The Hong Kong University of Science and Technology
Department of Information Systems,
Business Statistics and Operations Management

Seminar Announcement

Optimal Policy for an Inventory System under Convex Variable Ordering Cost

by

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Date: Thursday, 2 December 2010
Time: 4:30 – 5:30 pm
Venue: Room 4379, ISOM Conference Room (Lift 17/18)

All interested are welcome

Abstract:

We study the optimal policy for a periodic-review inventory system where the variable ordering cost is defined by a piece-wise linear convex function. The optimal policy is fully characterized for the case without the fixed ordering cost.

For the system with a fixed ordering cost, we fully characterize the optimal policy of the model by introducing the notion of strong K,c,q-convexity. We also identify some sufficient conditions under which the (s, S) policy is optimal.

Biography:

Dr. Ye Lu received a PhD in operations research from MIT in 2009, a PhD in mathematics from the University of Notre Dame in 2006 and a Bachelor of Science degree in applied math from Tsinghua University in 2002. His research interest includes supply chain management, revenue management, financial engineering and nonlinear optimization.

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