Innovative application of Dantzig's North – West Corner Rule to solve a transportation problem

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Abstract

The North – West Corner Rule for obtaining an initial basic feasible solution to a transportation problem disregards costs. This disregard necessarily leads to a high number of iterations to optimality.

A search for a way to incorporate costs in the use of the North-West Corner Rule led to experimenting with the creation of a north-west south-east low cost broad band orientation in the transportation cost matrix. The transformed table was tested by applying the North-West Corner Rule on it. The findings were very encouraging though not conclusive because of the small sample size. Practitioners may want to adopt this innovation to confirm its effectiveness.

Key words: basic, feasible, initial, innovative, optimal, solution.

1. Introduction

In its simplest form the transportation problem is that of determining the least cost schedule of transporting a homogenous commodity from m sources to n destinations. Manually, the problem is solved in two stages. First an initial basic feasible solution is obtained. In the second stage some iterations are

performed until an optimal schedule is achieved. With a few exceptions the various manual methods for solving the problem differ in the way the initial basic feasible solution is obtained. The computations towards optimality use the same method.

Currently the North-West Corner Rule for obtaining the initial solution is the least efficient method; the method leads to a relatively very high number of iterations to optimality. In this paper an innovative method for applying the North-West Corner Rule is introduced and its impact on the efficiency of the method is tested.

2. Literature Review

The transportation problem was first stated by Hitchcock (1941). The solution to this problem was first offered by George B. Dantzig and published in Koopman's (1951) monograph 13. The procedure that Dantzig used to obtain an initial basic feasible solution was later termed the North-West Corner Rule by Charmes and Cooper (1954 to 1955). Dantzig's initial solution ignored costs. But he developed an iterative procedure for computing the optimal solution which is still in use today. He considered that the optimal solution would be obtained in at most *m* + *n* – *1* iterations where m is the number of sources and n is the number of destinations.

Several practitioners have developed alternative methods for determining an initial basic feasible solution which takes costs into account. Their methods are considered in this article. The most popular of these are the methods by Vogel (1958) and Russell (1961). These two methods as well as the other methods that will be applied in this article use Dantzig's procedure to move the solution to optimality.

Assume that *m* sources have a_i units of a homogenous commodity that is to be transported to n destinations which require $b_j^{}$ units of the commodity. Let $c_{ij}^{}$ be the unit cost of transporting a commodity from source *i* to destination *j*, and let x_{ij} units be associated with the cost c_{ij} . Then the total cost of transporting x_{ij} units from source *i* to destination *j* is $c_{ij}x_{ij}$. The cost of transporting the entire commodity is to be minimized. The problem formulation is the following.

Minimize
$$
\sum_{i=1}^{m} \sum_{j=1}^{n} c_{ij} x_{ij}
$$

such that $\sum_{j=1}^{n} x_{ij} = a_i$, $i = 1, 2, ..., m$, (1)

$$
\sum_{i=1}^{m} x_{ij} = b_j, \quad j = 1, 2, ..., n,
$$
 (2)

and
$$
x_{ij} \geq 0. \tag{3}
$$

Generally this problem has a solution If

$$
\sum_{i=1}^{m} \sum_{j=1}^{n} x_{ij} = \sum_{j=1}^{n} \sum_{i=1}^{m} x_{ij},
$$
\n(4)

that is, if
$$
\sum_{i=1}^{m} a_i = \sum_{j=1}^{n} b_j
$$
 (5)

The problem can be solved as a linear programming problem with $m + n$ equations in mn variables. If we add up the n equations in (2) and subtract the sum of any *m* – *1* equations in (1) we get a result that equals the remaining equation in (1). This means that this one remaining equation is redundant in the system of *m*+*n* equations and so can be eliminated. Therefore we have only *m*+*n* - *1* independent equations in mn unknowns. Solving these equations algebraically would give us at most $m+n-1$ positive values x_{ij} together with at least *mn* - (*m*+*n* - 1) value $x_{ii} = 0$.

The transportation problem is solved in two stages. First, an initial basic feasible solution is obtained using any of the methods described below. In the second stage at least one optimality test is conducted. If the current solution is not optimal a computation that improves the solution is done. This procedure is repeated until an optimal solution is obtained.

The methods for finding an initial basic feasible solution are well documented. They are summarized below. Before any method is applied the problem is reduced to a rectangular array of m by n unit costs $\,c_{ij},$ a right margin column of supplies $\,_a\!$ and a bottom margin row of demands $\,b\!$.

Using the North-West Corner Rule method, an amount x_{11} units of the commodity is allocated at cell (1,1) in such a way that a_1 is exhausted or b_1 is exhausted. If $x_{11} = a_1$, row 1 is crossed and an allocation of an amount $x_{21} = \min(a_2, b_1 - a_1)$ is made at cell (2,1). If $x_{11} = b_1$ column 1 is crossed and an allocation of an amount $x_{12} = \min(a_1 - b_1, b_2)$ is made at cell (1,2). If $x_{11} = a_1 = b_1$, either the row or the column is crossed and a reduced demand or supply of 0 is entered in the margin of the uncrossed column or row. Thus $a_1 - b_1$ or $b_1 - a_1$ may be 0. Subsequent allocations are made using the same logic. The last allocation is made at cell (m, n) . Altogether there will be $m + n - 1$ {= $(m - 1) + n$ or $m + (n - 1)$ } allocations.

Using Vogel's approximation method, for each row and each column of the table the difference between the lowest cost and the next lowest cost is computed and recorded under a penalty column or penalty row in the margins. Then in the row or column with the highest penalty an allocation of x_{ij} units of the commodity is placed in the cell which has the lowest cost c_{ij} where x_{ij} exhausts a_i supply or b_j demand. If a_i units are exhausted row *i* is crossed. Demand b_j is reduced to $b_j - a_i$ and column penalties are updated. If b_j units are exhausted column *j* is crossed. Demand a_i is reduced to $a_i - b_j$ and row penalties are updated. Ties are broken arbitrarily. The process is repeated until the allocation process is complete.

Using Russell's approximation method, for each row the highest cost c_{ij} is identified and recorded on the right margin under \bar{u}_i . For each column the highest cost c_{ij} is identified and recorded on the bottom margin under \overline{v}_j . Then for each cell (i,j) , $\overline{u}_i + \overline{v}_j - c_{ij}$ is computed and the result entered in cell (*i,j*) and encircled. After the process is completed, an allocation x_{ij} of the commodity is made in the cell with the highest encircled value. If $x_{ij} = a_i$ row *i* is crossed, the demand b_j is reduced to $b_j - a_i$, the highest remaining c_{ij} in each column is identified and v_j 's updated. If instead $x_{ij} = b_j$ is allocated to cell (*i*, *j*), column *j* is crossed, a_i is reduced to $a_i - b_j$, the highest remaining c_{ij} in each row is identified and u_i 's updated. Ties are broken arbitrarily. The process is repeated until the allocation process is completed.

Using the Least Cost (also called Matrix Minima) method the smallest c_{ij} in the table is identified and an amount x_{ij} allocated at cell (*i,j*) If $x_{ij}=a_i$, row *i* is crossed and b_j is reduced to b_j-a_i . If instead $x_{ij}=b_j$ column *j* is crossed and a_i reduced to $a_i - b_j$. Ties are broken arbitrarily. The smallest remaining c_{ij} is identified and the process repeated until the allocation process is complete.

In the Row Minima method, the smallest cost c_{1j} in row 1 determined and an allocation x_{ij} made at cell (*1*,*j*). If $x_{1j} = a_1$, the first row is crossed, demand b_j is reduced to $b_j - a_1$ and row 2 considered. If $x_{1j} = b_j$, column *j* is crossed and a_j is reduced to $a_j - b_j$. In this case the remaining lowest cost c_{1j} is identified and an allocation made at the corresponding cell. Ties are broken arbitrarily. The process is continued until all the allocations are made.

In the Column Minima method, the smallest cost $\,c_{i1}$ is identified and an amount $\,x_{i1}$ allocated to cell (*i*,*1*). If $x_{i1} = a_i$, row *i* is crossed and b_1 reduced to $b_1 - a_i$. Column 1 is reconsidered and the process is repeated with the remaining columns. If instead $x_{i1} = b_1$, column 1 is crossed and a_i reduced to $a_i - b_1$. In this case the smallest remaining cost c_{i2} is identified and an allocation made at cell (*i*,2). Ties are broken arbitrarily. The process is continued until the allocation is complete.

The above methods for obtaining an initial basic feasible solution have been summarized from Gass, S.I. (2010), Gupta and Man Mohan (1974), Hillier and Lieberman (1995), Imam et. al. (2009) and Taha (2008). The procedure for computations to optimality is the same; therefore it is not being considered here.

Since the North-West Corner Rule method disregards the costs c_{ii} : its initial solution has a high cost. Consequently, the number of iterations to optimality is usually high. Vogel's and Russell's approximation methods provide the least number of iterations to optimality. For these two methods sometimes the initial basic feasible solution is optimal.

Many articles have been published in which Vogel's approximation method has been investigated for improvement. These include articles by Shimshak, Kaslik and Barclay (1981), Mathirajan and Meenaksli (2004), and Korukoglin and Balli (2011). However ways of improving the efficiency of the North-West Corner Rule method by considering costs have not been reported.

3. Materials and Methods

Four sample transportation problems were selected at random from Gupta and Man Mohan, Hillier and Lieberman, and Taha. The costs c_{ij} , supplies a_i demands b_i are given in tables 1a, 2a, 3a, and 4a. Using these tables, the North-West Corner Rule, Vogel's approximation, Russell's approximation, Least Cost, Row Minima, and Column Minima methods were used to find the initial basic feasible solution. Next, tables 1a, 2a, 3a, and 4a were innovatively transformed to tables 1b, 2b, 3b and 4b respectively, through row or column manipulation. The manipulation was designed to create tables with low cost north-west south-east broad band orientations. The North-West Corner Rule method was then applied to test the innovation's efficiency. For each method used, optimality tests were conducted and where necessary further computations were made until optimal allocations were obtained.

4. Results and Discussion

The number of iterations to optimality for each problem and each method are shown in table 5. The table shows that innovative North - West Corner Rule method is second only to Vogel's Approximation method out of the seven methods considered. Therefore an informed and imaginative manipulation of the rows or columns of the transportation cost matrix makes the North – West Corner Rule method quite efficient.

5. **Conclusion and Recommendation**

Since the North-West Corner Rule is simple to understand and to apply, it is popular. But the large number of iteractions disadvantages it. It is recommended to intintively manipulate the rows or columns before applying the method. Many more examples should be solved to establish the superiority of the new method to the other methods apart from Vogel's.

Table 1a. Cost, supply and demand figures for sample problem 1.

Table 1b. A reproduction of table 1a figures but with columns 1 and 3 interchanged.

Table 2a. Cost, supply and demand figures for sample problem 2.

		Destination				
				3		Supply
		21	16	25	13	
Source	2	17	18	14	23	13
	3	32	27	18	41	19
	Demand 6		10	12	15	

Table 2b. A reproduction of table 2a figures but with column displacement.

Table 3a. Cost, supply and demand figures for sample problem 3.

Table 3b. A reproduction of table 3a figures but with rows 2 and 3 interchanged.

Table 4a. Cost, supply and demand figures for sample problem 4.

Figure 1. Solutions to problem 1

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Second allocation and the status Status

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Fourth allocation **Total cost** Status **Fourth allocation**

Solutions to problem 2

NWCR $\begin{array}{|l|c|c|c|c|c|c|c|}\n\hline\nx_{11} = 3 & x_{14} = 8 & x_{21} = 3 & x_{22} = 10 & x_{33} = 12 & x_{34} = 7 & 901 & not optimal\n\end{array}$ LC/RM $x_{14} = 11$ $x_{12} = 6$ $x_{23} = 3$ $x_{24} = 4$ $x_{32} = 10$ $x_{33} = 9$ 811 not optimal CM $x_{14} = 11$ $x_{21} = 6$ $x_{22} = 7$ $x_{32} = 3$ $x_{33} = 12$ $x_{34} = 4$ 832 not optimal

Fourth allocation **Fourth allocation Fourth allocation Total cost** Status

Second allocation and the second allocation and the second allocation and the second status second status second status

Third allocation **Third allocation** Third allocation **The Status** Total cost Status

Initial allocation **Initial allocation** Total cost Status

9

Solutions to problem 3

Second allocation and the second allocation of the second allocation and the second status status status status

Third allocation **Third allocation** Third allocation

Sixth allocation and the status of the Status Status

Total cost Status

Fourth allocation **Fourth allocation Total cost** Status

Total cost Status

Solutions to problem 4

Initial allocation Total cost Status Cost Status Cost Status Cost Status Cost Status

Second allocation Total cost Status

Third allocation **Third allocation Third allocation**

CM $\vert x_{11} = 10 \vert x_{13} = 10 \vert x_{15} = 4 \vert x_{24} = 2 \vert x_{25} = 16 \vert x_{32} = 20 \vert x_{35} = 0 \vert x_{44} = 16 \vert 324 \vert$ not optimal

NWCR $\begin{vmatrix} x_{11} = 10 \\ x_{12} = 4 \end{vmatrix}$ $x_{13} = 10$ $\begin{vmatrix} x_{24} = 18 \\ x_{25} = 0 \end{vmatrix}$ $x_{35} = 20$ $\begin{vmatrix} x_{42} = 16 \\ x_{42} = 16 \end{vmatrix}$ $x_{44} = 0$ $\begin{vmatrix} 332 \\ 332 \end{vmatrix}$ not optimal

Sixth allocation **Sixth allocation** and the status of \overline{S} and \overline{S} and

Fourth allocation **Total cost** Status **Total cost** Status

Fifth allocation **Total cost Status Total cost Status**

Table 5: Number of iterations to optimality for each problem and each method.

Legend: NWCR – North – West Corner Rule

INWCR - Innovative North – West Corner Rule

LC – Least Cost

RM – Row Minima

CM – Column Minima

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