SEARCHING FOR LOCAL OPTIMUM TRAPS IN SUPPLY CHAINS

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ABSTRACT

It is a common objective of supply chain elements to optimize their processes frequently. But sometimes the details of the objective lead the supply chain elements to local optimum operation. The efficiency of the operation is approximately at the same level as in the global optimum therefore the cost to reach the global optimum from there is relatively high compared to the gained utility. This article attempts to show the cost to move between the optimum points (local and global) and investigate fields in supply chains where such traps occur.

Keywords: *Supply chain, optimization, local traps, economies of scale*