

# A novel approach to an integrated inventory system in a fuzzy context

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Received: 11.07.2024

Revised: 08.08.2024

Accepted: 07.09.2024

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## ABSTRACT

In recent decades, the integration of vendors and buyers in managing inventory has become vital. The perception of inventory costs cannot always be classified as purely static or dynamic. When encountering uncertainty, it is important to consider the fuzzy nature of costs in certain situations. Hence, in this article, we treat the cost components as triangular and trapezoidal fuzzy numbers. Defuzzification is performed using the signed distance method. Employing an algorithmic procedure, the system cost is minimized by determining the optimal values for delivery lot size and total number of deliveries. The illustration of the model includes both a numerical example and a sensitivity analysis.

**Keywords:** Inventory costs, Deterioration, Fuzzy numbers, Signed distance method.

## INTRODUCTION

The inventory model for perishable items in fuzzy environments has not received much attention from researchers. Our study examines these phenomena in the context of the economic order quantity model, with a particular emphasis on the fuzzy cost component. The deterioration of inventory items is an essential consideration for researchers in this field that cannot be ignored. It can be categorized as decay, obsolescence, manufacturing defects, and more. Deteriorating items include vegetables, medicines, milk, oils, and so on. Several researchers have delved into the study of inventory models for deteriorating items in the past few decades. Ghare and Schrader [10] developed a inventory model that incorporates direct spoilage and exponential deterioration. The work of Covert and Philip [7] further developed Ghare and Schrader's [10] findings by employing the Weibull and Gamma distributions. The deterioration rate was modeled by Philip [18] using a three-parameter Weibull distribution. Mishra [17] devised an inventory model that incorporates both variable deterioration rates and a finite production rate. Shah [24] proposed a model for determining lot sizes that considers order levels, exponential and Weibull deterioration distributions, and backordering. Raafat [21] provided a comprehensive survey of the literature on inventory models addressing deteriorating items. In this field, researchers such as Goyal and Giri [12], Skouri and Papachristos [25], Skouri et al. [26], Sarkar [23], Taleizadeh [2], and Geetha and Udayakumar [8] have developed inventory models for deteriorating products by incorporating different deterioration rates.

Managing supply chain management requires the coordination of manufacturing and logistics among various decision-making entities. Numerous coordination mechanisms have been proposed in the supply chain literature. Goyal [11] introduced a joint optimization approach to minimize the total cost functions for both the buyer and the vendor. Banerjee [4] developed a combined economic lot size model suited to scenarios where a vendor supplies exact quantities to meet a purchaser's orders. Viswanathan and Piplani [29] investigated the use of common replenishment epochs for coordinating inventory across the supply chain. The production distribution inventory model developed by Yan et al. [30] considers constant deterioration. Several researchers, including Yang and Wee [31], Ben-Daya and Hariga [5], Abdul-Jalbar et al. [1], Cardenas-Barron et al. [6], Uthayakumar and Priyan [27], and Taleizadeh et al. [3], explored integrated inventory models under different assumptions.

The early literature on inventory models typically used crisp values to represent costs, despite the imprecise nature of real-world inventory costs. Probability-based approaches may not fully account for all uncertainties that can occur in an inventory system. The modeling of inventory systems incorporates fuzzy set theory to handle uncertainties that cannot be adequately accounted for using probability theory.

The origins of fuzzy set theory can be traced back to Zadeh [34]. The application of fuzzy set theory in inventory models has been explored by researchers such as Ishii and Konno [14], Yao and Lee [32], and Vijayan and Kumaran [28]. Sadjadi et al. [22] introduced a model for pricing and marketing that incorporates fuzzy parameters. Liu [15] utilized the extension principle method to propose a solution for the integrated production and marketing planning problem in fuzzy environments. Mahata and Goswami [16] employed trapezoidal and triangular fuzzy numbers in their inventory models, which address imperfect quality and shortage backordering in fuzzy environments. Priyan and Uthayakumar [20] devised an integrated production distribution inventory system for deteriorating products involving fuzzy deterioration with variable set up cost. Hemalatha and Annadurai [13] developed an integrated production-distribution model that incorporates logarithmic investments and fuzzy costs. Priyan et al. [19] developed a two-echelon supply chain model considering fuzzy deterioration and carbon emissions. Geetha and Prabha [9] developed an inventory model for postponement strategy with fuzzy costs.

The primary contribution of this article is to extend the work of Yan et al. [30] by incorporating the fuzzy nature of inventory costs and demonstrating that total inventory costs in a fuzzy environment fluctuates from that of the crisp cost. This article seeks to present a more comprehensive integrated production-distribution inventory model by incorporating fuzzy cost components. The article is organized as follows: Section 1 includes the introduction. The article's preliminary concepts are outlined in Section 2. Section 3 provides notations and assumptions. In Section 4, the model formulation is discussed, while Section 5 explains the fuzzification and defuzzification of the cost components. Numerical and sensitivity analysis is presented in Section 6 to illustrate the model. Section 7 provides the inferences derived from our research work. At last, Section 8 summarizes the conclusions of the study.

## 2. Preliminaries

Below are all the relevant definitions of fuzzy sets for treating fuzzy total cost in inventory.

**Definition 1.** A fuzzy set  $\tilde{K}_n$  defined on the set  $\mathbb{R}$ , is said to be a **fuzzy number** if it satisfies the following conditions:

- (i)  $\tilde{K}_n$  is convex.
- (ii) There exist  $n_0 \in \mathbb{R}$  such that  $\mu_{\tilde{K}_n}(n_0) = 1$ , (i.e.,  $\tilde{K}_n$  is normal).
- (iii)  $\mu_{\tilde{K}_n}$  is piecewise continuous.
- (iv)  $\mu_{\tilde{K}_n}(\alpha)$  must be bounded closed interval for  $\alpha \in [0,1]$ .

**Definition 2.** The  $\alpha$ - cut of the fuzzy number  $\tilde{K}$  is represented by the crisp set  $\tilde{K}(\alpha) = \{x: \mu_{\tilde{K}}(x) \geq \alpha\}$ , with  $\alpha$  being a value between 0 and 1.  $\tilde{K}(\alpha)$  is a closed interval in the set of real numbers, represented by  $[\tilde{K}_L(\alpha), \tilde{K}_R(\alpha)]$ , and its left and right limits are referred to as the  $\alpha$ -cuts of  $\tilde{K}$ .

**Definition 3.** A fuzzy number  $\tilde{K}$  is classified as a **trapezoidal fuzzy number** if it is completely characterized by four crisp values  $(k_1, k_2, k_3, k_4)$  such that  $k_1 < k_2 < k_3 < k_4$ . Its membership function, which represents a trapezoidal shape, is defined as follows:

$$\mu_{\tilde{K}}(x) = \begin{cases} \frac{x-k_1}{k_2-k_1}, & k_1 \leq x < k_2 \\ 1, & k_2 \leq x \leq k_3 \\ \frac{k_4-x}{k_4-k_3}, & k_3 < x \leq k_4 \\ 0, & \text{otherwise} \end{cases}$$

Here, the fuzzy number  $\tilde{K}$  is characterized by its lower limit  $k_1$ , lower mode  $k_2$ , upper mode  $k_3$ , and higher limit  $k_4$ . The support of the fuzzy number is the interval  $[k_1, k_4]$ , which represents the range of all values that are at least fairly possible. The core of the fuzzy number, where the most likely values lie, is represented by the interval  $[k_2, k_3]$ . The fuzzy number  $\tilde{K}$  is said to have a penumbra consisting of the intervals  $[k_1, k_2]$  and  $[k_3, k_4]$ .

Furthermore, a trapezoidal fuzzy number can be shown as  $\tilde{K} = (K - \delta_1, K - \delta_2, K + \delta_3, K + \delta_4)$  where  $\delta_i$ , ( $i = 1, 2, 3, 4$ ) are positive values, subject to the conditions  $K > \delta_1 > \delta_2$  and  $\delta_3 < \delta_4$ .

**Definition 4.** A fuzzy number  $\tilde{K}$  is classified as a **triangular fuzzy number** if it is completely characterized by four crisp values  $(k_1, k_2, k_3)$  such that  $k_1 < k_2 < k_3$ . Its membership function is given by:

$$\mu_{\tilde{K}}(x) = \begin{cases} \frac{x-k_1}{k_2-k_1}, & k_1 \leq x \leq k_2 \\ \frac{k_3-x}{k_3-k_2}, & k_2 < x \leq k_3 \\ 0, & \text{otherwise} \end{cases}$$

Here,  $k_1, k_2$  and  $k_3$  correspond to the lower limit, mode, and upper limit of the fuzzy number, respectively. The support of the fuzzy number, denoted by the interval  $[k_1, k_3]$ , signifies the plausible range of values for  $\tilde{K}$ .

With the conditions  $K > \delta_1 > 0$  and  $\delta_2 > 0$ , a triangular fuzzy number may alternatively be expressed as  $\tilde{K} = (K - \delta_1, K, K + \delta_2)$ , where  $\delta_i, (i = 1, 2)$  are positive values.

### Definition 5. The Signed Distance Method

For any  $a_1 \in \mathbb{R}$ , the signed distance from  $a_1$  to 0 is defined as  $d(a_1, 0) = |a_1|$ . If  $a_1 > 0$ , then the distance from  $a_1$  to 0 is simply  $d(a_1, 0) = a_1$ . Conversely, if  $a_1 < 0$ , the distance is given by  $-d(a_1, 0) = -a_1$ . Let  $U$  represent the collection of fuzzy numbers over  $\mathbb{R}$ .

If  $\tilde{K} \in U$  is a fuzzy number, then the signed distances of the left endpoint  $K_L(\alpha)$  and the right endpoint  $K_R(\alpha)$  from 0 are given by  $d(K_L(\alpha), 0) = K_L(\alpha)$  and  $d(K_R(\alpha), 0) = K_R(\alpha)$ , respectively. Therefore, the distance from the interval  $[K_L(\alpha), K_R(\alpha)]$  to the origin 0 can be computed as:  $d([K_L(\alpha), K_R(\alpha)], 0) = \frac{1}{2} [d(K_L(\alpha), 0) + d(K_R(\alpha), 0)] = \frac{1}{2} [K_L(\alpha) + K_R(\alpha)]$ .

For each  $\alpha \in [0, 1]$ , there exists a one-to-one correspondence between the crisp interval  $[K_L(\alpha), K_R(\alpha)]$  and the level  $\alpha$  fuzzy interval  $[K_L(\alpha), K_R(\alpha); \alpha]$ . Consequently, the signed distance from  $[K_L(\alpha), K_R(\alpha); \alpha]$  to  $\tilde{0}$  is given by:

$$d([K_L(\alpha), K_R(\alpha); \alpha], 0) = \frac{1}{2} [K_L(\alpha) + K_R(\alpha)].$$

Since  $\tilde{K} \in U$ , the values  $K_L(\alpha)$  and  $K_R(\alpha)$  exist and are integrable for  $\alpha \in [0, 1]$ . By applying the decomposition theorem [33], the fuzzy number  $\tilde{K}$  can be expressed as:

$$\tilde{K} = \bigcup_{0 \leq \alpha \leq 1} [K_L(\alpha), K_R(\alpha); \alpha].$$

For any fuzzy number  $\tilde{K} \in U$ , the signed distance from  $\tilde{K}$  to  $\tilde{0}$  is defined as:

$$d(\tilde{K}, \tilde{0}) = \frac{1}{2} \int_0^1 [K_L(\alpha) + K_R(\alpha)] d\alpha. \quad (1)$$

Furthermore, the linearity property of the distance operator  $d$  holds (as shown in Vijayan and Kumaran[28]): for  $n$  fuzzy numbers  $\tilde{A}_i$  (where  $(i = 1, 2, \dots, n)$ ) and real constants  $b_i$  (where  $(i = 1, 2, \dots, n)$ ), it follows that:

$$d(\sum_{i=1}^n b_i \tilde{K}_i, \tilde{0}) = \sum_{i=1}^n b_i d(\tilde{K}_i, \tilde{0}) \quad (2)$$

### 3. Notations and Assumptions

A mathematical model has been developed by employing notations and assumptions that resemble those of Yan et al. [30].

#### 3.1. Notations

|                |  |
|----------------|--|
| $n_1$          | Number of shipments in each production batch,                                |
| $q_1$          | Lot size for deliveries (units),   |
| $\theta_{dr}$  | Deterioration rate,  |
| $C_s$          | Setup cost for manufacturing a production batch,                             |
| $P$            | Production rate (unit/unit time),  |
| $A_{oc}$       | Ordering costs incurred by the buyer,  |
| $D_c$          | Constant demand (units/unit time),   |
| $F_c$          | Constant transportation cost per delivery (\\$/delivery),                    |
| $V$            | The unit variable cost for order handling and receiving (\\$/unit),          |
| $C_d$          | Cost of deterioration per unit (\\$/unit),                                   |
| $h_{sc}$       | Cost of holding inventory for the supplier (\\$/unit/unit time),             |
| $h_{bc}$       | Cost of holding inventory for the buyer (\\$/unit/unit time),                |
| $S_{buy}$      | Area below the inventory level curve for the buyer,                          |
| $S_{sup}$      | Area below the inventory level curve for the supplier,                       |
| $T$            | Length of inventory cycle,   |
| $T_1$          | Production time for the supplier,  |
| $T_2$          | Non-production time for the supplier,  |
| $T_3$          | Interval of time between successive deliveries made to the buyer,            |
| $TC_1$         | The average total cost incurred by the buyer and supplier in a crisp system, |
| $\tilde{TC}_1$ | The average total cost incurred by the buyer and supplier in a fuzzy system, |

#### 3.2. Assumptions

- The supplier's production rate and the buyer's demand rate are constant.
- The cost associated with deteriorating items remains constant.

- iii. The rate of production exceeds the rate of demand.
- iv. Shortages are not permitted.
- v. Transportation and order handling costs are to be paid by the buyer.
- vi. The deterioration of the item is always proportional to the existing inventory.

#### 4. Model Formulation

In the proposed scenario, the buyer's warehouse receives a fixed quantity of products from the supplier at regular intervals. Each delivery arrives precisely when the previous stock has been depleted, ensuring no delay. Figure 1 and Figure 2 illustrate the inventory levels over time for both the buyer and the supplier. There are two components that make up the total cycle time  $T$ :  $T_1$ , which is the time for production by the supplier, and  $T_2$ , which is the time for non-production. Let  $T_3$  denote the time elapsed between two consecutive deliveries. The decision variables in this model consist of the delivery lot-size  $q_1$  and the number of deliveries  $n$ . The average total cost includes fixed setup cost, holding cost for supplier and buyer, deterioration cost for supplier and buyer, ordering cost, and transportation and handling cost. It is expressed as

$$TC_1(q_1, n_1) = \left( \frac{D_c}{n_1 q_1} + \frac{\theta_{dr}}{2n_1} \right) (A_{oc} + C_s + n_1 F_c + V n_1 q_1) + \frac{q_1}{2} \left[ (h_{bc} + C_d \theta_{dr}) + (h_{bc} + C_d \theta_{dr}) \left\{ \frac{(2-n_1)D_c}{p} + n_1 - 1 \right\} \right] \quad (3)$$

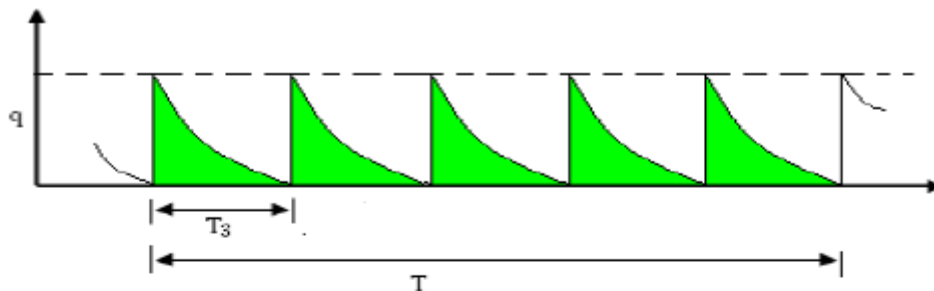


Figure 1: Time vs Inventory level (Buyer)

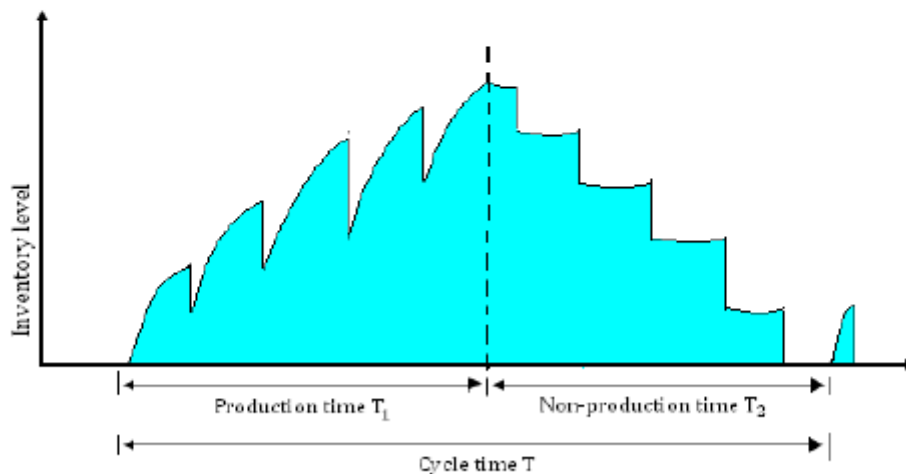


Figure 2: Time vs Inventory level (Supplier)

#### 5. Fuzzification and Defuzzification of the cost components

The cost components outlined below are fuzzified with the use of triangular and trapezoidal fuzzy numbers: Ordering cost  $A_{oc}$ , deterioration cost  $C_d$ , buyer's holding cost  $h_{bc}$ , supplier's holding cost  $h_{sc}$ , set up cost  $C_s$ . These costs are defuzzified using signed distance method.

**5.1.Obtaining Fuzzified cost components using Trapezoidal fuzzy number**

The cost components such as ordering cost  $A_{oc}$ , deterioration cost  $C_d$ , buyer's holding cost  $h_{bc}$ , supplier's holding cost  $h_{sc}$ , set up cost  $C_s$  are fuzzified using trapezoidal fuzzy number.

$$\begin{aligned} \widetilde{A}_{oc} &= (A_{oc} - \gamma_1, A_{oc} - \gamma_2, A_{oc} + \gamma_3, A_{oc} + \gamma_4) \\ \widetilde{C}_s &= (C_s - \gamma_5, C_s - \gamma_6, C_s + \gamma_7, C_s + \gamma_8) \\ \widetilde{C}_d &= (C_d - \gamma_9, C_d - \gamma_{10}, C_d + \gamma_{11}, C_d + \gamma_{12}) \end{aligned} \tag{4}$$

$$\begin{aligned} \widetilde{h}_{bc} &= (h_{bc} - \gamma_{13}, h_{bc} - \gamma_{14}, h_{bc} + \gamma_{15}, h_{bc} + \gamma_{16}) \\ \widetilde{h}_{sc} &= (h_{sc} - \gamma_{17}, h_{sc} - \gamma_{18}, h_{sc} + \gamma_{19}, h_{sc} + \gamma_{20}) \end{aligned}$$

The arbitrary positive numbers  $\gamma_l$ , where  $l = 1, 2, 3, \dots, 20$ , must adhere to the following conditions:  $A_{oc} > \gamma_1 > \gamma_2, \gamma_3 < \gamma_4$ ;  $C_s > \gamma_5 > \gamma_6, \gamma_7 < \gamma_8$ ;  $C_d > \gamma_9 > \gamma_{10}, \gamma_{11} < \gamma_{12}$ ;  $h_{bc} > \gamma_{13} > \gamma_{14}, \gamma_{15} < \gamma_{16}$ ;  $h_{sc} > \gamma_{17} > \gamma_{18}, \gamma_{19} < \gamma_{20}$ .

In equation (5), the costs  $A_{oc}, C_s, C_d, h_{sc}$  and  $h_{bc}$  from equation (3) are fuzzified as  $\widetilde{A}_{oc}, \widetilde{C}_s, \widetilde{C}_d, \widetilde{h}_{bc}$  and  $\widetilde{h}_{sc}$ . The average total cost for both the buyer and supplier is expressed in a fuzzy sense as

$$\begin{aligned} \widetilde{T\overline{C}}_1(q_1, n_1) &= \left( \frac{D_c}{n_1 q_1} + \frac{\theta_{dr}}{2n_1} \right) (\widetilde{A}_{oc} + \widetilde{C}_s + n_1 F_c + V n_1 q_1) \\ &+ \frac{q_1}{2} \left[ (\widetilde{h}_{bc} + \widetilde{C}_{dr} \theta_{dr}) + (\widetilde{h}_{sc} + \widetilde{C}_d \theta_{dr}) \left\{ \frac{(2-n_1)D_c}{P} + n_1 - 1 \right\} \right] \end{aligned} \tag{5}$$

**5.2. Defuzzification**

Below are the left and right limits of  $\alpha$  cuts for  $\widetilde{A}_{oc}, \widetilde{C}_s, \widetilde{C}_d, \widetilde{h}_{bc}$  and  $\widetilde{h}_{sc}$ .

$$\begin{aligned} \widetilde{A}_{ocL}(\alpha) &= A_{oc} - \gamma_1 + (\gamma_1 - \gamma_2)\alpha > 0, & \widetilde{A}_{ocR}(\alpha) &= A_{oc} - \gamma_4 + (\gamma_4 - \gamma_3)\alpha > 0 \\ \widetilde{C}_{sL}(\alpha) &= C_s - \gamma_5 + (\gamma_5 - \gamma_6)\alpha > 0, & \widetilde{C}_{sR}(\alpha) &= C_s - \gamma_8 + (\gamma_8 - \gamma_7)\alpha > 0 \\ \widetilde{C}_{dL}(\alpha) &= C_d - \gamma_9 + (\gamma_9 - \gamma_{10})\alpha > 0, & \widetilde{C}_{dR}(\alpha) &= C_d - \gamma_{12} + (\gamma_{12} - \gamma_{11})\alpha > 0 \\ \widetilde{h}_{bcL}(\alpha) &= h_{bc} - \gamma_{13} + (\gamma_{13} - \gamma_{14})\alpha > 0, & \widetilde{h}_{bcR}(\alpha) &= h_{bc} - \gamma_{16} + (\gamma_{16} - \gamma_{15})\alpha > 0 \\ \widetilde{h}_{scL}(\alpha) &= h_{sc} - \gamma_{17} + (\gamma_{17} - \gamma_{18})\alpha > 0, & \widetilde{h}_{scR}(\alpha) &= h_{sc} - \gamma_{20} + (\gamma_{20} - \gamma_{19})\alpha > 0 \end{aligned} \tag{6}$$

The left and right limits of  $\alpha$ - cuts, ( $0 \leq \alpha \leq 1$ ), for the fuzzified cost function are determined by the following equations

$$\begin{aligned} \widetilde{T\overline{C}}_1(q_1, n_1)_L(\alpha) &= \left( \frac{D_c}{n_1 q_1} + \frac{\theta_{dr}}{2n_1} \right) (\widetilde{A}_{ocL}(\alpha) + \widetilde{C}_{sL}(\alpha) + n_1 F_c + V n_1 q_1) \\ &+ \frac{q_1}{2} \left[ (\widetilde{h}_{bcL} + \widetilde{C}_{dLr} \theta_{dr}) + (\widetilde{h}_{scL} + \widetilde{C}_{dL} \theta_{dr}) \left\{ \frac{(2-n_1)D_c}{P} + n_1 - 1 \right\} \right] \end{aligned} \tag{7}$$

and

$$\begin{aligned} \widetilde{T\overline{C}}_1(q_1, n_1)_R(\alpha) &= \left( \frac{D_c}{n_1 q_1} + \frac{\theta_{dr}}{2n_1} \right) (\widetilde{A}_{ocR}(\alpha) + \widetilde{C}_{sR}(\alpha) + n_1 F_c + V n_1 q_1) \\ &+ \frac{q_1}{2} \left[ (\widetilde{h}_{bcR} + \widetilde{C}_{dRr} \theta_{dr}) + (\widetilde{h}_{scR} + \widetilde{C}_{dR} \theta_{dr}) \left\{ \frac{(2-n_1)D_c}{P} + n_1 - 1 \right\} \right] \end{aligned} \tag{8}$$

Using eqns. (1), (2), (7) and (8), the defuzzified value of  $\widetilde{T\overline{C}}_1(q_1, n_1)$  is represented as  $d(\widetilde{T\overline{C}}_1(q_1, n_1), \vec{0})$ , denoted as  $J_1(q_1, n_1)$ , and is given by

$$\begin{aligned} J_1(q_1, n_1) &= \left( \frac{D_c}{n_1 q_1} + \frac{\theta_{dr}}{2n_1} \right) (H_1 + H_2 + n_1 F_c + V n_1 q_1) \\ &+ \frac{q_1}{2} \left[ (H_4 + H_3 \theta_{dr}) + (H_5 + H_3 \theta_{dr}) \left\{ \frac{(2-n_1)D_c}{P} + n_1 - 1 \right\} \right] \end{aligned} \tag{9}$$

where

$$\begin{aligned} H_1 &= A_{oc} + \frac{1}{4}(\gamma_4 + \gamma_3 - \gamma_2 - \gamma_1) > 0 \\ H_2 &= C_s + \frac{1}{4}(\gamma_8 + \gamma_7 - \gamma_6 - \gamma_5) > 0 \\ H_3 &= C_d + \frac{1}{4}(\gamma_{12} + \gamma_{11} - \gamma_{10} - \gamma_9) > 0 \\ H_4 &= h_{bc} + \frac{1}{4}(\gamma_{16} + \gamma_{15} - \gamma_{14} - \gamma_{13}) > 0 \\ H_5 &= h_{sc} + \frac{1}{4}(\gamma_{20} + \gamma_{19} - \gamma_{18} - \gamma_{17}) > 0. \end{aligned}$$

**5.3. Solution Procedure**

This subsection illustrates that  $J_1(q_1, n_1)$  is convex with respect to both  $q_1$  and  $n_1$  along with an algorithm to ascertain the optimal values.

**Property 1.** For fixed  $q_1, J_1(q_1, n_1)$  is convex in  $n_1$ .

Proof :Calculating the first and second-order partial derivatives of  $J_1(q_1, n_1)$  with respect to  $n_1$  yields the following expressions

$$\frac{\partial J_1(q_1, n_1)}{\partial n_1} = \left( -\frac{D_c}{n_1^2 q_1} - \frac{\theta_{dr}}{2n_1^2} \right) (H_1 + H_2) + \frac{q_1}{2} \left( 1 - \frac{D_c}{P} \right) (H_5 + H_3 \theta_{dr})$$

and  $\frac{\partial^2 J_1(q_1, n_1)}{\partial n_1^2} = \left(\frac{2D_c}{n_1^3 q_1} + \frac{\theta_{dr}}{n_1^3}\right) (H_1 + H_2) > 0$

Therefore, for a fixed  $q_1$ , it follows that  $J_1(q_1, n_1)$  is convex with respect to  $n_1$ .

**Property 2.** For fixed  $n_1, J_1(q_1, n_1)$  is convex in  $q_1$ .

Proof :Calculating the first and second-order partial derivatives of  $J_1(q_1, n_1)$  with respect to  $q_1$  yields the following expressions

$$\frac{\partial J_1(q_1, n_1)}{\partial q_1} = -\frac{D_c}{n_1 q_1^2} (H_1 + H_2 + n_1 F_c) + \frac{V \theta_{dr}}{2} + \frac{1}{2} \left\{ (H_4 + H_3 \theta_{dr}) + (H_5 + H_3 \theta_{dr}) \left( \frac{(2-n_1)D_c}{P} + n_1 - 1 \right) \right\}.$$

and  $\frac{\partial^2 J_1(q_1, n_1)}{\partial q_1^2} = \frac{2D_c}{n_1 q_1^3} (H_1 + H_2 + n_1 F_c) > 0$ .

Therefore, for a fixed  $n_1$ , it follows that  $J_1(q_1, n_1)$  is convex with respect to  $q_1$ .

From properties 1 and 2, it follows that the expression in equation (9) is a convex function of  $q_1$  and  $n_1$ . As a result, the first order partial derivative of  $J_1(q_1, n_1)$  with respect to  $q_1$  is set to zero to find the unique minimum value. This results in the following

$$\frac{\partial J_1(q_1, n_1)}{\partial q_1} = 0 \tag{10}$$

Solving equation (10), we obtain

$$q_{11}^* = \left\{ \frac{2D_c(H_1+H_2+n_1F_c)}{n_1(V\theta_{dr} + [(H_4+H_3\theta_{dr})+(H_5+H_3\theta_{dr})\left(\frac{(2-n_1)D_c}{P}+n_1-1\right)])} \right\}^{\frac{1}{2}} \tag{11}$$

To determine the optimal values of  $q_{11}^*$  and  $n_1^*$ , we apply the following algorithm

**Algorithm 1.**

- Step 1: Initialize  $n_1 = 1$ .
- Step 2: Using this value of  $n_1$  compute  $q_{11}$  from equation (11).
- Step 3: Calculate  $J_1(q_1, n_1)$  from equation (9).
- Step 4: Increase  $n_1$  by 1 and repeat steps 2 and 3.
- Step 5: If  $J_2(q_1, n_1) \leq J_2(q_1, n_1 - 1)$ , go back to Step 4 to continue iterating; otherwise, skip to step 6.
- Step 6: If  $(q_{11}^*, n_1^*) = (q_{11}^* n_1 - 1^*)$ , then  $J_2(q_{11}^*, n_1^*)$  represents the minimum estimate of the fuzzy cost function.

5.4.Obtaining Fuzzified cost components using Triangular fuzzy number

The cost components  $A_{oc}, C_s, C_d, h_{sc}$  and  $h_{bc}$  are assumed to be triangular fuzzy numbers as defined below

$$\begin{aligned} \widetilde{A}_{oc} &= (A_{oc} - \beta_1, A_{oc}, A_{oc} + \beta_2), & 0 < \beta_1 < A_{oc}, 0 < \beta_2 \\ \widetilde{C}_s &= (C_s - \beta_3, C_s, C_s + \beta_4) & 0 < \beta_3 < C_s, 0 < \beta_4 \\ \widetilde{C}_d &= (C_d - \beta_5, C_d, C_d + \beta_6) & 0 < \beta_5 < C_d, 0 < \beta_6 \\ \widetilde{h}_{bc} &= (h_{bc} - \beta_7, h_{bc}, h_{bc} + \beta_8) & 0 < \beta_7 < h_{bc}, 0 < \beta_8 \\ \widetilde{h}_{sc} &= (h_{sc} - \beta_9, h_{sc}, h_{sc} + \beta_{10}) & 0 < \beta_9 < h_{sc}, 0 < \beta_{10} \end{aligned} \tag{12}$$

5.5 Defuzzification

Below are the left and right limits of  $\alpha$  cuts for  $\widetilde{A}_{oc}, \widetilde{C}_s, \widetilde{C}_d, \widetilde{h}_{bc}$  and  $\widetilde{h}_{sc}$

$$\begin{aligned} \widetilde{A}_{ocL}(\alpha) &= A_{oc} - \beta_1 + \alpha\beta_1 > 0, & \widetilde{A}_{ocR}(\alpha) &= A_{oc} + \beta_2 - \alpha\beta_2 > 0 \\ \widetilde{C}_{sL}(\alpha) &= C_s - \beta_3 + \alpha\beta_3 > 0, & \widetilde{C}_{sR}(\alpha) &= C_s + \beta_4 - \alpha\beta_4 > 0 \\ \widetilde{C}_{dL}(\alpha) &= C_d - \beta_5 + \alpha\beta_5 > 0, & \widetilde{C}_{dR}(\alpha) &= C_d + \beta_6 - \alpha\beta_6 > 0 \\ \widetilde{h}_{bcL}(\alpha) &= h_{bc} - \beta_7 + \alpha\beta_7 > 0, & \widetilde{h}_{bcR}(\alpha) &= h_{bc} + \beta_8 - \alpha\beta_8 > 0 \\ \widetilde{h}_{scL}(\alpha) &= h_{sc} - \beta_9 + \alpha\beta_9 > 0, & \widetilde{h}_{scR}(\alpha) &= h_{sc} + \beta_{10} - \alpha\beta_{10} > 0 \end{aligned} \tag{13}$$

The left and right limits of the  $\alpha$  - cuts of the fuzzified cost function are given by equations (7) and (8). By using eqns. (1), (2), (7) and (8), the defuzzified value of  $\widetilde{TC}_1(q_1, n_1)$  is represented as  $d(\widetilde{TC}_1(q_1, n_1), \bar{0})$ , denoted as  $J_2(q_1, n_1)$ , and is expressed as follows

$$\begin{aligned} J_2(q_1, n_1) &= \left(\frac{D_c}{n_1 q_1} + \frac{\theta_{dr}}{2n_1}\right) (G_1 + G_2 + n_1 F_c + V n_1 q_1) \\ &+ \frac{q_1}{2} \left[ (G_4 + G_3 \theta_{dr}) + (G_5 + G_3 \theta_{dr}) \left\{ \frac{(2-n_1)D_c}{P} + n_1 - 1 \right\} \right] \end{aligned} \tag{14}$$

where  $G_1 = A_{oc} + \frac{1}{4}(\beta_2 - \beta_1) > 0$

$$G_2 = C_s + \frac{1}{4}(\beta_4 - \beta_3) > 0$$

$$G_3 = C_d + \frac{1}{4}(\beta_6 - \beta_5) > 0$$

$$G_4 = h_{bc} + \frac{1}{4}(\beta_8 - \beta_7) > 0$$

$$G_5 = h_{sc} + \frac{1}{4}(\beta_{10} - \beta_9) > 0.$$

### 5.6. Solution Procedure

This subsection illustrates that  $J_2(q_1, n_1)$  is convex with respect to both  $q_1$  and  $n_1$  along with an algorithm to ascertain the optimal values.

**Property 3.** For fixed  $q_1$ ,  $J_2(q_1, n_1)$  is convex in  $n_1$ .

Proof :Calculating the first and second-order partial derivatives of  $J_2(q_1, n_1)$  with respect to  $n_1$  yields the following expressions

$$\frac{\partial J_2(q_1, n_1)}{\partial n_1} = \left( -\frac{D_c}{n_1^2 q_1} - \frac{\theta_{dr}}{2n_1^2} \right) (G_1 + G_2) + \frac{q_1}{2} \left( 1 - \frac{D_c}{P} \right) (G_5 + G_3 \theta_{dr})$$

and  $\frac{\partial^2 J_2(q_1, n_1)}{\partial n_1^2} = \left( \frac{2D_c}{n_1^3 q_1} + \frac{\theta_{dr}}{n_1^3} \right) (G_1 + G_2) > 0$

Therefore, for a fixed  $q_1$ , it follows that  $J_2(q_1, n_1)$  is convex with respect to  $n_1$ .

**Property 4.** For fixed  $n_1$ ,  $J_2(q_1, n_1)$  is convex in  $q_1$ .

Proof :Calculating the first and second-order partial derivatives of  $J_2(q_1, n_1)$  with respect to  $q_1$  yields the following expressions

$$\frac{\partial J_2(q_1, n_1)}{\partial q_1} = -\frac{D_c}{n_1 q_1^2} (G_1 + G_2 + n_1 F_c) + \frac{V \theta_{dr}}{2} + \frac{1}{2} \left\{ (G_4 + G_3 \theta_{dr}) + (G_5 + G_3 \theta_{dr}) \left( \frac{(2 - n_1) D_c}{P} + n_1 - 1 \right) \right\}.$$

and  $\frac{\partial^2 J_2(q_1, n_1)}{\partial q_1^2} = \frac{2D_c}{n_1 q_1^3} (G_1 + G_2 + n_1 F_c) > 0.$

Therefore, for a fixed  $n_1$ , it follows that  $J_2(q_1, n_1)$  is convex with respect to  $q_1$ .

From properties 3 and 4, it follows that the expression in equation (14) is a convex function of  $q_1$  and  $n_1$ . As a result, the first order partial derivative of  $J_2(q_1, n_1)$  with respect to  $q_1$  is set to zero to find the unique minimum value. This results in the following

$$\frac{\partial J_2(q_1, n_1)}{\partial q_1} = 0 \quad (15)$$

Solving equation (10), we obtain

$$q_{12}^* = \left\{ \frac{2D_c(G_1 + G_2 + n_1 F_c)}{n_1 \left( V \theta_{dr} + [(G_4 + G_3 \theta_{dr}) + (G_5 + G_3 \theta_{dr}) \left( \frac{(2 - n_1) D_c}{P} + n_1 - 1 \right)] \right)} \right\}^{\frac{1}{2}} \quad (16)$$

To determine the optimal values of  $q_{12}^*$  and  $n_1^*$ , we apply the following algorithm

### Algorithm 2.

Step 1: Initialize  $n_1 = 1$ .

Step 2: Using this value of  $n_1$  compute  $q_{12}$  from equation (16).

Step 3: Calculate  $J_2(q_1, n_1)$  from equation (14).

Step 4: Increase  $n_1$  by 1 and repeat steps 2 and 3.

Step 5: If  $J_2(q_1, n_1) \leq J_2(q_1, n_1 - 1)$ , go back to Step 4 to continue iterating; otherwise, skip to step 6.

Step 6: If  $(q_{12}^*, n_1^*) = (q_{12}^* n_1 - 1^*)$ , then  $J_2(q_{12}^*, n_1^*)$  represents the minimum estimate of the fuzzy cost function.

### 6. Numerical example and Sensitivity Analysis

The impact of the level of fuzziness in the cost components on the decision variables is assessed through extensive numerical analysis. The solution to the given example is obtained using MATLAB software. Let us examine the two-echelon supply chain inventory system with the following parameters:  $D_c = 4800$  units/year,  $P = 19200$  units/year,  $F_c = \$50$ /delivery and  $V = \$1$ /unit, In addition, the crisp costs  $A_{oc} = \$25$  per order,  $C_s = \$600$  per batch,  $C_d = \$50$ /unit,  $h_{sc} = \$8$ /unit/year and  $h_{bc} = \$10$ /unit/year.

To fuzzify the cost parameters  $A_{oc}$ ,  $C_s$ ,  $C_d$ ,  $h_{sc}$ ,  $h_{bc}$  trapezoidal and triangular fuzzy numbers are utilized. The signed distance method is then applied to determine the defuzzified values. In Tables (1) and (2),  $\tilde{A}_{oc}$ ,  $\tilde{C}_s$ ,  $\tilde{C}_d$ ,  $\tilde{h}_{sc}$  and  $\tilde{h}_{bc}$  along with  $d(\tilde{A}_{oc}, \bar{0})$ ,  $d(\tilde{C}_s, \bar{0})$ ,  $d(\tilde{C}_d, \bar{0})$ ,  $d(\tilde{h}_{sc}, \bar{0})$

and  $d(\tilde{h}_{bc}, \bar{0})$  represent the corresponding percentage differences between the defuzzified value and crisp values and the corresponding defuzzified value respectively. When the degree of fuzziness in all the cost parameter is '0' it corresponds to the crisp case. The third row in Tables (3) - (4) pertains to the crisp

case and displays the percentage changes in the defuzzified values of the costs. Section 5 presents the proposed algorithm that computes the optimal order quantity  $q_1^*$ , total number of shipments  $n_1^*$ , and fuzzy costs for each set of fuzzy numbers. Tables (3) and (4) provide a summary of these results. By using trapezoidal and triangular fuzzy numbers to represent cost components with varying levels of fuzziness, Figures 3 and 4 illustrate the impact of the deterioration rate on total cost.

### 7. Managerial implications

As shown in Tables (3) and (4), an increase in the deterioration rate results in a decrease in both the optimal order quantity and cycle time, while the total cost increases. Figures 3 and 4 further illustrate that as the deterioration rate rises, the total cost consistently increases, while the number of deliveries remains stable. This indicates that suppliers should implement strategies to reduce deterioration rates, as doing so could substantially reduce total costs. Additionally, this finding suggests that buyers may benefit from ordering smaller quantities as deterioration rates increase to minimize losses due to spoilage.

In practical situations, various inventory costs are subject to change. Therefore, it is reasonable to account for these costs in a fuzzy environment when designing an inventory model. The analysis indicates that the optimal solutions in the fuzzy environment show slight variations compared to those in the crisp environment (refer to Tables (3) and (4)). The optimal order quantity  $q_1$ , total expected cost  $TC_1$ , and cycle time  $T$  are notably affected by the degree of fuzziness in cost components. Thus, both vendors and buyers may benefit from incorporating flexibility when managing ordering costs, setup costs, deterioration costs, and holding costs from a managerial perspective.

### 8. CONCLUSION

An important aspect of a supply chain is the integration between vendor and buyer. Inventory models are extensively used in logistics and supply chain to minimize costs. Controlling inventory and associated costs in a supply chain is a hot topic of research. To be more realistic we have considered the inventory costs in fuzzy environment that is ordering cost, deterioration cost, holding cost for the buyer, holding cost for the supplier, setup cost are treated as fuzzy values. The fuzziness in the cost components is represented by fuzzy numbers, namely trapezoidal and triangular fuzzy numbers. The signed distance method is used to perform defuzzification. Our research results shows that the total cost of the inventory system under fuzzy environment is less than that of the crisp environment. This shows that when there is uncertainty in the parameters of the integrated model it is necessary to consider fuzzy inventory costs. The comparison between the total costs (fuzzy and crisp values) is made and the percentage change in cost components is also given with the aid of numerical analysis. Additionally, potential areas for future research in this field involve investigating extensions of this work, such as multi-echelon supply chains.

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**Table 1.** Fuzzification of the cost components (Trapezoidal Fuzzy Number)

| $\widetilde{A}_{oc}$ | $d(\widetilde{A}_{oc}, \widetilde{0})$ | $\widetilde{A}_{oc}$ | $\widetilde{C}_s$ | $d(\widetilde{C}_s, \widetilde{0})$ | $\widetilde{C}_s$ | $\widetilde{C}_d$ | $d(\widetilde{C}_d, \widetilde{0})$ | $\widehat{C}_d$ |
|----------------------|--|----------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|-----------------|
| (2,4,28,30)          | 16                                     | -36                  | (100,150,415,455) | 280                                 | -30               | (5,20,55,60)      | 35                                  | -40             |
| (5,7,32,40)          | 21                                     | -16                  | (120,200,455,505) | 320                                 | -20               | (5,30,55,70)      | 40                                  | -20             |
| (11,20,30,55)        | 29                                     | +16                  | (220,290,630,780) | 480                                 | +20               | (25,45,70,100)    | 60                                  | +20             |
| (10,17,30,75)        | 34                                     | +36                  | (280,320,680,800) | 520                                 | +30               | (20,40,80,120)    | 65                                  | +40             |
| (15,20,42,103)       | 45                                     | +80                  | (320,360,790,930) | 600                                 | +50               | (25,50,90,130)    | 70                                  | +60             |

| $\widetilde{h}_{bc}$ | $d(\widetilde{h}_{bc}, \widetilde{0})$ | $\widetilde{h}_{bc}$ | $\widetilde{h}_{sc}$ | $d(\widetilde{h}_{sc}, \widetilde{0})$ | $\widetilde{h}_{sc}$ |
|----------------------|--|----------------------|----------------------|--|----------------------|
| (1,2,11,12)          | 6.5                                    | -35                  | (.3,1,8.1,8.2)       | 4.4                                    | -45                  |
| (3,6,12,15)          | 9                                      | -10                  | (.8,5,8.1,8.5)       | 5.6                                    | -30                  |
| (2,8,15,25)          | 12.5                                   | +25                  | (6.6,7,10,18)        | 10.4                                   | +30                  |
| (5,8,13,30)          | 14                                     | +40                  | (5,7.2,15,24)        | 12.8                                   | +60                  |
| (5,7,22,30)          | 16                                     | +60                  | (6,7.5,16,25)        | 13.4                                   | +80                  |

**Table 2.** Fuzzification of the cost components (Triangular Fuzzy Number)

| $\widetilde{A}_{oc}$ | $d(\widetilde{A}_{oc}, \widetilde{0})$ | $\widetilde{A}_{oc}$ | $\widetilde{C}_s$ | $d(\widetilde{C}_s, \widetilde{0})$ | $\widetilde{C}_s$ | $\widetilde{C}_d$ | $d(\widetilde{C}_d, \widetilde{0})$ | $\widehat{C}_d$ |
|----------------------|--|----------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|-----------------|
| (3,25,27)            | 20                                     | -20                  | (70,400,410)      | 320                                 | -20               | (2,25,28)         | 20                                  | -20             |
| (7,25,31)            | 22                                     | -12                  | (140,400,420)     | 340                                 | -15               | (6,25,32)         | 22                                  | -12             |
| (19,25,43)           | 28                                     | +12                  | (390,400,650)     | 460                                 | +15               | (18,25,44)        | 28                                  | +12             |
| (22,25,48)           | 30                                     | +20                  | (380,400,740)     | 480                                 | +20               | (22,25,48)        | 30                                  | +20             |
| (20,25,70)           | 35                                     | +40                  | (380,400,900)     | 520                                 | +30               | (18,25,77)        | 35                                  | +40             |

| $\widetilde{h}_{bc}$ | $d(\widetilde{h}_{bc}, \widetilde{0})$ | $\widetilde{h}_{bc}$ | $\widetilde{h}_{sc}$ | $d(\widetilde{h}_{sc}, \widetilde{0})$ | $\widetilde{h}_{sc}$ |
|----------------------|--|----------------------|----------------------|--|----------------------|
| (1,10,12)            | 8.3                                    | -17                  | (1,8,10)             | 6.8                                    | -15                  |
| (2,10,12)            | 8.5                                    | -15                  | (3,8,13)             | 7.5                                    | -6                   |
| (4,10,13)            | 9.3                                    | -7                   | (5,8,15)             | 8.5                                    | +6                   |
| (6,10,16)            | 10.5                                   | +5                   | (6,8,18)             | 9.8                                    | +23                  |
| (7,10,18)            | 11.3                                   | +13                  | (6,8,19)             | 10.5                                   | +32                  |

**Table 3:** Impact of the deterioration rate on the integrated system with fuzzy costs using trapezoidal fuzzy numbers

| $\theta_{dr}$ | $\widetilde{A}_{oc}$ | $\widetilde{C}_s$ | $\widehat{C}_d$ | $\widetilde{h}_{sc}$ | $\widetilde{h}_{bc}$ | $q_1^*$ | $n_1^*$ | $T^*$  | $J_1(q_1, n_1)$ | $\widehat{J}_1(q_1, n_1)$ |
|---------------|----------------------|-------------------|-----------------|----------------------|----------------------|---------|---------|--------|-----------------|---------------------------|
| 0.1           | -36                  | -30               | -40             | -35                  | -45                  | 318.1   | 2       | 0.1318 | 10336           | 15.5                      |
|               | -16                  | -20               | -20             | -10                  | -30                  | 224.0   | 2       | 0.1457 | 11329           | 07.4                      |
|               | 0                    | 0                 | 0               | 0                    | 0                    | 316.6   | 2       | 0.1372 | 12242           | 00.0                      |
|               | +16                  | +20               | +20             | +25                  | +30                  | 206.3   | 3       | 0.1342 | 14406           | 17.6                      |
|               | +36                  | +30               | +40             | +40                  | +60                  | 198.9   | 3       | 0.1294 | 15467           | 26.3                      |
|               | +80                  | +50               | +60             | +60                  | +80                  | 203.3   | 3       | 0.1323 | 16608           | 35.6                      |
| 0.2           | -36                  | -30               | -40             | -35                  | -45                  | 247.6   | 2       | 0.1071 | 11975           | 09.0                      |
|               | -16                  | -20               | -20             | -10                  | -30                  | 191.3   | 2       | 0.0828 | 12487           | 05.1                      |
|               | 0                    | 0                 | 0               | 0                    | 0                    | 282.7   | 2       | 0.1222 | 13166           | 00.0                      |
|               | +16                  | +20               | +20             | +25                  | +30                  | 177.5   | 3       | 0.1153 | 16007           | 21.5                      |
|               | +36                  | +30               | +40             | +40                  | +60                  | 172.4   | 3       | 0.1120 | 17145           | 30.2                      |
|               | +80                  | +50               | +60             | +60                  | +80                  | 176.3   | 3       | 0.1145 | 18455           | 40.1                      |

|     |     |     |     |     |     |       |   |        |       |      |
|-----|-----|-----|-----|-----|-----|-------|---|--------|-------|------|
| 0.3 | -36 | -30 | -40 | -35 | -45 | 247.6 | 2 | 0.1026 | 12288 | 12.2 |
|     | -16 | -20 | -20 | -10 | -30 | 191.3 | 2 | 0.1101 | 13497 | 3.6  |
|     | 0   | 0   | 0   | 0   | 0   | 282.7 | 2 | 0.1112 | 14002 | 00.0 |
|     | +16 | +20 | +20 | +25 | +30 | 177.5 | 3 | 0.1026 | 17411 | 24.3 |
|     | +36 | +30 | +40 | +40 | +60 | 172.4 | 3 | 0.1001 | 18626 | 33.0 |
|     | +80 | +50 | +60 | +60 | +80 | 176.3 | 3 | 0.1024 | 20086 | 43.4 |
| 0.4 | -36 | -30 | -40 | -35 | -45 | 215.2 | 2 | 0.0927 | 13101 | 11.3 |
|     | -16 | -20 | -20 | -10 | -30 | 154.0 | 2 | 0.0998 | 14405 | 02.4 |
|     | 0   | 0   | 0   | 0   | 0   | 238.6 | 2 | 0.1027 | 14772 | 00.0 |
|     | +16 | +20 | +20 | +25 | +30 | 144.0 | 3 | 0.0933 | 18678 | 24.4 |
|     | +36 | +30 | +40 | +40 | +60 | 140.9 | 3 | 0.0913 | 19966 | 35.1 |
|     | +80 | +50 | +60 | +60 | +80 | 144.2 | 3 | 0.0935 | 21563 | 45.9 |
| 0.5 | -36 | -30 | -40 | -35 | -45 | 198.1 | 2 | 0.0852 | 13843 | 10.6 |
|     | -16 | -20 | -20 | -10 | -30 | 142.1 | 2 | 0.0920 | 15237 | 01.6 |
|     | 0   | 0   | 0   | 0   | 0   | 223.1 | 2 | 0.0958 | 15488 | 00.0 |
|     | +16 | +20 | +20 | +25 | +30 | 133.0 | 3 | 0.0861 | 19841 | 28.1 |
|     | +36 | +30 | +40 | +40 | +60 | 150.5 | 3 | 0.0974 | 21201 | 36.8 |
|     | +80 | +50 | +60 | +60 | +80 | 133.5 | 3 | 0.0864 | 22922 | 47.9 |
| 0.6 | -36 | -30 | -40 | -35 | -45 | 184.5 | 2 | 0.0792 | 14531 | 10.0 |
|     | -16 | -20 | -20 | -10 | -30 | 179.1 | 2 | 0.0770 | 15989 | 01.0 |
|     | 0   | 0   | 0   | 0   | 0   | 210.3 | 2 | 0.0902 | 16162 | 00.0 |
|     | +16 | +20 | +20 | +25 | +30 | 124.3 | 3 | 0.0804 | 20923 | 29.4 |
|     | +36 | +30 | +40 | +40 | +60 | 122.1 | 3 | 0.0790 | 22351 | 38.2 |
|     | +80 | +50 | +60 | +60 | +80 | 124.9 | 3 | 0.0808 | 24189 | 49.6 |
| 0.7 | -36 | -30 | -40 | -35 | -45 | 173.3 | 2 | 0.0744 | 15173 | 09.6 |
|     | -16 | -20 | -20 | -10 | -30 | 168.6 | 2 | 0.0724 | 16704 | 00.5 |
|     | 0   | 0   | 0   | 0   | 0   | 199.4 | 2 | 0.0854 | 16799 | 00.0 |
|     | +16 | +20 | +20 | +25 | +30 | 117.0 | 3 | 0.0756 | 21939 | 30.5 |
|     | +36 | +30 | +40 | +40 | +60 | 115.1 | 3 | 0.0744 | 23432 | 39.4 |
|     | +80 | +50 | +60 | +60 | +80 | 117.8 | 3 | 0.0761 | 25381 | 51.0 |

Cntd.

| $\theta_{dr}$ | $\widehat{A}_{oc}$ | $\widehat{C}_s$ | $\widehat{C}_d$ | $\widehat{h}_{sc}$ | $\widehat{h}_{bc}$ | $q_1^*$ | $n_1^*$ | $T^*$  | $J_1(q_1, n_1)$ | $\widehat{J}_1(q_1, n_1)$ |
|---------------|--------------------|-----------------|-----------------|--------------------|--------------------|---------|---------|--------|-----------------|---------------------------|
| 0.8           | -36                | -30             | -40             | -35                | -45                | 164.0   | 2       | 0.0703 | 15784           | 09.3                      |
|               | -16                | -20             | -20             | -10                | -30                | 159.8   | 2       | 0.0685 | 17380           | 00.1                      |
|               | 0                  | 0               | 0               | 0                  | 0                  | 190.1   | 2       | 0.0813 | 17406           | 00.0                      |
|               | +16                | +20             | +20             | +25                | +30                | 110.9   | 3       | 0.0716 | 22899           | 31.5                      |
|               | +36                | +30             | +40             | +40                | +60                | 109.2   | 3       | 0.0705 | 24455           | 40.5                      |
|               | +80                | +50             | +60             | +60                | +80                | 111.8   | 3       | 0.0722 | 26508           | 52.2                      |
| 0.9           | -36                | -30             | -40             | -35                | -45                | 156.0   | 2       | 0.0668 | 16362           | 09.0                      |
|               | -16                | -20             | -20             | -10                | -30                | 152.2   | 2       | 0.0652 | 18022           | 00.2                      |
|               | 0                  | 0               | 0               | 0                  | 0                  | 182.0   | 2       | 0.0777 | 17987           | 00.0                      |
|               | +16                | +20             | +20             | +25                | +30                | 105.7   | 3       | 0.0682 | 23812           | 32.4                      |
|               | +36                | +30             | +40             | +40                | +60                | 104.1   | 3       | 0.0672 | 25429           | 41.4                      |
|               | +80                | +50             | +60             | +60                | +80                | 106.6   | 3       | 0.0688 | 27582           | 53.3                      |

**Table 4:** Impact of the deterioration rate on the integrated system with fuzzy costs using triangular fuzzy numbers

| $\theta_{dr}$ | $\widehat{A}_{oc}$ | $\widehat{C}_s$ | $\widehat{C}_d$ | $\widehat{h}_{sc}$ | $\widehat{h}_{bc}$ | $q_1^*$ | $n_1^*$ | $T^*$  | $J_2(q_1, n_1)$ | $\widehat{J}_2(q_1, n_1)$ |
|---------------|--------------------|-----------------|-----------------|--------------------|--------------------|---------|---------|--------|-----------------|---------------------------|
| 0.1           | -20                | -20             | -20             | -15                | -17                | 324.6   | 2       | 0.1406 | 10845           | 11.4                      |
|               | -12                | -15             | -12             | -6                 | -15                | 321.9   | 2       | 0.1395 | 11212           | 08.4                      |
|               | 0                  | 0               | 0               | 0                  | 0                  | 316.6   | 2       | 0.1372 | 12242           | 00.0                      |
|               | +12                | +15             | +12             | +6                 | +7                 | 339.2   | 2       | 0.1469 | 12587           | 02.8                      |
|               | +20                | +20             | +20             | +23                | +5                 | 326.0   | 2       | 0.1412 | 13222           | 08.0                      |
|               | +40                | +30             | +40             | +32                | +13                | 232.0   | 3       | 0.1509 | 13929           | 13.7                      |
| 0.2           | -20                | -20             | -20             | -15                | -17                | 294.7   | 2       | 0.1273 | 11489           | 12.7                      |
|               | -12                | -15             | -12             | -6                 | -15                | 291.5   | 2       | 0.1259 | 11912           | 09.5                      |
|               | 0                  | 0               | 0               | 0                  | 0                  | 282.7   | 2       | 0.1222 | 13166           | 00.0                      |
|               | +12                | +15             | +12             | +6                 | +7                 | 304.3   | 2       | 0.1314 | 13516           | 02.6                      |
|               | +20                | +20             | +20             | +23                | +5                 | 211.9   | 3       | 0.1376 | 14171           | 07.6                      |
|               | +40                | +30             | +40             | +32                | +13                | 208.1   | 3       | 0.1351 | 15012           | 14.0                      |
| 0.3           | -20                | -20             | -20             | -15                | -17                | 271.7   | 2       | 0.1171 | 12080           | 13.7                      |
|               | -12                | -15             | -12             | -6                 | -15                | 268.4   | 2       | 0.1157 | 12553           | 10.3                      |
|               | 0                  | 0               | 0               | 0                  | 0                  | 257.9   | 2       | 0.1112 | 14002           | 00.0                      |
|               | +12                | +15             | +12             | +6                 | +7                 | 201.1   | 3       | 0.1303 | 14359           | 02.5                      |
|               | +20                | +20             | +20             | +23                | +5                 | 194.6   | 3       | 0.1261 | 15032           | 07.3                      |
|               | +40                | +30             | +40             | +32                | +13                | 190.3   | 3       | 0.1233 | 15994           | 14.2                      |
| 0.4           | -20                | -20             | -20             | -15                | -17                | 253.4   | 2       | 0.1090 | 12629           | 14.0                      |
|               | -12                | -15             | -12             | -6                 | -15                | 250.0   | 2       | 0.1075 | 13147           | 11.0                      |
|               | 0                  | 0               | 0               | 0                  | 0                  | 238.6   | 2       | 0.1027 | 14772           | 00.0                      |
|               | +12                | +15             | +12             | +6                 | +7                 | 186.6   | 3       | 0.1207 | 15128           | 02.4                      |
|               | +20                | +20             | +20             | +23                | +5                 | 180.9   | 3       | 0.1171 | 15829           | 07.1                      |
|               | +40                | +30             | +40             | +32                | +13                | 176.4   | 3       | 0.1142 | 16900           | 14.4                      |

Cntd.

|     | $\widehat{A}_{oc}$ | $\widehat{C}_s$ | $\widehat{C}_d$ | $\widehat{h}_{sc}$ | $\widehat{h}_{bc}$ | $q_1^*$ | $n_1^*$ | $T^*$  | $J_2(q_1, n_1)$ | $\widehat{J}_2(q_1, n_1)$ |
|-----|--------------------|-----------------|-----------------|--------------------|--------------------|---------|---------|--------|-----------------|---------------------------|
| 0.5 | -20                | -20             | -20             | -15                | -17                | 238.4   | 2       | 0.1023 | 13143           | 15.2                      |
|     | -12                | -15             | -12             | -6                 | -15                | 234.9   | 2       | 0.1008 | 13703           | 11.5                      |
|     | 0                  | 0               | 0               | 0                  | 0                  | 223.1   | 2       | 0.0958 | 15488           | 00.0                      |
|     | +12                | +15             | +12             | +6                 | +7                 | 174.8   | 3       | 0.1129 | 15845           | 02.3                      |
|     | +20                | +20             | +20             | +23                | +5                 | 169.8   | 3       | 0.1097 | 16574           | 07.0                      |
|     | +40                | +30             | +40             | +32                | +13                | 165.2   | 3       | 0.1068 | 17744           | 14.5                      |
| 0.6 | -20                | -20             | -20             | -15                | -17                | 225.7   | 2       | 0.0967 | 13630           | 15.6                      |
|     | -12                | -15             | -12             | -6                 | -15                | 222.3   | 2       | 0.0953 | 14229           | 11.9                      |
|     | 0                  | 0               | 0               | 0                  | 0                  | 210.3   | 2       | 0.0902 | 16162           | 00.0                      |
|     | +12                | +15             | +12             | +6                 | +7                 | 165.0   | 3       | 0.1065 | 16520           | 02.2                      |
|     | +20                | +20             | +20             | +23                | +5                 | 160.4   | 3       | 0.1035 | 17277           | 06.8                      |
|     | +40                | +30             | +40             | +32                | +13                | 155.8   | 3       | 0.1006 | 18539           | 14.7                      |
| 0.7 | -20                | -20             | -20             | -15                | -17                | 214.9   | 2       | 0.9019 | 14092           | 16.1                      |
|     | -12                | -15             | -12             | -6                 | -15                | 211.5   | 2       | 0.0905 | 14728           | 12.3                      |
|     | 0                  | 0               | 0               | 0                  | 0                  | 199.4   | 2       | 0.0854 | 16799           | 00.0                      |
|     | +12                | +15             | +12             | +6                 | +7                 | 156.7   | 3       | 0.1016 | 17160           | 02.1                      |
|     | +20                | +20             | +20             | +23                | +5                 | 152.5   | 3       | 0.0983 | 17943           | 06.8                      |
|     | +40                | +30             | +40             | +32                | +13                | 147.9   | 3       | 0.0954 | 19292           | 14.8                      |
| 0.8 | -20                | -20             | -20             | -15                | -17                | 205.5   | 2       | 0.0878 | 14534           | 16.5                      |
|     | -12                | -15             | -12             | -6                 | -15                | 202.1   | 2       | 0.0864 | 15205           | 12.6                      |
|     | 0                  | 0               | 0               | 0                  | 0                  | 190.1   | 2       | 0.0813 | 17406           | 00.0                      |
|     | +12                | +15             | +12             | +6                 | +7                 | 149.5   | 3       | 0.0962 | 17770           | 02.0                      |
|     | +20                | +20             | +20             | +23                | +5                 | 145.7   | 3       | 0.0938 | 18579           | 06.7                      |
|     | +40                | +30             | +40             | +32                | +13                | 141.1   | 3       | 0.0909 | 20009           | 14.9                      |
| 0.9 | -20                | -20             | -20             | -15                | -17                | 197.2   | 2       | 0.0841 | 14958           | 16.8                      |
|     | -12                | -15             | -12             | -6                 | -15                | 193.9   | 2       | 0.0827 | 15662           | 12.9                      |
|     | 0                  | 0               | 0               | 0                  | 0                  | 182.0   | 2       | 0.0777 | 17987           | 00.0                      |
|     | +12                | +15             | +12             | +6                 | +7                 | 143.2   | 3       | 0.0921 | 18353           | 02.0                      |
|     | +20                | +20             | +20             | +23                | +5                 | 139.6   | 3       | 0.0898 | 19188           | 06.6                      |
|     | +40                | +30             | +40             | +32                | +13                | 135.2   | 3       | 0.0870 | 20695           | 15.0                      |

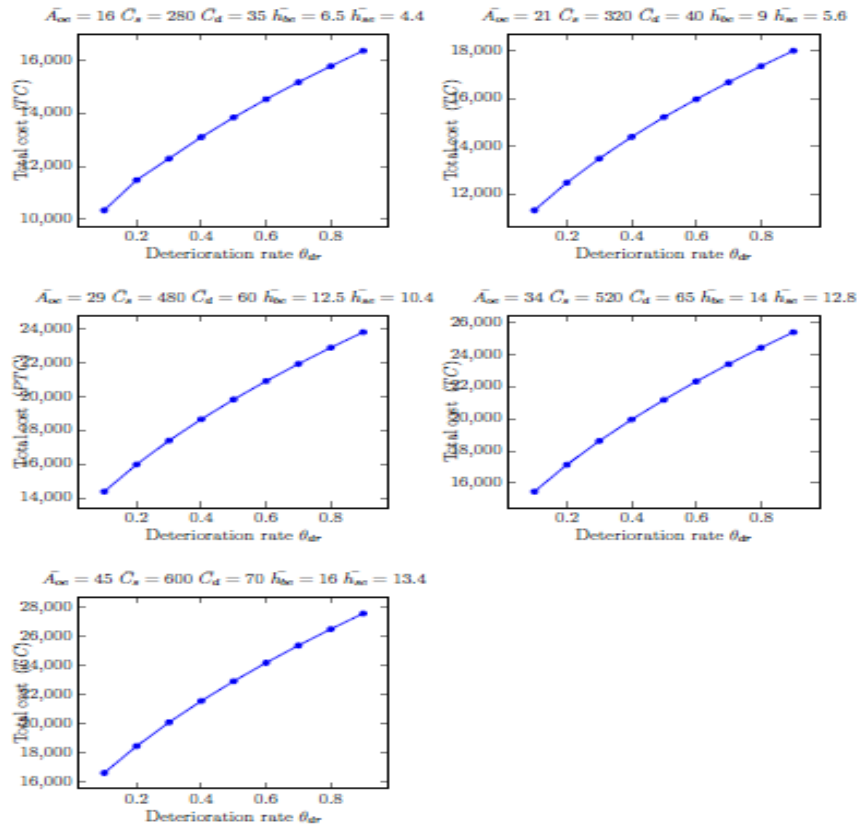


Figure 3: Deterioration rate Vs Total cost (Trapezoidal fuzzy number)

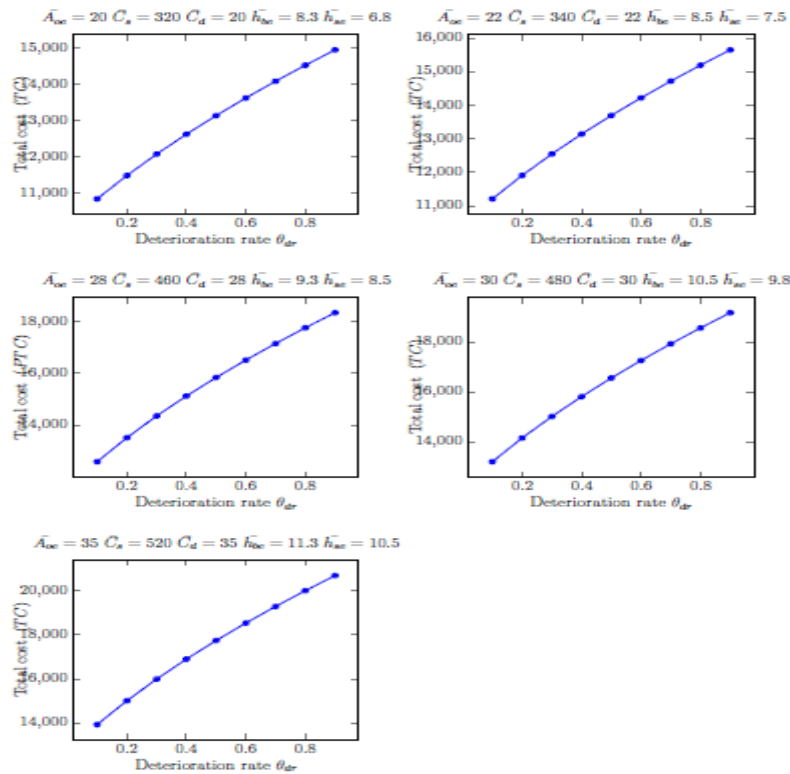


Figure 4: Deterioration rate Vs Total cost (Triangular fuzzy number)