211 000

* a heuristic is applied which takes 15 seconds to solve, with 6% gap

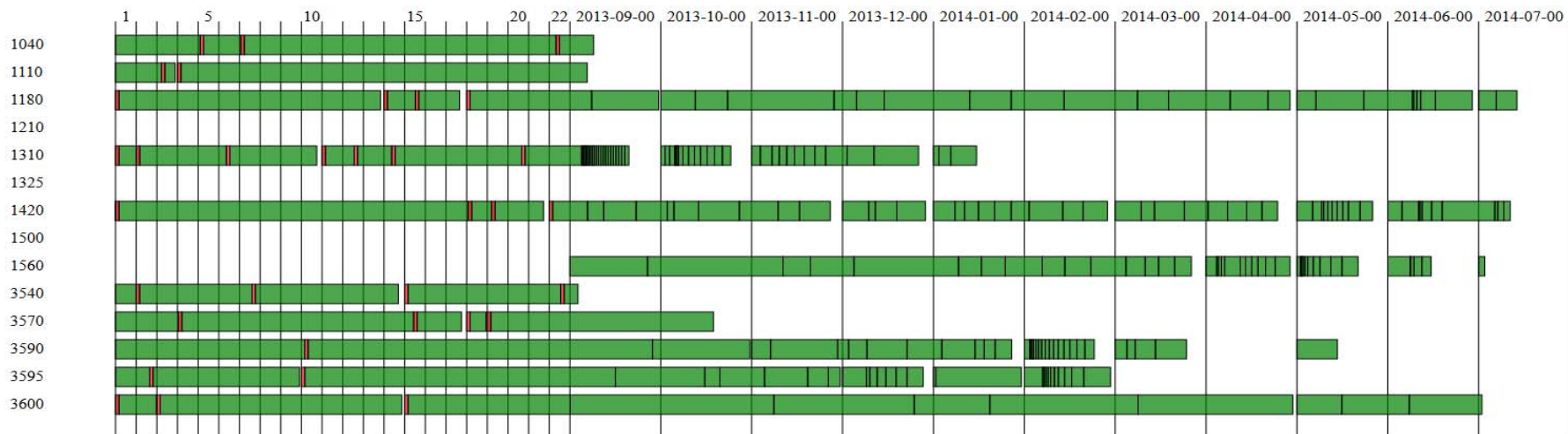
Case study



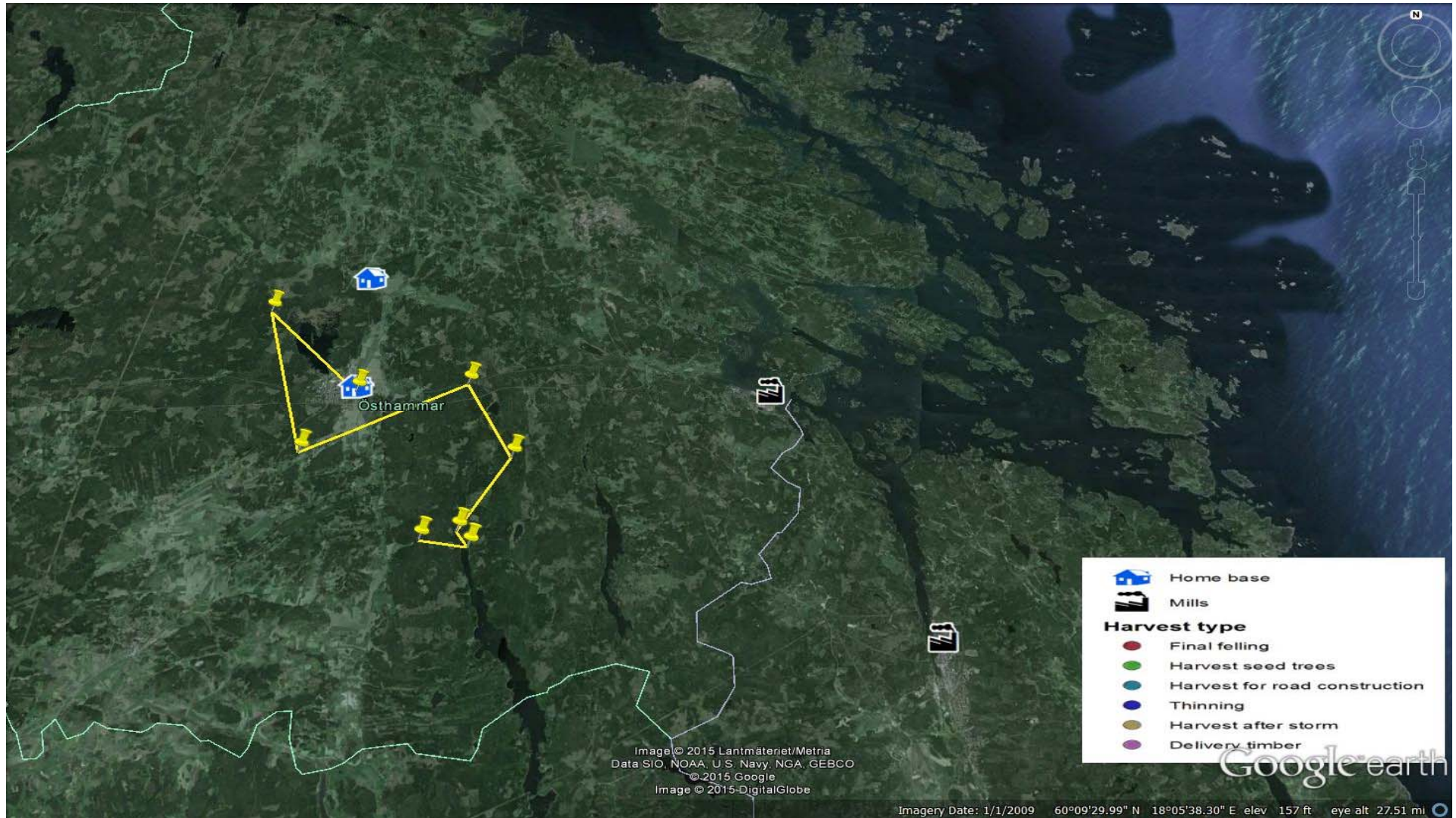
manual



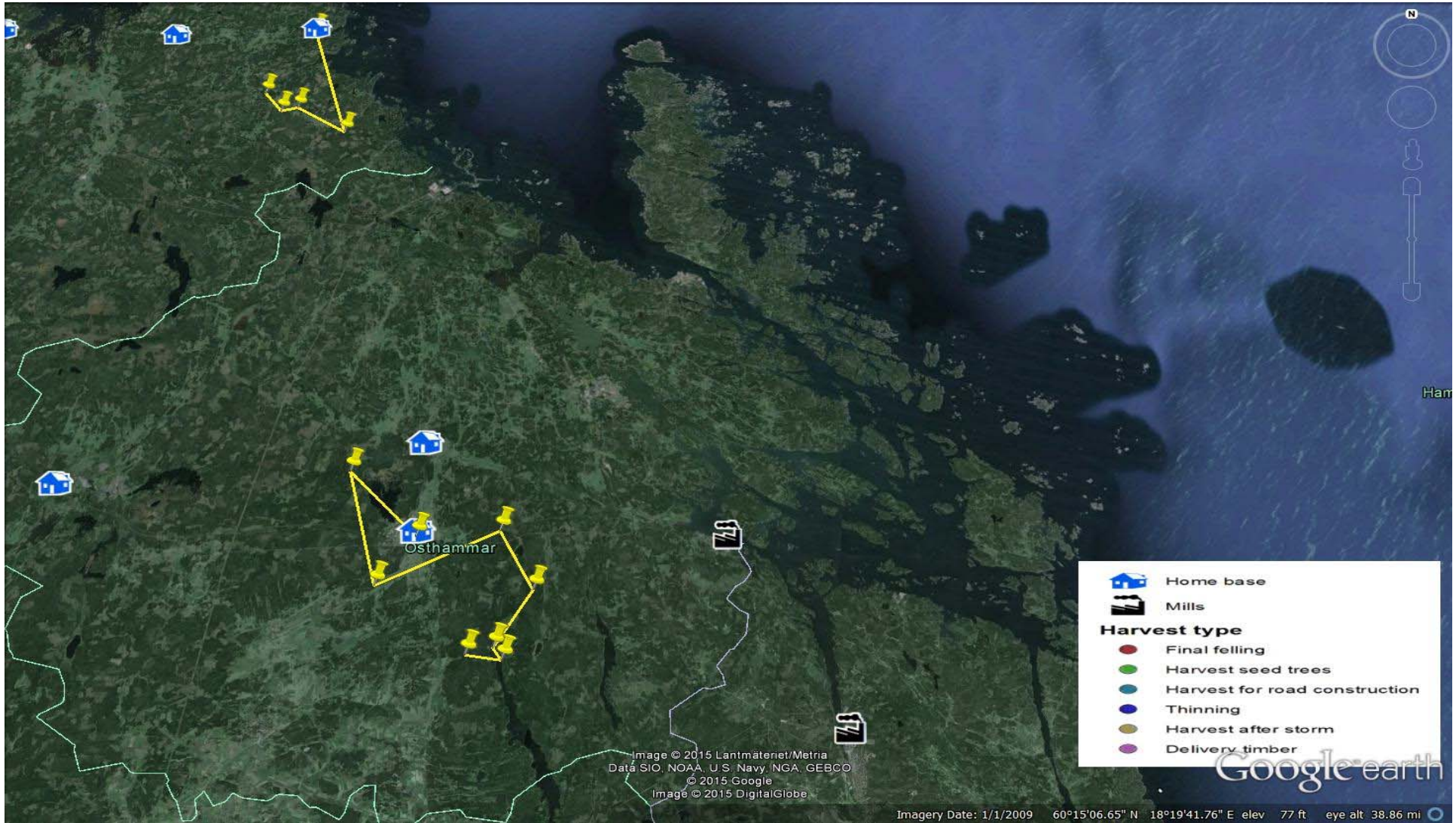
optimized



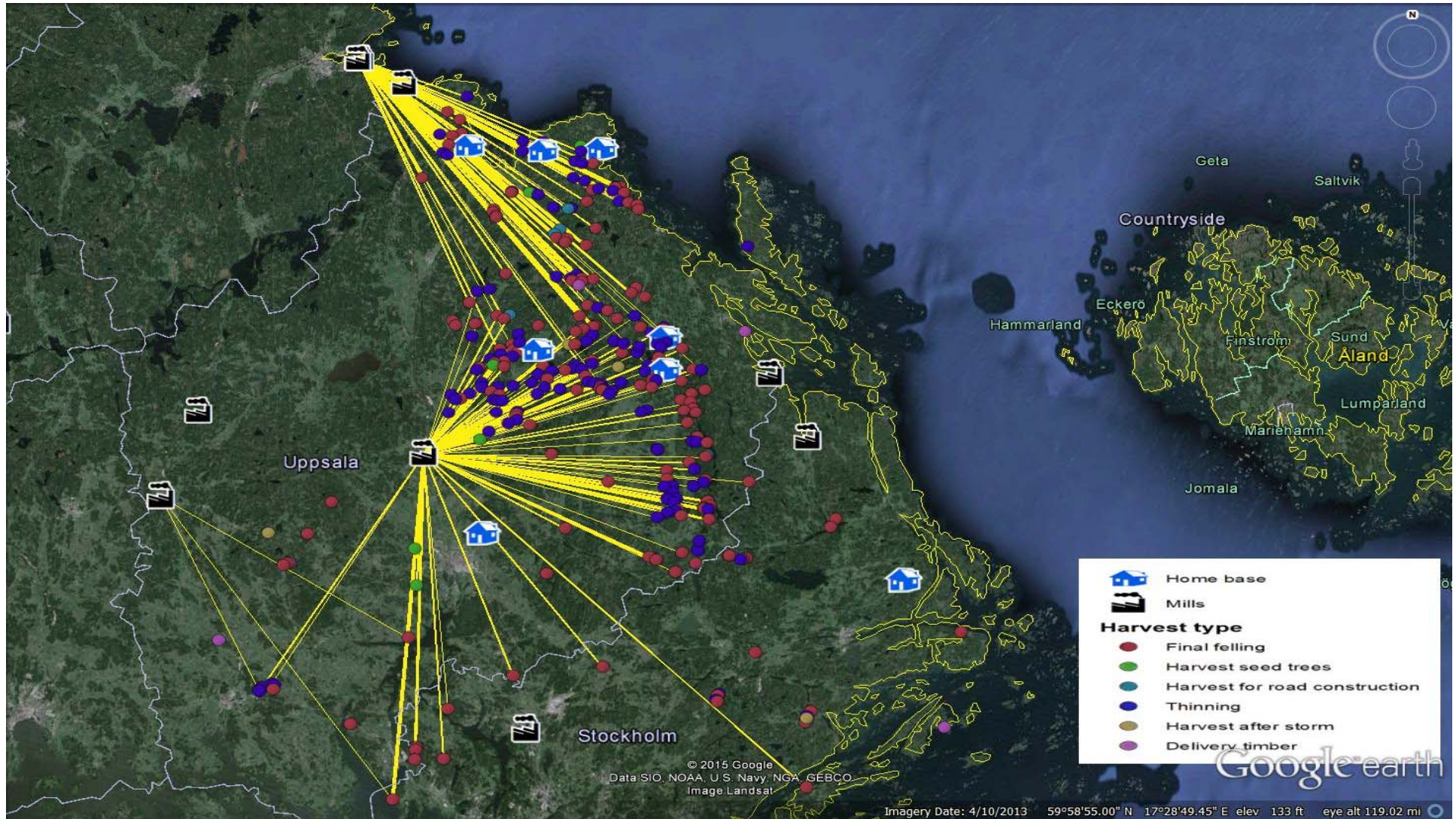
Case study



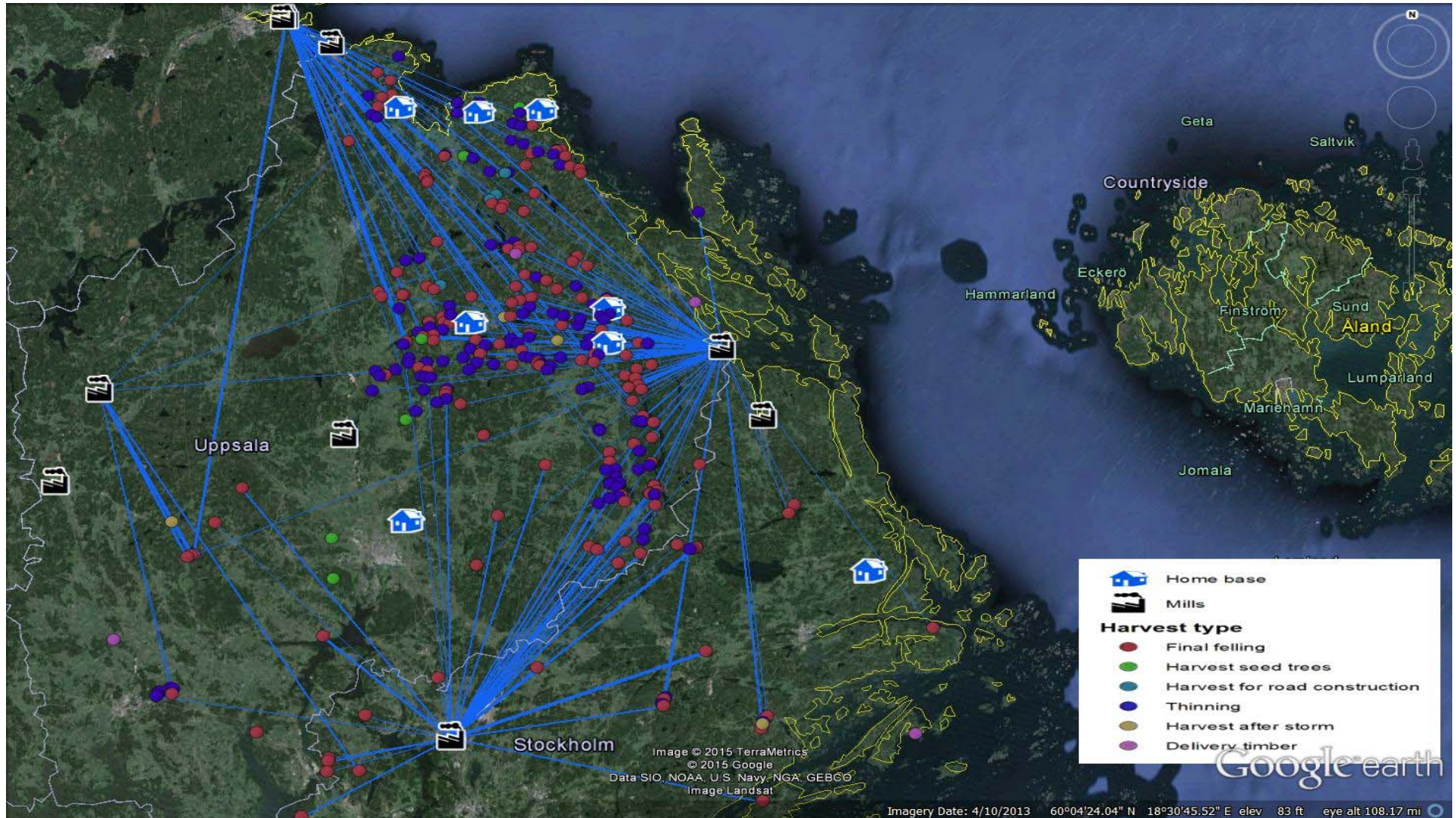
Case study



Case study



Case study



Comparison

	manual	optimized
harvester costs	1.94E+07	1.55E+07
harvester costs/m3	45.4	37.6
forwarder costs	2.14E+07	1.62E+07
forwarder costs/m3	50.2	39.3
team traveling costs (home)	5.47E+05	4.58E+05
moving costs	1.40E+06	1.54E+06
totalTransportationCosts	2.84E+07	2.86E+07
total costs	7.12E+07	6.24E+07

Project status and future work

- Testing on real case data together with BillerudKorsnäs and CGI
- Model adjustments
- Managing data quality with respect to e.g. productivity functions
- Connecting the model to VSOP (CGI harvest planning software)
- Discussions with other forest companies and software suppliers
- General model and defined data specifications

Questions?

