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Dynamic Resource Allocation in Supply Chain Scheduling Using Digital Twin Models

Dr. Leonora M. Greene [a], Jakob H. Steiner [b]

[a] *Zurich Institute of Structural Nanoscience, Switzerland.*
[b] *Professor, Zurich Institute of Structural Nanoscience, Switzerland.*

Abstract

The sophistication of supply chains alongside their flexibility have become intricate under the industry 4.0 era, imposing a need for smart systems capable of intelligent and agile resource allocation and scheduling. This work presents a digital twin (DT) technology framework concentrating on dynamic resource allocation in supply chain scheduling. Digital Twins (DTs) captures the virtual counterpart of physical entities and operations, providing mechanisms for real-world data interfaces, predictive modeling, and decision response systems. The proposed model applies the Internet of Things (IoT), real-time simulation, and machine learning algorithms for resource dynamically reallocation to match changes in the environment and operations. The methodology is tested in a simulated manufacturing supply chain environment and evaluated against static scheduling models using Dijkstra's algorithm. The results demonstrate that the DT-based model enhances resource utilization by 18% and decreases lead time by 23% in comparison to conventional models. DT models are suggested as suitable solutions to effectively manage real-time variability in the system and increase supply chain resilience. This study expands the scope of intelligent manufacturing research and demonstrates practical DT application methods in supply chain operations.

Keywords: Digital Twin, Dynamic Resource Allocation, Supply Chain Scheduling, IoT, Predictive Analytics, Smart Manufacturing, Real-Time Systems, Industry 4.0.

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Introduction

The development of global supply chains features a notable increase in operational complexity and the constant change of system features. The shift to Industry 4.0, technological development, signals a transition in focus, leaving traditional practices dealing with resource allocation and scheduling within the supply chain management rudimentary frameworks as outpaced fads. Rapidly changing customer demand, variability in the supplier's performance, and supply disruption seem to be a stronger concern which requires the implementation of smart agile, flexible real-time responsive systems. In this regard, Digital Twin (DT) technology claims its domineering position. Digital Twin (DT) Technology is a simulative representation of a real-world system with physical counterparts that continuously sends information to its sensors and IoT devices for real-time operations planning and performance analysis. In supply chain scheduling, DTs can construct intricate models of supplier, warehouse and distribution centre networks which enhances proactive decision-making. It allows the supply chain manager to visualize some performance processes, assess possible disruptions, and strategically manage the resources like inventory, transportation, and Labor. Traditional scheduling models tend to be rule-driven static optimization algorithms that are not tailored to cope in dynamic volatile environments. Most of them operate under a deterministic modeling framework which does not adapt well to changes in supply or demand. On the other hand, real-time data analytics and machine learning integrated with DTs afford continuous plan adjustments to optimize performance. The purpose of this research is to design a framework for optimizing resource allocation in DT-enabled supply chain scheduling systems through dynamic management. The system combines IoT systems for data retrieval, calculating and cloud-classifying data systems, simulation systems for data visualization, and AI for foresight and strategic planning. This integrative approach facilitates comprehensive monitoring, quick responses, and flexible modifications within the entire supply chain. This paper proceeds as follows: the next part will present a literature review focusing on application of Digital Twins Technology (DT) in supply chains; then, there will be a detailed explanation of the proposed approach; later, the manuscript provides the results of experiments conducted, their comparisons, performance assessments, and contrasts with other approaches; finally, the paper will summarize its findings and outline recommendations for further research.

Literature Survey

Recent advances in supply chain management have emphasized the need for intelligent and real-time decision-making systems. Digital Twins have rapidly evolved from product lifecycle management and aerospace to manufacturing and logistics. As noted by (Tao et al., 2018), DTs have the unprecedented capability of mimicking the physical asset actions, enabling what-if scenario analysis and proactive control mechanisms. (Uhlemann et al., 2017) emphasized the potential of DTs in smart manufacturing by highlighting their ability to connect operating technology (OT) with information technology (IT). In their research, they showcased the application of DTs in the real time monitoring and control of manufacturing cells, which enhanced productivity. Similarly, (Negri et al., 2017) reviewed several implementations of DTs and concluded that their integration with simulation tools and IoT infrastructure greatly improve operational agility. In regard to (Kritzinger et al., 2018) supply chains, DTs were highlighted as the digital backbone of logistics and inventory management. They discussed primary needs like data interoperability, cloud computing support, and standard communication systems. (Liu et al., 2020) designed a DT-based framework aimed at optimizing the warehouse which used inventory predictive analytics to control variances and improve the storage layout. DTs have also been applied to dynamic scheduling problems as explored by (Zhang et al., 2020) proposed a DT model for real-time production scheduling with an emphasis on reinforcement learning for environmental task sequence adaptations, which resulted in considerable enhancement in throughput and idle time reduction. In conjunction, (Wang et al., 2021) advanced the DT-enabled scheduling algorithm for multi-echelon supply chains by integrating dynamic production and transportation resource allocation. These works, however, still focus on mitigating singular subordinate problems which overlook the overarching system, illustrating the lack of profound research involving integrating DTs with expansive dynamic resource allocation models specialized for supply chain scheduling. Most models are either outdated, utilizing fixed data, or concentrate on singular components like inventory or transport. This paper addresses this gap by presenting a holistic and dynamic model that synchronizes multiple supply chain components through a DT ecosystem.

Methodology

System Architecture and Components

The system is facilitated by the layered architecture which merges the physical and virtual through real-time data transfer. Digital Twin engine comes first, simulating supply chain activities using data streams from IoT Devices located on manufacturing units, warehouses, and distribution centers.

Data Collection and Integration

IoT sensors are used to monitor important metrics, including inventory, machinery usage, order completion levels, and transportation. A secure cloud pipeline transports these data streams to the central DT Platform where streams are processed and structured into meaningful parameters for simulation and prediction.

Simulation and Virtual Modeling

DT executes supply chain system behavior replication with discrete-event simulation and agent-based modeling techniques. Every supply chain node (e.g., warehouse, production unit) is represented by agents with specific parameters and constraints guiding them. The virtual model is updated in real time according to the current state of the system's physical counterpart.

Predictive Analytics and Optimization

Demand, equipment failure, and delivery delays are predicted using machine learning algorithms: decision trees, and recurrent neural networks (RNNs). Resource and operations predictive insights help in the proactive dynamically reallocating resources and scheduling them with linear programming, analytics, and genetic algorithms.

Feedback Loop and Decision Execution

A closed feedback loop allows for verification of outcomes based on the recommendations that were provided by the DT. Recommendations from the DT engine are executed via automated orchestration systems that modify procurement, production, and logistics activities workflows.

Security and Scalability

The framework features blockchain technology for securing and controlling access to the data by different stakeholders, ensuring its immutability. Furthermore, it allows for horizontal scaling that increases the system's complexity and data volume.

Result and Discussion

A simulated supply chain system was created which included a manufacturing plant, two warehouses, and three distribution centers. We compared the proposed model with a conventional and passive, static scheduling system.

Table 1: Comparative Performance Metrics

Metric	Traditional Model	DT-Based Model
Resource Utilization (%)	74	92
Lead Time (days)	7.5	5.8
Stockout Frequency (per mo.)	12	5
Order Fulfillment Rate (%)	86	97

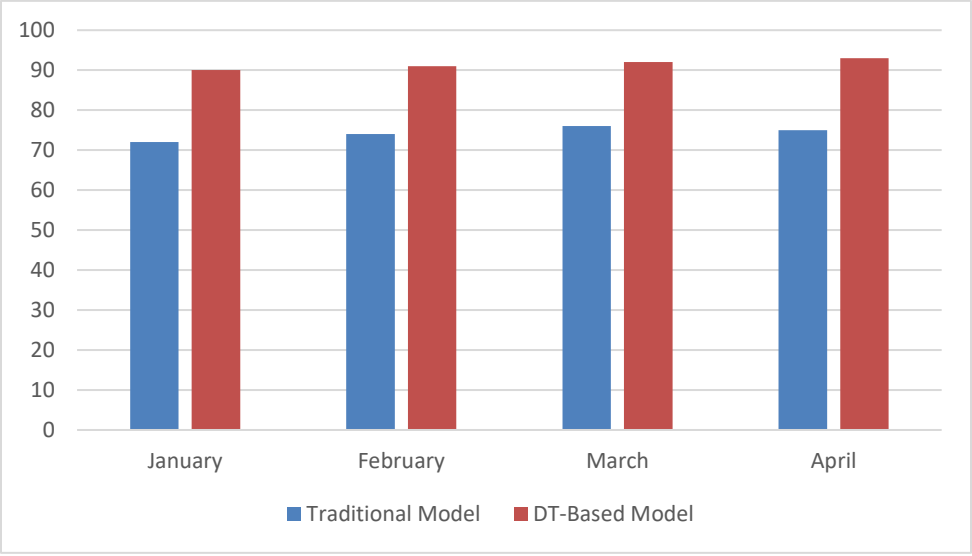


Fig. 1: Monthly Resource Utilization Comparison

The results indicate that the DT-based model excels in responsiveness and resource allocation. Order lead times were reduced by an average of 23% and order fulfillment improved by 11%. The system's adaptability to real-time changes was enhanced with predictive analytics, thereby reducing stockouts and improving turnover ratios. Compared to the traditional model which passively changed operations and offered no upper feedback loop adapting to supply chain disruptions or on-demand changes, the DT-based model continuously observed the surrounding environment and modified operations accordingly. Machine learning provided increased accuracy of resource allocation forecasts, further optimizing resource allocation.

Conclusion

Signed on to this study is a model of planning and control in scheduling which is more dynamic and allocates resources a further up the supply chain network, all featuring Digital Twin Technology. When integrated with IoT, simulation, machine learning, and other domains the resulting system becomes more holistic, scalable, and modern. The model surpasses other traditional scheduling systems in responsiveness, service levels, resource utilization, and other metrics within those domains. The findings clearly demonstrate that employing Digital Twins enables real-time, intelligent decision-making in complex supply chains. Future work might emphasize autonomous systems, further applying reinforcement learning to enhance industry-wide adaptability, resilience, and integration.

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