## THE DEVELOPMENT OF A HYBRID KNOWLEDGE-BASED SYSTEM FOR DESIGNING A LOW VOLUME AUTOMOTIVE MANUFACTURING ENVIRONMENT

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PhD

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#### 2012

PERPUS	STAKAAN P
UNIVERSITI MA	LAYSIA PAH <b>ANG</b>
No. Perolehan (164037 Tarikh Jarikh APR 2012 30	No. Panggilan TS 176 285 2012 TS Theois

#### ABSTRACT

## Keywords: Low Volume Automotive Manufacturing (LVAM), Lean Manufacturing, Knowledge Based (KB), Gauging Absences of Prerequisites (GAP), Analytic Hierarchy Process (AHP)

The product development process for the automotive industry is normally complicated, lengthy, expensive, and risky. Hence, a study on a new concept for Low Volume Automotive Manufacturing (LVAM), used for niche car models manufacturing, is proposed to overcome this issue. The development of a hybrid Knowledge Based (KB) System, which is a blend of KB System, Gauging Absences of Pre-requisites (GAP), and Analytic Hierarchy Process (AHP) is proposed for LVAM research. The hybrid KB/GAP/AHP System identifies all potential elements of LVAM issues throughout the development of this system. The KB System used in the LVAM analyses the gap between the existing and the benchmark organisations for an effective implementation.

The novelty and differences in the current research approach emphasises the use of Knowledge Based (KB) System in the planning and designing stages by suggesting recommendations of LVAM implementation, through: a) developing the conceptual LVAM model; b) designing the KBLVAM System structure based on the conceptual LVAM model; and c) embedding Gauging Absences of Pre-requisites (GAP) analysis and Analytic Hierarchy Process (AHP) approach in the hybrid KBLVAM System.

The KBLVAM Model explores five major perspectives in two stages. Planning Stage (Stage 1) consists of *Manufacturer Environment* Perspective (Level 0), *LVAM Manufacturer Business* Perspective (Level 1), and *LVAM Manufacturer Resource* Perspective (Level 2). Design Stage (Stage 2) consists of *LVAM Manufacturer Capability – Car Body Part Manufacturing* Perspective (Level 3), *LVAM Manufacturer Capability – Competitive Priorities* Perspective (Level 4), and *LVAM Manufacturer Capability – Competitive Priorities* Perspective (Level 4), and *LVAM Manufacturer Capability – Lean Process Optimisation* Perspective (Level 5). Each of these perspectives consists of modules and sub-modules that represent specific subjects in the LVAM development. Based on the conceptual LVAM model, all perspectives were transformed into the KBLVAM System structure, which is embedded with the GAP and AHP techniques, hence, key areas of potential improvement are recommended for each activity for LVAM implementation.

In order to be able to address the real situation of LVAM environment, the research verification was conducted for two automotive manufacturers in Malaysia. Some published case studies were also used to check several modules for their validity and reliability. This research concludes that the developed KBLVAM System provides valuable decision making information and knowledge to assist LVAM practitioners to plan, design and implement LVAM in terms of business organisation, manufacturing aspects and practices.

# TABLE OF CONTENTS

AE	BSTRACT	i
AC	CKNOWLEDGEMENT	ii
TA	BLE OF CONTENTS	, 11 iii
LIS	ST OF FIGURES	111 vii
LIS	ST OF TABLES	vii in
GL	OSSARY	
		XI
CH	IAPTER 1: INTRODUCTION	
1.1	Background	-
1.2	Problem Statement	1
1.3	Research Project Aim	2
1.4	Research Objectives	4
1.5	Significance of Research	5
1.6	Research Methodology	07
	1.6.1 Methodology Flow	7
	1.6.2 Conceptual development	/ 8
1.7	Thesis Outline	10
1.8	Summary	10
		11
СН	APTER 2: LITERATURE REVIEW: MANUFACTURING	
2.1	Introduction to manufacturing	12
2.2	High Volume Manufacturing	12
	2.2.1 Quantity Production	15
	2.2.2 Flow line production	16
	2.2.2.1 Assembly lines	10
	2.2.2.2 Single model lines	18
	2.2.2.3 Multi/mixed model lines	18
	2.2.2.4 Transfer lines	20
	2.2.2.5 Continuous line production	21
	2.2.3 Material Handling Systems (MHS)	22
• •	2.2.4 Facility Layout	22
2.3	Medium Volume Manufacturing	23
	2.3.1 Batch Production	23
	2.3.2 Cellular Manufacturing (CM)	24
2.4	2.3.3 Flexible Manufacturing System (FMS)	25
2.4	Low Volume Manufacturing	26
	2.4.1 Project Shop	27
25	2.4.2 Jobbing	27
2.5	Lean Manufacturing	28
2.0	Summary	30
СЦ		
	AT LER 3: LITERATURE REVIEW: AUTOMOTIVE	
	NUFACTURING	
3.1 2 2	Introduction to Automotive Manufacturing	32
3.2	High Volume Automotive Manufacturing (HVAM)	35
5.5	2.2.1 Automotive Manufacturing (LVAM)	37
	3.3.1 Automotive Design Concept	38
	3.3.2 Froduct/rooling Design	42
	2.2.2 1 Motorial	44
	5.5.5.1 Wateria	44

	3.3.3.2 Tooling and Process	
	3.3.3.2.1 Stamping	. 47
	3.3.3.2.2 Body Assembly	48
	3.3.3.3 Quality	53
	3.3.4 Suppliers	58
3.4	Summary	61
		60
	HAPTER 4: KNOWLEDGE BASED SYSTEM, GAUGING ABSENC	ES
4 1	Introduction to A dia his and ANALYTIC HIERARCHY PROCESS	
т. ј	A 1 1 Genetic All intelligence	65
	4.1.1 Genetic Algorithms (GA)	69
	4.1.2 Artificial Neural Network (ANN) 4.1.3 Euzzy Logie (FL)	71
	414 Simulated Appendice (GA)	74
	415 Case Based Baserie (CDD)	77
	416 Frame Boood Strategy (TDG)	79
	4.1.7 Expert Systems (ES)/Knowl 1 Double Statement	80
	4 1 7 1 Knowledge Desid Suite (KBS)	82
	4 1 7 2 Inference Engine	82
	4.1.7.3 Forward Chaining	85
	4.1.7.4 Backward Chaining	-86
	4.1.7.5 Knowledge Base	87
	4.1.7.6 Blackboard	88
	4.1.7.7 End User, Knowledge Engineer and Domain Everent	89
	4.1.7.8 Applications of Artificial Intelligent in Manufacturing	90
4.2	Gauging Absences of Pre-requisites (GAP) Analysis Technique	91
4.3	Analytic Hierarchy Process	94
	4.3.1 The hierarchy construction principle	94
	4.3.2 The priority setting principle	90
	4.3.3 The Logical consistency principle	9/
4.4	Summary	98 98
СН	APTER 5. CONCEPTUAL MODEL FOR LOWING	
AU	TOMOTIVE MANUFACTURING	
5.1	Introduction	
5.2	Conceptual design of KBI VAM Model	100
	5.2.1 Stage 1: Planning	101
	5.2.1.1 LVAM Business Perspective	106
	5.2.1.2 LVAM Resource Perspective	107
	5.2.2 Stage 2: Design	111
	5.2.2.1 LVAM Car Body Parts Manufacturing Perspective	113
	5.2.2.2 Competitive Priorities	114
	5.2.2.3 LVAM Lean Process Optimisation	121
5.3	Framework of KBLVAM Model	121
	5.3.1 Development Tools for Knowledge Based Low Volume	124
	Automotive Manufacturing (KBLVAM) System	127
~ .	5.3.2 Hybrid Knowledge Based/GAP/AHP System	127
5.4	Summary	131
СН	DTED & DEVELOD (DVT of and	
VOI	UME AUTOMOTIVE MANY AND A STREET	
STA	CF 1 (DLANNING)	
61	Introduction	
~ • 4		122

0.1	muoduction	122
62	Level 0 Monuteration E. J.	155
0.2	Level 0 – Manufacturer Environment Perspective	138
	1	150

6.3	Level 1 - LVAM Manufacturer Business Perspective	142
	6.3.1 Financial Analysis	142
	6.3.2 Market Analysis	145
6.4	Level 2 - LVAM Manufacturer Resource Perspective	143
	6.4.1 Human Resource Module	14/
	642 Tachnology Deserves Martial	148
	6.4.2 Finn is D	150
65	0.4.5 Financial Resource Module	153
0.5	Summary	156

#### CHAPTER 7: DEVELOPMENT OF KNOWLEDGE-BASED LOW VOLUME AUTOMOTIVE MANUFACTURING (KBLVAM) MODEL: STAGE 2 (DESIGN) 7.1 Introduction

7.1	Introc	luction	158
1.2	Level	3 - LVAM Manufacturer Capability - Car Body Parts	159
	Manu	facturing Perspective	
	7.2.1	Car Body Design Development Module	160
		7.2.1.1 Car Body Design Concept Sub-Module	162
		7.2.1.2 Conceptual Design Analysis Sub-Module	162
		7.2.1.3 Car Body Design Development Assessment Sub- Module	165
	7.2.2	Car Body Parts Manufacturing Process Module	166
		7.2.2.1 Design of Dies and Checking Fixtures Sub-Module	167
		7.2.2.2 Design of Manufacturing Process Sub-Module	169
	7.2.3	Car Body Assembly Process Module	171
		7.2.3.1 Design of Assembly Tools Sub-Module	172
		7.2.3.2 Design of Assembly Process Sub-Module	172
7.3	Level	4 – LVAM Manufacturer Capability - Competitive Priority	174
	Perspe	ctive	171
	7.3.1	Quality Module	175
	7.3.2	Cost Module	177
	7.3.3	Delivery Module	179
	7.3.4	Flexibility Module	181
	7.3.5	Supply Chain Module	183
7.4	Level	5 – LVAM Manufacturer Capability – Lean Process Optimisation	184
	Perspe	ctive	104
	7.4.1	Employee Involvement Module	186
	7.4.2	Waste Elimination Module	190
,	7.4.3	Kaizen (continuous improvement) Module	193
7.5	Summ	ary	196
СН	APTED	8. VEDIELCATION AND VALUE ATION OF VEDICA	

#### CHAPTER 8: VERIFICATION AND VALIDATION OF KBLVAM MODEL 8.1 Introduction

0.1	Introd	uction	198
8.2	Indust	ry Verification Process	199
	8.2.1	Perusahaan Otomobil Nasional Sdn. Bhd (Proton)	199
	8.2.2	Miyazu (Malaysia) Sdn. Bhd.	200
	8.2.3	The Relationship and Profile of the Manufacturers	201
8.3	Verifi	cation and validation of KBLVAM Model Based on the Industry	202
	Data	•	
	8.3.1	Level 0 - Manufacturer Environment Perspective	203
	8.3.2	Level 1 - LVAM Manufacturer Business Perspective	203
	8.3.3	Level 2 - LVAM Manufacturer Resources Perspective	209
	8.3.4	Level 3 - LVAM Manufacturer Capability Car Body Parts	214
		Manufacturing Perspective	

	8.3.5	Level 4 - LVAM Manufacturer Canability Competitive Priorities	220
		Perspective	220
	8.3.6	Level 5 - LVAM Manufacturer Capability Lean Process	226
		Optimisation Perspective	220
8.4	Verific	cation Summary of KBLVAM Model Based on the Industry Data	232
	8.4.1	Summarised Perspectives Analysis for Proton	232
	8.4.2	Summarised Perspectives Analysis for Miyazu	236
	8.4.3	Manufacturers' GAP Relationship in LVAM Identified by	240
		KBLVAM	
8.5	Publisl	hed Case Study Validation of KBLVAM Model	243
	8.5.1	Financial Analysis Module	244
	8.5.2	Market Analysis Module	246
	8.5.3	Summary of Published Case Studies	248
8.6	Summa	ary	248
· CH	APTER	9: CONCLUSION AND RECOMMENDATIONS	
9.1	Introdu	ction	250
9.2	Researc	ch Achievement	250
9.3	Advant	ages of KBLVAM System	255
9.4	Limitat	ions of Research	255
<b>9.5</b> <sup>·</sup>	Recom	mendations for Future Work	258
9.6	Final R	emarks	261
REF	EREN	CES	<b>R</b> 1
			ICI
APP	ENDIC	CES	
Appe	endix A:	Description of AM For Windows Elements	A1
Appe	endix B:	The AHP Procedure	B1
Appe	endix C:	Verification of Industrial Case Study	C1
Appe	endix D:	List of Publications	D1

•

vi

•

۰.

# LIST OF FIGURES

Figure 1.1: Methodology flow	8
Figure 2.1: Decomposition of manufacturing processes	14
Figure 2.2: Categories of high volume production	15
Figure 2.3: Product layouts	17
Figure 2.4: Multi-model assembly	19
Figure 2.5: Mixed model lines	20
Figure 2.6: Cellular manufacturing layout	25
Figure 3.1: Product Development Stages	33
Figure 3.2: The effect of problems on profit	40
Figure 3.3: Current connection of automotive supply chain in design and production phases	43
Figure 3.4: A rear cross-roof beam with the adjoining side brackets analyzed in the present work	46
Figure 3.5: Automotive components	17
Figure 3.6: Door Inner based TWBs (a) developed blank and (b) formed sheet	50
Figure 3.7: Spray forming process	50
Figure 3.8: Single-point incremental sheet forming	51
Figure 3.9: Hydraulic counter pressure deep drawing	52
Figure 3.10: Roller forming	53
Figure 3.11: Self piercing rivet process	56
Figure 3.12: Clinching process	57
Figure 3.13: Schematic view of hemming tools	58
Figure 3.14: Schematic of a body side assembly	60
Figure 3.15: Typical value chain	63
Figure 4.1: Pyramid model, the hierarchy of data, information, knowledge, and	66
Figure 4.2: Genetic algorithms processing	-
Figure 4.3: Architecture of a typical artificial neural natural	70
Figure 4.4: Conventional crisp sets	12
Figure 4.5: Fuzzy sets	/0 77
Figure 4.6: CBR cvcle	70
Figure 4.7: Example of a typical frame	80
Figure 4.8: Example of class and instances	81
Figure 4.9: Architecture of knowledge based systems	84
Figure 4.10: Forward chaining and backward chaining approaches	86
Figure 4.11: Basic steps in implementing AHP	95
Figure 4.12: Structure of hierarchy	96
Figure 4.13: Matrix for pair-wise comparison	98
Figure 5.1: Stage 1 of the conceptual design of the KBLVAM model	102
Figure 5.2: Stage 2 of the conceptual design of the KBLVAM model	104
Figure 5.3: Conceptual design of KBLVAM model	107
Figure 5.4: Conversion of conceptual model to a hierarchical structure of KBLVAM model	125
Figure 5.5: Framework of KBLVAM model	126
Figure 6.1: Structure of KBLVAM – Stage 1	133
Figure 6.2: Example of questions in KBLVAM model	136

Figure 6.3: Example of <i>Explanation</i> facility to questions	138
Figure 6.4: Flowchart of Manufacturer Environment	139
Figure 6.5: LVAM Manufacturer Business Perspective	142
Figure 6.6: Flowchart of LVAM Manufacturer Business Perspective	143
Figure 6.7: Flowchart of Market Analysis module	146
Figure 6.8: Detailed Structure of KBLVAM - Level 2	140
Figure 6.9: Flowchart of Human Resource module	149
Figure 6.10: Flowchart of Technology Resource module	151
Figure 6.11: Flowchart of Financial Resource module	154
Figure 7.1: Structure of KBLVAM system – Stage 2	158
Figure 7.2: LVAM manufacturer capability – Car Body Parts Manufacturing perspective	160
Figure 7.3: Flowchart of Car Body Design Development module	161.
Figure 7.4: Flowchart of Car Body Parts Manufacturing Process module	166
Figure 7.5: Flowchart of Car Body Assembly Process module	171
Figure 7.6: Detailed structure of KBLVAM- Level 4	175
Figure 7.7: Flowchart of Competitive Priorities - Quality module	176
Figure 7.8: Flowchart of Competitive Priorities - Cost module	178
Figure 7.9: Flowchart of Competitive Priorities - Time module	180
Figure 7.10: Flowchart of Competitive Priorities - Flexibility module	181
Figure 7.11: Flowchart of Competitive Priorities Supply Chain module	183
Figure 7.12: LVAM manufacturer capability – <i>Lean Process Optimisation</i>	185
Figure 7.13: Flowchart of Employee Involvement module	107
Figure 7.14: Flowchart of <i>Waste Elimination</i> module	10/
Figure 7.15: Flowchart of Kaizen module	191 194
Figure 8.1: Relationship of the manufacturers in the Malaysian automotive industry	201
Figure 8.2: Manufacturer Environment perspective	203
Figure 8.3: LVAM Manufacturer Business perspective	205
Figure 8.4: LVAM Manufacturer Resources perspective	209
Figure 8.5: LVAM Manufacturer Capability - Car Body Parts Manufacturing perspective	215
Figure 8.6: LVAM Manufacturer Canability - Competitive Priorities perspective	220
Figure 8.7: LVAM Manufacturer Capability - Lean Process Optimisation	220
perspective	220
Figure 8.8: The immediate improvement areas for Proton based on GAP/AHP	235
Figure 8.9: The immediate improvement areas for Miyazu based on AHP/GAP	239
Figure 9.1. Summary of research activities	0.51
Figure 9.2: Future concentual design of KPI VAM model	251
A Baro 2.2. I duite conceptual design of NBLVAW model	260

## LIST OF TABLES

Table 2.1: Typical characteristics of process choices	14
Table 4.1: AI functions and techniques in manufacturing	68
Table 4.2: Summary of AI applications in manufacturing	00
Table 4.3: Scale for pair-wise comparisons	93 97
Table 5.1: Categories of organisation size in Malaysia	109
Table 5.2: Level of employee empowerment	122
Table 5.3: Problem categories and description of GAP analysis technique	128
Table 5.4: Pair-wise Comparisons for Problem Category (PC)	129
Table 5.5: Comparative weight of Problem Category (PC)	130
Table 6.1: Example of user responses in Manufacturer Environment	141
Table 7.1: Lean Process Optimisation evaluation elements	185
Table 8.1: Summary of Proton and Miyazu profiles	
Table 8.2: Inputs of <i>Manufacturer Environment</i> perspective for Proton	202
Table 8.3: Output/results of <i>Manufacturer Environment</i> Perspective for Proton	203
Table 8.4: Income Statement of Proton	204
Table 8.5: Balance Sheet of Proton	205
Table 8.6: Cash Flow Statement of Proton	205
Table 8.7: Output of Financial Analysis for Proton	206
Table 8.8: Inputs of Market Analysis for Proton	200
Table 8.9: Output of <i>Market Analysis</i> for Proton	200
Table 8.10: Summarised GAP analysis results of Level 2: Resources perspective for	200
Proton	. 411
Table 8.11: AHP analysis with PV for Human Resource module for Proton	211
Table 8.12: AHP analysis with PV for <i>Technology Resource</i> module for Proton	211
Table 8.13: AHP analysis with PV for <i>Financial Resource</i> module for Proton	212
Table 8.14: AHP analysis with PV for Level 2: Resources perspective for Proton	212
Table 8.15: Summary of AHP results for Level 2: Resources perspective for Proton	213
Table 8.16: Summarised GAP analysis results of Level 3: Car Body Parts	214
Manufacturing perspective for Proton	210
Table 8.17: AHP analysis for Proton's Car Body Design Development module	217
Table 8.18: AHP analysis for Proton's Car Body Parts Manufacturing Process	217
module	217
Table 8.19: AHP analysis for Proton's Car Body Assembly Process module	218
Table 8.20: AHP analysis for Proton's Level 3: Car Body Parts Manufacturing	218
perspective	210
Table 8.21: Summary of AHP results for Level 3: Car Body Parts Manufacturing	219
perspective for Proton	
Table 8.22: Summarised GAP analysis results of Level 4: Competitive Priorities	221
perspective for Proton	
Table 8.23: AHP analysis for Proton's <i>Quality</i> module	222
Table 8.24: AHP analysis for Proton's <i>Cost</i> module	223
Table 8.25: AHP analysis for Proton's <i>Delivery</i> module	223
Table 8.26: AHP analysis for Proton's <i>Flexibility</i> module	224
Table 8.27: AHP analysis for Proton's Supply Chain module	224
Table 8.28: AHP analysis for Proton's Level 4: Competitive Priorities perspective	225
Table 8.29: Summary of AHP results for Level 4: Competitive Priorities	225

perspective for Proton Table 8.30: Summarised GAP analysis results for Level 5: Lean Process 227 Optimisation perspective for Proton Table 8.31: AHP analysis for Proton's Employee Involvement module 228 Table 8.32: AHP analysis for Proton's Waste Elimination module 229 Table 8.33: AHP analysis for Proton's Kaizen module 229 Table 8.34: AHP analysis for Proton's Level 5: Lean Process Optimisation 230 perspective Table 8.35: Summary of AHP results for Level 5: Lean Process Optimisation 231 perspective for Proton Table 8.36: Summarised GAP analysis results for Proton 232 Table 8.37: Summary of AHP PV values for Proton 234 Table 8.38: Summarised GAP analysis results for Miyazu 236 Table 8.39: Summary of AHP PV Values for Miyazu 237 Table 8.40: Summary of KBLVAM GAP analysis relationship 242 Table 8.41: Summary of KBLVAM AHP analysis for Proton and Miyazu 243 Table 8.42: Income Statement of Toyota 244 Table 8.43: Balance Sheet of Toyota 244 Table 8.44: Cash Flow Statement of Toyota 245 Table 8.45: Output of Financial Analysis for Toyota 245 Table 8.46: Inputs of Market Analysis for Toyota 247 Table 8.47: Output of Market Analysis for Toyota 247

# GLOSSARY

AHP	Analytic Hierarchy Process
AI	Artificial Intelligence
AM	Application Manager
ANN	Artificial Neural Network
APQP	Advance Product Quality Planning
BIW	Body-In-White
BOM	Bill of Materials
BP	Bad Point
CAD	Computer Aided Design
CBR	Case Based Reasoning
CIM	Computer Integrated Manufacturing
СМ	Cellular Manufacturing
CNC	Computer Numerical Control
CP	Computer Numerical Control
CK DFM	Consistency Ratio
	Design for Manufacturing
DFD FDD	Distributive Product Development
EKP	Enterprise Resource Planning
EDC .	Expert System
FBS FEM	Frame Based System
	Front End Module
FL	Fuzzy Logic
FMC	Full Model Casting
FMEA	Failure Mode and Effects Analysis
FMS	Flexible Manufacturing System
GA	Genetic Algorithms
GAP	Gauging Absences of Pre-requisites
GM	General Motors
GP	Good Point
HOQ	House of Quality
HRD	Human Resource Development
HVAM	High Volume Automotive Manufacturing
ICT	Information Communication Technology
	Inventory Turnover
JIT.	Just in Time
KB	Knowledge Based
KBLVAM	Knowledge Based Low Volume Automotive Manufacturing
KBS	Knowledge Based System
KPI	Key Performance Indicator
LVAM	Low Volume Automotive Manufacturing
MHS	Material Handling Systems
MIYAZU	Miyazu Malaysia Sdn. Bhd
NVH	Noise, Vibration and Harshness
NDA	Non-Disclosure Agreement
OEM	Original Equipment Manufacturer
OICA	International Organization of Motor Vehicle Manufacturers
OOP	Object Oriented Programming
PC	Problem Category
PFMEA	Process Failure Mode and Effects Analysis
PME	Primary Manufacturing Enterprise
РМН	Polymer Metal Hybrid

.

PMS	Performance Management System
PROTON	Perusahaan Otomobil Nasional Sdn. Bhd
QCC	Quality Control Circle
QFD	Quality Function Deployment
RAM	Random Access Memory
ROE	Return on Equity
RTA	Return on Total Assets
SA	Simulated Annealing
SMC	System Manufacturing Company
SMC	Sheet Moulding Compound
SME	Small and Medium Enterprises
SMED	Single Minute Exchange of Dies
SPC	Statistical Process Control
SPIF	Single Point Incremental Forming
STA	Sales to Total Assets
ΤΟΥΟΤΑ	Toyota Motor Corporation
TPM	Total Productive Maintenance
TPS	Toyota Production System
TQM	Total Quality Management
TWB	Tailor Welded Blanks
VW	Volkswagen
WCM	World Class Manufacturing
WIP	Work-In-Process
YTD	Year to Date

#### CHAPTER 1

#### **INTRODUCTION**

#### 1.1 Background

Automotive manufacturing sector globally is increasingly becoming a competitive industry which requires new car models at a lower cost but at higher quality levels. In the global economic perspective, due to its magnitude and importance, the automotive sector remains a major international industry which attracts operation management researchers' continued attention (Taylor and Taylor, 2008). Therefore, car manufacturers should emphasise and focus on various strategies and concepts that can be accepted by local as well as overseas customers. Any new model development should consider various innovations to remain competitive (Okamuro, 2001). According to Hallgren and Olhager (2009), increased competition, global markets, and more challenging customers are all contributing factors that should be the main focus in today's business environment. In addition, Mohamed et al. (2005) suggested that fragmentation of markets and uses of new technology will be desirable options to overcome these challenges.

The aforementioned factors are particularly important in the automotive industry where radically shortened product development cycle time remains a crucial differentiating factor between the best performing companies and the remaining industry (Afonso et al., 2008). The focus of innovation must be on developing newto-the-world products that provide consumers with totally new perceived benefits (Proff, 2000). To produce a new car model is not an easy task; taskforces from multifunctional discipline teams comprising of management staff, marketeers, designers,

engineers and supporting staff ensure the smooth implementation of new model launches to tight deadlines. According to Yang et al. (2007), product development involves not only highly innovative and knowledge-driven processes but also requires collaborative efforts from multi-functional discipline teams. This is because the new model making process involves many stages including clay modelling, design drawings, prototypeing, production preparation and mass production, which include the procedures and requirements for testing, trials and final confirmation. Hence, to cope with these requirements, systematic approaches need to be implemented to drive the current business trend in automotive manufacturing.

In addition to the above product development factors, the manufacturing system itself also needs to be designed or improved. According to Matt (2008), "the principles of lean production and agile manufacturing have become state-of-the-art in modern production system design". The lean concept itself was invented through a series of dynamic learning process from the automotive and textile sectors, particularly Toyota company's response to crisis in Japan after the World War II (Holweg, 2007). The application of Toyota Production System or Lean Manufacturing has become a competitive advantage to the automotive industry in facing global competition.

#### **1.2 Problem Statement**

High Volume Automotive Manufacturing (HVAM), used for mainstream automotive car models, involves complex phases of a development program and requires long lead times before the model is introduced. The product development process for the automotive industry is normally complicated, expensive, long and

risky. However, different companies have various strategies to achieve their goal such as platform sharing (Kim, 2003), data base design (Cleveland, 2006b), lean manufacturing system (Flores, 2003) and common tooling (Brown, 2004). In some cases, low volume cars or niche products are required to sustain the market choices, such as luxury, sports and special purpose vehicles. If the normal route of car making processes from design, prototype, manufacture and trial is to be implemented, it is not feasible to build these low volume cars because of their inherent higher costs and longer delivery project timing. There must be a new approach to produce niche models without compromising on quality, cost and delivery of the low volume car.

Customers are demanding quality products, especially the unexpected quality which is the extra features that they never expected before. It is becoming difficult task for automotive manufacturers to meet not only the must-be-quality (the expected needs) but also to reach the level of attractive quality (Hassan et al., 2000). One way of manufacturing low volume cars is through the use of the platform sharing concept. According to Riesenbeck (2006), by applying this concept, not only the design time can be significantly reduced; but also the product quality, technology used, components, modules and system can be integrated. As a result, the manufacturer can adapt its total car manufacturing volume to the target or niche market with significantly reduced cost. The manufacturer who has the ability to produce this kind of product will have a major advantage over competitors.

Product design normally requires experts who know the entire automotive manufacturing system starting from design concept, tooling making and production requirements. To develop these experts requires time, resources and trainings that are normally the manufacturer's bottleneck. According to Khan et al. (2011), in coping

with the competitive market, it is necessary to have a systematic tool for generic design such as Knowledge Based Methodology to achieve the production demands and the high standards of production quality. This concept was mutually agreed by Roy et al. (2008), as they suggested to use the expert based optimisation approach. According to them, this expert-based optimisation approach normally uses Knowledge Based or simulation techniques to optimize the product design by giving the incremental improvement to the design.

#### **1.3 Research Project Aim**

The current research aim is to use a hybrid Knowledge Based (KB) System for designing and implementing Low Volume Automotive Manufacturing (LVAM), used for niche car models manufacturing, with a view to optimise the LVAM system to achieve lean manufacturing. This hybrid KB approach is new and novel in the area of LVAM and will incorporate Gauging Absences of Pre-requisites (GAP) analysis and Analytic Hierarchy Process (AHP) methodology. By adding GAP and AHP in the KB System, the gap between the current LVAM environment and the ideal case (industry benchmark) will be thoroughly assessed, with the KB System assisting in achieving the benchmark. As a result, the KB System will assist the automotive manufacturers in their decision making process in order to design and implement a benchmark LVAM System. By having this KB system, the manufacturers will have the opportunity to optimise their costs and quality and minimise time to market for their niche models.

#### **1.4 Research Objectives**

The problems related to automotive manufacturing as discussed earlier have motivated this research to focus on Low Volume Automotive Manufacturing (LVAM). Throughout the literature review, it was found that there was no previous attempt to apply an integrated KB System which embedded the GAP and AHP in a single system for LVAM environment. The previous researchers had applied KB/GAP/AHP Systems for performance measurement system (Wibisono, 2003), collaborative supply chain management (Udin, 2004), and collaborative lean manufacturing management (Nawawi, 2009), but not for LVAM.

In order to achieve the research aim, this study focuses on the following specific objectives:

- a) To ascertain the recent knowledge and information relating to automotive production from literature in order to find the current status of HVAM and LVAM, with the aim of acquiring knowledge in this area for designing a conceptual and actual KB System.
- b) To design a conceptual model for KB/AHP/GAP System. This conceptual model will integrate the quality elements at different levels and modules of KBS that relate to the essential requirements for the new model development of automotive production. These factors will finally support the development of LVAM system.
- c) To translate/convert the conceptual model into a hybrid KB/GAP/AHP System. At this stage, the conceptual model will be translated or converted into KBLVAM System, whereby KB rules will be developed and structured,

using an Expert System shell. In order to make it an integrated system, the GAP analysis and AHP techniques will be embedded within the KB System.

- d) To verify and validate the KB System by using actual industrial case studies and published case studies. Therefore, the system will be verified in a real automotive manufacturing environment.
- e) To refine the KBLVAM System based on the verification and validation process results in order to improve the validity, reliability and consistency of the LVAM model.
- f) To recommend future work based on the improved hybrid KB System.

#### 1.5 Significance of Research

The significance of this research is to advance the knowledge of a hybrid KB/GAP/AHP System to design and implement a Low Volume Automotive Manufacturing (LVAM) system. The developed KB System is a new approach which identifies the problems related to LVAM and rectifies the problems by suggesting appropriate steps for improvements. Currently, the available systems are focusing on HVAM. GAP analysis and AHP techniques are embedded in the KB System, which makes it a comprehensive hybrid KB System. Hence, the developed KB System will be the advance system which navigates car maker to produce more niche car models with reduced timings and enable them to compete in the global market especially with all the new trade and environmental regulations.

In summary, the novelty and differences in the current research are listed as follows:

- The model develops a complete KB methodology for LVAM environment which has not been attempted previously.
- The integrated KB/GAP/AHP System implementation for planning and design is a new approach in the LVAM research area.
- The model analyses the current LVAM environment using the embedded system in order to reduce the gap against the benchmark standards. Hence the KB System assists the users in their decision-making process to achieve an ideal LVAM implementation.

#### 1.6 Research Methodology

The methodology of this research is a combination of literature review, knowledge acquisition, development of research model and detailed development of strategic and operational of the overall KB System. The verification and validation processes will be conducted at the final stage of the overall system by using industrial and published cases.

#### 1.6.1 Methodology Flow

The methodology flow of this research is shown in Figure 1.1, is structured from the understanding of the knowledge acquired from the literature review, development of a conceptual research model, detailed development of KBLVAM System, verification and validation process. It consists of two parts; the first part focuses on the detailed development of KBLVAM - strategic level and the second part is concentrated on KBLVAM - operational level of the KB System. The data for detailed development of KBLVAM System will be based on the primary data from car manufacturers in Malaysia. Proton and Miyazu Malaysia will be involved in the case study during the development stage and the validation of the model to reflect the actual car manufacturing process.



Figure 1.1: Methodology flow

#### 1.6.2 Conceptual development

This research commences with the study of current methods of automotive making processes by carrying out a literature review on areas of manufacturing, HVAM, LVAM and Artificial Intelligence (AI). The design and development of KBLVAM will also involve GAP and AHP techniques that will be embedded in the KB System. The published articles on KB, GAP, and AHP will be the basis for the development of a conceptual framework for KBLVAM. All factors that are essential requirements for the new model development of LVAM will be compiled, studied and analysed using GAP and AHP. There is no evidence in the literature that this approach to combine KB, GAP, and AHP has been used before in the context of this research. GAP analysis is a method to assess the gap between the necessary prerequisites for effective implementation compared to a benchmark (Nawawi, 2009). To achieve meaningful results, the GAP analysis should be in a structured and hierarchical format.

The GAP analysis has been designed to be in-line with the AHP methodology hierarchical structure. Yurdakul (2002) suggested that by using AHP, information is decomposed into hierarchical structure of criteria and sub-criteria. Then, pair-wise comparisons between criteria are made to establish their weight levels of each criterion. According to Abdul-Hamid et al. (1999), "Inconsistency is a major bias in human judgement that accounts for a large portion of human deficiencies in planning and evaluation. The more alternatives and attributes or factors in the evaluation problem, the more significant the inconsistency becomes. This problem of inconsistency can be overcome by using the Analytical Hierarchy Process (AHP)."

Once the conceptual framework is formed, the next stage is to develop this conceptual model into the hybrid KB System. This is the most detailed stage of the research process because it will focus on both the strategic and operational elements. During this stage, the Knowledge Base of the KBLVAM System will be designed and developed in a structured manner for the KB hybrid system implementation.

The next stage will be to verify and validate the KBLVAM System by using published case studies and actual industrial applications. The results from actual

industrial case study applications are very important because they represent a real application of KBLVAM during the complete process of automotive production. This is an important aspect of this research because the analysed results will determine whether the hybrid KB System is practical and/or realistic decision – making tool for a low volume automotive production.

#### 1.7 Thesis Outline

This thesis contains nine chapters. The introduction to the research, its background, problem statements, research project aim, research objectives, significance of the research, and research methodology are presented in this Chapter 1.

Chapter 2 presents the literature review in the area of Manufacturing, which includes High Volume Manufacturing, Medium Volume Manufacturing, Low Volume Manufacturing, and Lean Manufacturing. This chapter is important as it will form the foundation for knowledge acquisition for the LVAM environment.

Chapter 3 presents the literature review in the area of Automotive Manufacturing which covers High Volume Automotive Manufacturing (HVAM) and Low Volume Automotive Manufacturing (LVAM). Again, this chapter is crucial for knowledge acquisition in the specific area of LVAM.

Chapter 4 presents a review on Knowledge-Based System (KBS) literature and its application in manufacturing environment. Literature of Analytic Hierarchy Process (AHP) and Gauging Absences of Pre-requisites (GAP) Analysis, which are embedded in the KBVAM System, is also studied. Chapter 5 presents the conceptual model of LVAM, containing brief description of every component in the planning, design, and implementation stages, followed by the description of the KBLVAM System structure.

Chapters 6 and 7 describe in detail the Planning Stage (Stage 1) and Design Stage (Stage 2) of the KBLVAM System. These two chapters contain the *Manufacturer Environment* Perspective (Level 0), *LVAM Manufacturer Business* Perspective (Level 1), *LVAM Manufacturer Resource* Perspective (Level 2), *LVAM Manufacturer Capability – Car Body Part Manufacturing* Perspective (Level 3), *LVAM Manufacturer Capability – Competitive Priorities* Perspective (Level 4), and *LVAM Manufacturer Capability – Lean Process Optimisation* Perspective (Level 5). These two chapters cover the key aspects of the KBLVAM development.

Chapter 8 presents the details of the verification and validation of the KBLVAM System. It covers the verification and validation through the published case studies and the industrial case study applications.

Finally, Chapter 9 presents the overall conclusion of this research, achievement of the research objectives, and recommendation for the future research.

#### 1.8 Summary

This research chapter has proceeded from a background of automotive industry globally followed by an introduction to both HVAM and LVAM, in order to formulate the research project's aim and objectives. The research methodology to be adopted is then presented. As stated, the research will focus on the LVAM by using a hybrid KB System, which is a blend of KB System, GAP and AHP. Finally, the thesis outline is presented.

#### **CHAPTER 2**

#### LITERATURE REVIEW: MANUFACTURING

#### 2.1 Introduction to manufacturing

Manufacturing is a global business that was started during the industrial revolution in the late 19<sup>th</sup> century to cater for the large scale production of products (Jovane et al., 2008). Since then, the manufacturing business has changed tremendously through the innovations of technology, processes, materials, communication and transportation. According to Chryssolouris et al. (2008), the major challenge of manufacturing is to produce more products with less material, less energy and less labour involvement.

In order to face these challenges, manufacturing companies must have strategy and competitive priority in order for them to compete in a dynamic market (Thun, 2008). According to Skinner (2007), "a manufacturing strategy is a set of manufacturing policies designed to maximize performance among trade-offs among success criteria to meet the manufacturing task determined by a corporate strategy". It is the responsibility of the top management of the company to ensure that there is a coherent manufacturing strategy and policies derived from internal and external sources of information to support the whole company's mission (Paiva et al., 2008).

According to Miltenburg (2008), a competitive strength of a company is based on the structural and infrastructural readiness. There are four structural areas that are comprised of capacity, facilities, technology, and sourcing. The infrastructural areas are workforce, quality, production planning, and organisation. According to Swink et al. (2007), the company must have a specific and strategic goal based on the