
Developing an Intelligent Decision Support System for Shipyard Region Selection

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To my parents

To my wife

To my son

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Publications

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Abstract

Investing in Bulk Carrier market constitutes risky investment due to the volatility of the Bulk Carrier orderbook. Ship owners invariably take several quotations before making an order for building new ship. Shipyard process has indeed swung upwards or downwards depending upon the number of shipyards competing for a given volume of orders, and the shipyard region.

The decision makers for strategic purchasing in navigation company greatly require a fair tool to assist them in determining the best time to build a new ship, and appropriate region forthwith, which belongs by the prosperity of the problem to Multi Criteria Decision Making problem, which were discussed and developed by many different researches because it is one of the significant keys in reducing cost.

In this study, a Multi-layer Perceptron Neural Networks (MLP) was implemented to forecast Bulk Carrier shipyard market to determine the best time to make an order for building a new Bulk Carrier ship. In addition, a decision support system model was developed for select best shipyard region which combined fuzzy set theory and group decision with the methodology known as Analytical Hierarchy Process (AHP) that deals with multi-criteria decision making (MCDM) to decrease the influence of decision maker's subjective preferences and control the uncertain and imprecise variations during evaluation process. The Technique for Order Preference by Similarity to Ideal Solution (TOPSIS) was applied to the final rank of alternatives.

Linguistic variables with triangular fuzzy numbers are used to develop the decision makers risk attitudes in order to define a more complete Fuzzy Analytical Hierarchy Process technique.

Another methodology was used for the same object called Consensus Group Decision Making (CGDM), with interval Fuzzy preference relation, finally a comparison of the two methodologies results was illustrated.

In the domain of multi-criteria supplier selection problem, a lot of criteria have been discussed. These criteria fall into two kinds: tangible criteria (quantitative variables) such that “number of enterprise in each region”, and intangible criteria (qualitative variables) such that “specialization”.

The data were collected from "Clarksons Research Studies" (CRS) for quantitative variable which provides a statistical and research service to Clarkson brokers, their clients and the shipping world in general. Four decisions makers in marine strategic purchasing were invited and asked to give the intangible criteria: two senior persons from the commercial department in National Navigation Company, one representative from maritime training institutions, and one representative from Misr maritime transportation company.

The developed model was applied to predict the Bulk Carrier order book for year 2012, 2013, and a comparison was made between the prediction and real data for Bulk Carrier order book for the same year. The correlation was (0.8039) and (0.9039), which means that both of the predictions and the real data follow the same direction together. The model was applied to predict Bulk Carrier order book for year 2014.

A rank for suitable shipyard region to build a new Bulk Carrier ship depending on the selected criteria based on experts working in this field was determined using FAHP methodology and TOPSIS. The model output for shipyard region rank was: 1.China, 2.Europe, 3.Japan and 4.South Korea. Also, Consensus Group Decision Making methodology gave the same result.

The model has some advantages compared to other similar models. For example, this model supports the decision makers to determine not only the best time to purchase the Bulk Carrier ship with minimum error than other best model error by (8.3%) but also the suitable region to purchase from, taking into consideration the qualitative variables. The degrees of risk index are also joined, so that decision makers can adjust them to match real context.

Finally, this work assists the decision makers in navigation companies making correct and accurate decisions in a simple way in a short time even if there is a big gap between them.

Table of Contents

Chapter 1

Introduction	1
1.1 Research Gap.....	4
1.2 Thesis Objective	6
1.3 Thesis Layout	6

Chapter 2

Intelligent Decision Support System and Fuzzy AHP (Background).....	7
2.1 Fuzzy Analytical Hierarchy Process for Multi-criteria Supplier Selection in Supply Chain	7
2.1.1 Supplier Selection Problem	7
2.1.2 MCDM on Supplier Selection Problem	9
2.1.3 Analytic Hierarchy Process (AHP)	10
2.1.4 Fuzzy Set Theory	12
2.1.5 Fuzzy AHP	12
2.1.6 Technique for Order Preference by Similarity to Ideal Solution (TOPSIS).....	13
2.2 Intelligent Decision Support Systems (IDSS)	14
2.2.1 Introduction	14
2.2.2 Components of IDSS	15
2.2.3 IDSS Advantages	20
2.2.4 IDSS Limitations	21
2.3 Categories of Decision Making	21
2.3.1 By the Information Available	21
2.3.2 By the Properties of the Problem	21
2.3.3 Other Category Methods	22
2.4 Methods Used in Decision Making	22
2.4.1 Multiple Criteria Decision Making	22
2.4.2 Multiple Objective Decision Making	23
2.4.3 Group Decision Making (MEDM)	23

Chapter 3

Concepts around the Bulk Carrier Shipyard Industry	25
3.1 Shipyard Life Cycle	25
3.1.1 Negotiating and Financing the New Building	25
3.1.2 The Shipyard Production Process	27
3.2 Categories of Shipyard	30
3.3 Units of Measurement	31
3.4 Capacity and Cost Competitiveness in Shipyard	32
3.5 The Regional Distribution of Shipyard Capacity	34
3.6 Shipyard Market Cycles	35
3.7 Shipyard Prices	36
3.8 The Economic Principles	37

CHAPTER 4

Data Preparation and Processing	41
4.1 Describe Clarkson database	41
4.2 Data Collect, Processing and Statistical measurements.....	42
4.2.1 Input and Output Time Series	42
4.2.2 The Selection of Independent Time Series	43
4.2.3 Pearson Correlation	44
4.2.3.1 Pearson Correlations for the Current Time Series	44
4.3 Classification of the selected data.....	45
4.4 Shipyard Region Data Description	47
4.4.1 Fuzzy Analytical Hierarchy Process Gathering Data	47
4.4.1.1 Set up Criteria for Supplier Selection	47
4.4.1.2 Measure the Tangible Criteria	48
4.4.1.3 Measure the Intangible Criteria	49
4.4.2 Group Decision Making gathering Data	50

CHAPTER 5

Description of the Proposed Intelligent Decision Support System for Shipyard52

5.1 Overall Structure of the Bulk Carrier Shipyard Model52

5.2 Block Diagram of Bulk Carrier Shipyard Model54

5.2.1 Bulk Carrier Market Prediction53

5.2.2 Determine Suitable Region using FAHP.....55

5.2.2.1 Determine the Criteria55

5.2.2.2 Evaluate the Tangible and Intangible Criteria55

5.2.2.3 Construct Hierarchy Structures55

5.2.2.4 Determine the Fuzzy Judgment Matrix56

5.2.2.5 Determine the Fuzzy Performance Matrix58

5.2.2.5.1 Determine the Fuzzy Weight Vector58

5.2.2.5.2 Determine the Crisp Performance Matrix60

5.2.2.5.2.1 Determine the interval Performance Matrix.....60

5.2.2.5.2.2 Consider the Risk Defuzzification61

5.2.2.5.2.3 Rank the Alternative Using TOPSIS63

5.2.3 Determine Suitable Region using CGDM64

5.2.3.1 Block Diagram for Consensus Group Decision Making Process64

5.2.3.2 The Group Decision Making Problem.....65

5.2.3.3 Resolution Method of the Group Decision Making Problem.....65

5.2.3.4 Consensus Model.....66

CHAPTER 6

Results and Discussions68

6.1 Applying Data to Multilayer Perceptron Neural Network68

6.1.1 Input and Output Data69

6.1.2 Training , Test and Production Rows69

6.1.3 Performance of the MLP Neural Network and Prediction69

6.1.4 Predict year 2013 with Real Data Comparison.....70

6.1.5 Predict year 201471

6.1.6 Analysis the Output	71
6.2 Shipyard Suitable Region Ranking	74
6.2.1 Using FAHP	75
6.2.1.1 A Set of Input Data	75
6.2.1.2 Attaining Fuzzy Judgment Matrix	78
6.2.1.3 Attaining Fuzzy Performance Matrix	78
6.2.1.3.1 Construct the Fuzzy Weight Vector	78
6.2.1.3.2 The Weight Vector Output	79
6.2.1.4 Fuzzy Performance matrix	79
6.2.1.5 Calculate Crisp Performance Matrix	80
6.2.1.6 Final Rank Supplier Program Output	81
6.2.2 Using CGDM	81
6.3 Discussion	86
CHAPTER 7	
Conclusion	88
References	92
Appendix	95

List of Figures

Figure 2.1: General architecture of the hierarchy structure	11
Figure 2.2: Component of IDSS	15
Figure 2.3 Data Management Subsystem	17
Figure 2.4 Structure of Model Management	18
Figure 2.5 Schematic View of Dialog Management	20
Figure 2.6 Category of decision making problems	22
Figure 3.1 Shipyard market cycles	35
Figure 5.1 Block diagram of the developed Bulk Carrier Shipyard model	53
Figure 5.2 Multilayer perceptron for Bulk Carrier order book	54
Figure 5.3 A Hierarchy Structure of Shipyard model	56
Figure 5.4. α -cut on each fuzzy performance score	60
Figure 5.5. Triangular Fuzzy A number and its α -cut triangular fuzzy number.....	62
Figure 5.6. Block Diagram for Consensus Group Decision Making Process	64
Figure 6.1: Desired and Actual network order book output	70
Figure 6.2: Bulk Carrier order book for year 2014	71
Figure 6.3 Bulk Carrier fleet developments	72
Figure 6.4 Bulk Carrier deliveries	72
Figure 6.5 Bulk Carrier average earnings	73
Figure 6.6 Average Bulk Carrier freight rates	74
Figure 6.7 Bulk Carrier seaborne trades	74
Figure 6.8 Tangible criteria	75
Figure 6.9 Intangible Criteria	75
Figure 6.10 define the intangible criteria	76

Figure 6.11 True value	76
Figure 6.12 Interval value	77
Figure 6.13 Judgment matrix	78
Figure 6.14 pair wise comparison	78
Figure 6.15 The weight vector	79
Figure 6.16 The Performance matrix	79
Figure 6.17 crisp performance matrixes	80
Figure 6.18 Rank supplier matrix	81
Figure 6.19 Rank of Bulk Carrier shipyard region.....	85

List of Tables

Table 2.1	Saaty's 1-9 scale for AHP and its description	11
Table 4.1	Bulk Carrier order book	41
Table 4.2	Bulk Carrier Fleet & Deliveries	42
Table 4.3	Selected variable	43
Table 4.4	Personal correlation for input and output time series	45
Table 4.5	Samples for input and output time series	46
Table 4.6	Samples for input and output training rows	46
Table 4.7	Samples for input and output test rows	46
Table 4.8	Samples of year 2014 prediction months.....	47
Table 4.9	Shipyards Criteria	48
Table 4.10	True value of each region with respect to all tangible criteria	49
Table 4.11	Interval values of fuzzy ratios with respect to each criterion	49
Table 4.12	Grades for decision makers for intangible criteria	49
Table 4.13	Preferences Form	50
Table 4.14	Nine Preferences linguistic variable	51
Table 5.1.	Linguistic term and its fuzzy ratio	57
Table 5.2	linguistic terms of risk attitudes	62
Table 6.1	Performance Results	69
Table 6.2	Actual and desired order book for year 2013	70
Table 6.3	performance index with respect to risk attitudes	80
Table 6.4	Bulk Carrier shipyard order book for top region	86

Abbreviations

AHP:	Analytical Hierarchy Process
ANN:	Artificial Neural Network
BP:	Back Propagation
CGT:	Capital Gain Tax
CGT:	Compensated Gross Tonnage
CIM:	Character Institute of Marketing
CRS:	Clarksons Research Studies
DBMS:	Data Base Management System
DEA:	Data Development Analysis
DGMS:	Dialog Generation and Management System
DSS:	Decision Support System
DWT:	Dead Weight Tonnage
FAHP:	Fuzzy Analytical Hierarchy Process
FL:	Fuzzy Logic
FPS:	Fuzzy probability Simulation
GA:	Genetic Algorithm.
GT:	Gross Tonnage
IDSS:	Intelligent Decision support system
MCDM:	Multi Criteria Decision Making
MEDM:	Multi Expert Decision Making
MLP:	Multi Layer Perceptron
MODM:	Multi Objective Decision Making
MP:	Mathematical Programming
MSE:	Mean Square Error
NMSE:	Normalize Mean Square Error
QFD:	Quality Function Deployment
SCM:	Supply Chain Management
SDT:	Standard Displacement Tons
TOPSIS:	Technique for Order Preference by Similarity to Ideal Solution
VLCC:	Very Large Crude Carrier
VMP:	Vector Maximum Problem

Chapter 1

Introduction