CONCEPTUAL PAPER | FEBRUARY 01 1994

A Make-or-Buy Decision Analysis Involving Imprecise Data

K. Paul Yoon: G. Naadimuthu

+ Author & Article Information

International Journal of Operations & Production Management (1994) 14 (2): 62-69.

https://doi.org/10.1108/01443579410053239

The make-or-buy decision has been performed on the assumption that cost data are deterministic and accurate. The data available to decision makers are often highly imprecise because of estimation inaccuracy and/or errors in measurement. The bounded interval estimate is a common allowance scheme to compensate for the inherent estimating error. Applies the propagation of errors technique to evaluate make-or-buy alternatives with estimate errors. The numerical examples show how the proposed error analysis generates more discerning power when assessing competing alternatives.

Keywords: Decision making, Make v. buy, Production planning

© MCB UP Limited

You do not currently have access to this content.

Sign in

Don't already have an account? Register

Client Account Email address / Username Password

Reset password





Access through your institution

Purchased this content as a guest? Enter your email address to restore access.
Email Address
Pay-Per-View Access €38.00
₩ Buy This Article

Rental

This article is also available for rental through DeepDyve.

