## **TABLE OF CONTENTS**

1.	INTRODUCTION	1
	1.1 OBJECTIVES OF THE RESEARCH	1
	1.2 MOTIVATION	2
	1.3 OVERVIEW OF THE PROPOSED RESEARCH METHODOLOGY	3
	1.4 ORGANIZATION OF THE DOCUMENT	4
2	RACKCROUND	5
4.	2.1 TECHNICAL EFFICIENCY	5
	2.1.1 BASIC CONCEPTS OF TECHNICAL EFFICIENCY	5
	2.1.1 Production Functions	5
	2.1.1.2 Isoquant	6
	2.2 DATA ENVELOPMENT ANALYSIS	8
	2.2.1 BASIC DEA MODELS	11
	2.2.1.1 The BCC Model	12
	2.2.1.1.1 Input Reducing Model (IRM)	12
	2.2.1.1.2 Output Increasing Model (OIM)	13
	2.2.2 FURTHER INSIGHTS INTO TECHNICAL EFFICIENCY	14
	2.2.2.1 RADIAL MEASURES	15
	2.2.2.1.1 Input Reducing Model (IRM)	16
	2.2.2.1.2 Output Increasing Model (OIM)	17
	2.2.2.2 NON-RADIAL MEASURES	18
	2.2.2.1 THE FÄRE-LOVELL NON-RADIAL MEASURE	18
	2.3 LINEAR GOAL PROGRAMMING	19
	2.3.1 TERMINOLOGY AND CONCEPTS	20
	2.3.1.1 Objective	20
	2.3.1.2 Aspiration Level	20
	2.3.1.3 Goal	20
	2.3.1.4 Goal Deviation	21
	2.3.1.5 Goal Formulation	21

	2.3	3.1.6 The Achievement Function	22
	2.3	3.1.7 Lexicographic Minimum	22
	2.3.2	STEPS IN MODEL CONSTRUCTION	22
	2.3.3	METHODS OF SOLUTION	23
3.	EXISTIN	G MULTIPLE OBJECTIVE-DEA TYPE	
	METHO	DOLOGIES	26
	3.1 THAN	ASSOULIS AND DYSON (1992)	26
	3.2 ATHA	ANASSOPOULOS (1995)	31
4.	PROPOS	ED MODEL FOR THE RESEARCH	39
	4.1 MULT	TIPLE OBJECTIVE FRAMEWORK	39
	4.2 THE S ( <i>SMG</i> )	SERIAL-MANUFACTURING GOAL PROGRAMMING MODEL P)	42

5. OVERVIEW OF THE MANUFACTURING PROCESS	47
5.1 INTRODUCTION	47
5.2 INNER LAYER PROCESS	49
5.2.1 Inner Layer Material Prep	49
5.2.2 Surface Scrub and Photo Resist Lamination	49
5.2.3 Print Inner Layer	49
5.3 ETCH PROCESS	49
5.3.1 Develop Resist, Etch Copper, Strip Resist	49
5.3.2 Automated Optical Inspection 100%	49
5.4 MULTILAYER PROCESS	50
5.4.1 Surface Prep and Black Oxide	50
5.4.2 Lay-up, Press, Break Down	50
5.4.3 Route and Bevel Panels	50
5.5 DRILL PROCESS	50
5.5.1 Drill Panels (Sample Inspection)	50
5.6 COPPER ELECTROLESS PROCESS	51

5.6.1 Electroless Copper Deposition	51
5.7 ELECTROLYTIC PANEL PROCESS	51
5.7.1 Electrolytic Panel Plate (100% Inspection)	51
5.8 LAMINATION PROCESS	51
5.8.1 Scrub and Photo Resist Lamination	51
5.9 SOLDER PROCESS	52
5.9.1 Develop Resist & Solder Plate (Sample Inspection)	52
5.9.2 Strip Resist, Etch Copper, Strip Solder (Sample Inspection	) 52
5.9.3 Scrub, Apply Solder Mask (100% Inspection)	52
5.9.4 Hot Air Solder Leveling - HASL (100% Inspection)	53
5.10 GOLD-NICKEL PLATING PROCESS	53
5.10.1 Strip Solder, Plate Gold (Sample Inspection)	53
5.11 MACHINE PROCESS	53
5.11.1 Route and Bevel, Wash (Sample Inspection)	53
5.11.2 Electrical Test (100%)	54
5.11.3 100% Inspection, Audit, Lot Conformation, Report, Ship	54
5.12 DEFINITION OF VARIABLES	54
5.12.1 Input Variables	55
5.12.1.1 Direct Labor Hours	55
5.12.1.2. Material Inputs Costs	55
5.12.2 Output Variable	56
5.12.2.1 Number of Boards	56
6. ANALYSIS OF RESULTS	57
6.1 THE DEA EVALUATION	57
6.1.1 The BCC Input Reducing Model	58
6.1.2 The BCC Output Increasing Model	59
6.1.3 The Two Stage Radial Model	61
6.1.4 The Input Reducing Färe-Lovell Non-Radial Model	61
6.1.5 The Output Increasing Färe-Lovell Non-Radial Model	62
6.1.6 The Aggregate Input Reducing BCC Model	63

6.1.8 The Two Stage Radial Model6.1	55
6.1.9 The Input Reducing Färe-Lovell Non-Radial Model 6.	55
6.1.10 The Aggregate Output Increasing Färe-Lovell 6	5
Non-Radial Model	
6.1.11 Disposability Tests 60	66
6.1.11.1 Output-Based Test for Input Disposability 6	66
6.1.11.2 Input-Based Test for Output Disposability 67	57
6.2 THE SMGP EVALUATION 69	59
6.2.1 The First Strategy 70	0'
6.2.1.1 Convexity Assumption (sum of the z's equal to one)7	0'
6.2.1.2 Activity Parameters constrained	
between zero and one 82	32
6.2.1.3 Activity Parameters Unrestricted 84	84
6.2.2 The Second Strategy 8	86
6.2.3 The Third Strategy 87	37
6.2.3.1 Convexity Assumption (sum of the z's equal to one)8	37
6.2.3.2 Activity Parameters constrained	
between zero and one 8	89
6.2.3.3 Activity Parameters Unrestricted 92	2
6.2.4 Alternate Strategy to Compare against Actual Outputs 94	94
6.2.4.1 The First Strategy 94	94
6.2.4.2 The Third Strategy 97	97
6.2.5 Sensitivity Analysis	00
6.2.5.1 Dual Prices (Shadow Pricing) 1	00
6.2.5.2 Perturbations to the Objective Function Coefficients	
and the Right-Hand-Sides 1	01

## 7. CONCLUDING REMARKS

REFERENCES	106
APPENDIX A: DEA AND GOAL PROGRAMMING RESULTS	110
APPENDIX B: GLOSSARY OF TERMS USED IN THE MANUFACTURING PROCESS	166
APPENDIX C: SAS PROGRAMS	167
APPENDIX D: ALTERNATIVE ASSUMPTIONS	283
VITA	285

## LIST OF OBJECTS

Figure 2.1 Isoquant	7
Figure 2.2 Radial and Non-Radial Measures of Efficiency	7
Figure 2.3 Comparison of DEA and Regression	10
Table 2.1 Goal Formulations	21
Figure 3.1 Centralized Planning System	33
Fig 4.1 Contribution of the Individual Processes to the Global Targets	41
Figure 5.1 Printed Circuit Board Manufacturing Process	48
Figure 6.1 Average Efficiency of each Process across all Months	58
Figure 6.2 Average Efficiency of each Month across all Processes	59
Figure 6.3 Average Efficiency of each Process across all Months	60
Figure 6.4 Average Efficiency of each Month across all Processes	60
Figure 6.5 Average Efficiency of each Process across all Months	61
Figure 6.6 Average Efficiency of each Month across all Processes	62
Figure 6.7 Average Efficiency of each Process across all Months	63
Figure 6.8 Average Efficiency of each Month across all Processes	63
Figure 6.9 Average Efficiency of each Month across all Processes	64
Figure 6.10 Average Efficiency of each Month across all Processes	64
Figure 6.11 Average Efficiency of each Month across all Processes	65
Figure 6.12 Average Efficiency of each Month across all Processes	66
Figure 6.13 Output Trend Plotted against Increasing Labor	68
Figure 6.14 Output Trend Plotted against Increasing Raw Materials	68
Figure 6.15 Percent Positive Deviations from Global Output Target	71
Table 6.1 Percent Deviations from Output Targets for Plant and Process	
Levels	72
Figure 6.16 Cumulative Process Output Deviations	73
Table 6.2 Percent Deviations from Labor (Input) Targets for Plant an	
Process Levels	75
Table 6.3 Percent Deviations from Raw Materials Targets for Plant	
and Process Levels	76

Figure 6.17 Percent Negative Deviations from Plant-Level Input Targets	77
Figure 6.18 (A) Average Process Line-Balance Deviations	78
Figure 6.18 (B) Yearly Process Line-Balance Deviations	79
Table 6.4 Percent Deviations from Process Line Balance	80
Table 6.5 Reference Observations (Peers)	81
Figure 6.19 Percent Postive Deviations from Global Output Targets	82
Figure 6.20 Cumulative Process Output Deviations	82
Figure 6.21 Percent Deviations from Plant-Level Input Targets	83
Figure 6.22 Average Process Line-Balance Deviations	84
Figure 6.23 Percent Positive Deviations from Global Output Targets	84
Figure 6.24 Cumulative Process Output Deviations	85
Figure 6.25 Percent Negative Deviations from Plant-Level Input Targets	85
Figure 6.26 Average Process Line-Balance Deviations	86
Figure 6.27 Percent Positive Deviations from Global Output Target	87
Figure 6.28 Cumulative Process Output Deviations	88
Figure 6.29 Percent Negative Deviations from Plant-Level Input Targets	89
Figure 6.30 Average Process Line-Balance Deviations	89
Figure 6.31 Percent Positive Deviations from Global Output Target	90
Figure 6.32 Cumulative Process Output Deviations	90
Figure 6.33 Percent Negative Deviations from Plant-Level Targets	91
Figure 6.34 Average Process Line-Balance Deviations	91
Figure 6.35 Percent Positive Deviations from Global Output Targets	92
Figure 6.36 Cumulative Process Output Deviations	93
Figure 6.37 Percent Negative Deviations from Plant-Level Input Targets	93
Figure 6.38 Average Process Line-Balance Deviations	94
Figure 6.39 Percent Positive Deviations from the Global Output Target	95
Figure 6.40 Cumulative Process Output Deviations	96
Figure 6.41 Percent Negative Deviations from Plant-Level Input Targets	96
Figure 6.42 Average Process Line-Balance Deviations	97
Figure 6.43 Percent Positive Deviations from the Global Output Target	98
Figure 6.44 Cumulative Process Output Deviations	98

Figure 6.45 Percent Negative Deviations from Plant-Level Input Targets	99
Figure 6.46 Average Process Line-Balance Deviations	99
Table 6.6 Constraint Summary for Process 2	100
Table A.1 The Data	110
Table A.2 The Data	111
Table A.3 Input Reducing BCC-Technical Efficiency Scores	112
Table A.4 Input Reducing BCC- Peers	113
Table A.5 Output Increasing BCC - Technical Efficiency Scores	114
Table A.6 Output Increasing BCC –Inverse Technical Efficiency Scores	115
Table A.7 Output Increasing BCC –Peers	116
Table A.8 Input Based Input Disposability - Technical Efficiency Scores	117
Table A.9 Input Based Output Disposability -Technical Efficiency Scores	118
Table A.10 Output Based Input Disposability -Technical Efficiency Scores	119
Table A.11 Output Based Input Disposability –Inverse Technical	
Efficiency Scores	120
Table A.12 Output Based Output Disposability -Technical Efficiency Scores	121
Table A.13 Output Based Output Disposability –Inverse Technical	
Efficiency Scores	122
Table A.14 Input Reducing Non-Radial -Technical Efficiency Scores	123
Table A.15 Input Reducing Non-Radial -Peers	124
Table A.16 Output Increasing Non-Radial - Inverse Technical	
Efficiency Scores	125
Table A.17 Output Increasing Non-Radial -Peers	126
Table A.18 Input Reducing BCC- Aggregate Technical Efficiency Scores	127
Table A.19 Output Increasing BCC- Aggregate Technical Efficiency Scores	128
Table A.20 Input Based Input Disposability- Aggregate Technical	
Efficiency Scores	129
Table A.21 Input Based Output Disposability- Aggregate Technical	
Efficiency Scores	130
Table A.22 Output Based Input Disposability- Aggregate Technical	
Efficiency Scores	131

Table A.23 Output Based Output Disposability- Aggregate Technical	
Efficiency Scores	132
Table A.24 Input Reducing Non-Radial- Aggregate Technical	
Efficiency Scores	133
Table A.25 Output-Increasing Non-Radial- Aggregate Technical	
Efficiency Scores	134
Table A.26 Percent Deviations from Output Targets for Plant and	
Process Levels (Z>0)	135
Table A.27 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (Z>0)	136
Table A.28 Percent Deviations from Output Targets for Plant and	
Process Levels (Z>0)	137
Table A.29 Percent Deviations from Process Line Balance (Z>0)	138
Table A.30 Percent Deviations from Output Targets for Plant and	
Process Levels (Z<1)	139
Table A.31 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (Z<1)	140
Table A.32 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (Z<1)	141
Table A.33 Percent Deviations from Process Line Balance(Z<1)	142
Table A.34 Percent Deviations from Output Targets for Plant and	
Process Levels (SUMZ=1, Strategy III)	143
Table A.35 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (SUMZ=1, Strategy III)	144
Table A.36 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (SUMZ=1, Strategy III)	145
Table A.37 Percent Deviations from Process Line Balance	
(SUMZ=1, Strategy III)	146
Table A.38 Reference Observations - Peers (SUMZ=1, Strategy III)	147
Table A.39 Percent Deviations from Output Targets for Plant and	
Process Levels (Z>0, Strategy III)	148

Table A.40 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (Z>0, Strategy III)	149
Table A.41 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (Z>0, Strategy III)	150
Table A.41 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (Z>0, Strategy III)	151
Table A.43 Percent Deviations from Output Targets for Plant and	
Process Levels (Z<1, Strategy III)	152
Table A.44 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (Z<1, Strategy III)	153
Table A.45 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (Z<1, Strategy III)	154
Table A.46 Percent Deviations from Process Line Balance (Z<1, Strategy III)	) 155
Table A.47 Percent Deviations from Output Targets for Plant and	
Process Levels (SUMZ=1, Strategy I, Actual Process Targets)	156
Table A.48 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (SUMZ=1, Strategy I, Actual Process Targets)	157
Table A.49 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (SUMZ=1, Strategy I, Actual Process Targets)	158
Table A.50 Percent Deviations from Process Line Balance	
(SUMZ=1, Strategy I, Actual Process Targets)	159
Table A.51 Reference Observations - Peers	
(SUMZ=1, Strategy I, Actual Process Targets)	160
Table A.52 Percent Deviations from Output Targets for Plant and	
Process Levels (SUMZ=1, Strategy III, Actual Process Targets)	161
Table A.53 Percent Deviations from Labor (Input) Targets for Plant and	
Process Levels (SUMZ=1, Strategy III, Actual Process Targets)	162
Table A.54 Percent Deviations from RM (Input) Targets for Plant and	
Process Levels (SUMZ=1, Strategy III, Actual Process Targets)	163
Table A.55 Percent Deviations from Process Line Balance	
(SUMZ=1, Strategy III, Actual Process Targets)	164

**Table C.1 Process Mapping**