

# Three developments of AHP: Calibrated Fuzzy AHP, AHPSort and GAHPO

## Alessio Ishizaka Full Professor in Decision Analysis Head of Supply chain, Information Systems, Decision Aid department

NEOMA Business School France



# Agenda

- 1. Introduction
- 2. Calibrated Fuzzy AHP
- 3. AHPSort
- 4. GAHPO



#### MCDA publication: an expanding area



Wallenius J, Dyer J, Fishburn P, Steuer R, Zionts S, and Deb K (2008). <u>Multiple Criteria Decision</u> <u>Making, Multiattribute Utility Theory: Recent Accomplishments and What Lies Ahead</u>. Management Science 54(7),1336-1349.



# Part A

## **Calibrated Fuzzy AHP** for current bank account selection

Alessio Ishizaka, Nam Hoang Nguyen, Calibrated fuzzy AHP for current bank selection, Expert Systems with Applications, 40(9), 3775–3783, 2013



**ALTERNATIVES** 

#### **Comparison matrix**

REIMS · ROUEN · PARIS



#### We Assess Their Relative Sizes By Forming Ratios

Size Comparison	Apple A	Apple B	Apple C
Apple A	S <sub>1</sub> /S <sub>1</sub>	$S_1/S_2$	S <sub>1</sub> /S <sub>3</sub>
Apple B	S <sub>2</sub> / S <sub>1</sub>	S <sub>2</sub> / S <sub>2</sub>	S <sub>2</sub> / S <sub>3</sub>
Apple C	S <sub>3</sub> / S <sub>1</sub>	S <sub>3</sub> / S <sub>2</sub>	S <sub>3</sub> / S <sub>3</sub>

Ref: Prof Saaty's Notes

#### Scale of relative importance





Intensity of importance	Definition
1	Equal importance
2	Weak
3	Moderate importance
4	Moderate plus
5	Strong importance
6	Strong plus
7	Very strong
8	Very, very strong
9	Extreme importance

Linguistic assessments are often vague, we cannot represent them with crisp values.





Fuzzy AHP was first proposed by Van Laarhoven and Pedrycz (1983) and is an extension of AHP combined with fuzzy set theory (Zadeh, 1965)

- For each linguistic term of the evaluation scale, a membership function is constructed.
- 2. Criteria/alternatives are **pair-wise compared** in comparison matrix Ã.
- 3. Fuzzy priorities are derived from comparison matrix Ã. This is done using the **eigenvalue method** or any other method used in traditional AHP.
- Fuzzy priorities are translated into real numbers. Several methods exist including the weighted average approach, the centre of area, the mean-max membership and the first (or last) of maxima.







#### Membership functions



(A. Lee, Chen, & Chang, 2008;	(YL. Hsu, Lee, & Kreng, 2010;	(Alev Taskin, 2009; MK. Chen	(Büyüközkan & Çifçi, 2012; Lo &	(H. Chen, Lee, & Tong, 2007;
Paksoy, Pehlivan, & Kahraman,	Yuen & Lau, 2011)	& Wang, 2010; Chia-Chi, 2010;	Wen, 2010)	Lu & Wang, 2011)
2012; Şen & Çınar, 2010; Zeydan,		S. H. Hsu, Kao, & Wu, 2009;		
Çolpan, & Çobanoğlu, 2011)		Wu, Lo, & Hsu, 2008)		
(1,1,1)	(1,1,1)	(1,1,1)	(1,1,2)	(1,1,3)
(1,2,3)	(1,2,3)	(1,2,3)	(1,2,3)	(1,2,4)
(2,3,4)	(2,3,4)	(2,3,4)	(2,3,4)	(1,3,5)
(3,4,5)	(3,4,5)	(3,4,5)	(3,4,5)	(2,4,6)
(4,5,6)	(4,5,6)	(4,5,6)	(4,5,6)	(3,5,7)
(5,6,7)	(5,6,7)	(5,6,7)	(5,6,7)	(4,6,8)
(6,7,8)	(6,7,8)	(6,7,8)	(6,7,8)	(5,7,9)
(7,8,9)	(7,8,9)	(7,8,9)	(7,8,9)	(6,8,9)
(9,9,9)	(8,9,9)	(8,9,10)	(8,9,10)	(7,9,9)
(Cho & Lee, 2011)	(Javanbarg, Scawthorn, Kiyono, &	(LC. Chen & Chu, 2012)	(Özkır & Demirel, 2012)	(Önüt, Efendigil, & Soner
	Shahbodaghkhan, 2012)			Kara, 2010)
(0,1,2)	(0.5,1,2)	(1,1,2)	(1,1,1) or (1,1,2)	(1,1,1) or (1,1,3)
(1,2,3)	(1,2,3)	(1,2,3)	(2,3,4)	(1,3,5)
(2,3,4)	(2,3,4)	(2,3,4)	(4,5,6)	(3,5,7)
(3,4,5)	(3,4,5)	(3,4,5)	(6,7,8)	(5,7,9)
(4,5,6)	(4,5,6)	(4,5,6)	(8,9,9)	(7,9,9)
(5,6,7)	(5,6,7)	(5,6,7)	(1,1,1) only if an element is compared	(1,1,1) only if an element is
(6,7,8)	(6,7,8)	(6,7,8)	with itself, otherwise $(1,1,2)$ if the user	compared with itself,
(7,8,9)	(7,8,9)	(7,8,9)	thinks they are equal	otherwise $(1,1,3)$ if the user
(8,9,9)	(8,9,10)	(8,9,9)		thinks they are equal
(Mentes & Helvacioglu, 2012)	(Bulut, Duru, Keçeci, & Yoshida,	(Haghighi, Divandari, &	(Bozbura, Beskese, & Kahraman, 2007;	(Che, Wang, & Chuang, 2010)
	2012; Cebeci, 2009; Duru, Bulut, &	Keimasi, 2010; SH. Lee, 2010)	Isaai, Kanani, Tootoonchi, & Afzali,	
	Yoshida)		2011; TC. Wang & Chen, 2011)	
(1.00,1.00,1.25)	(1,1,1)	(1,1,1)	(1.0,1.0,1.0)	(1,1,1)
(1.25,1.50, 1.75)	(1,3,5)	(1/2,1,3/2)	(0.5, 1.0, 1.5)	(1,2,3)
(1.75,2.00, 2.25)	(3,5,7)	(1,3/2,2)	(1.0,1.5,2.0)	(2,3,4)
(2.25,2.50,2.75)	(5,7,9)	(3/2,2,5/2)	(1.5,2.0,2.5)	(3,4,5)
(2.75,3.00,3.00)	(7,9,9)	(2,5/2,3)	(2.0,2.5,3.0)	(4,5,6)
		(5/2,3,7/2)	(2.5,3.0,3.5)	(5,6,7)
				(6,7,8)



#### Membership functions

(Iç & Yurdakul, 2009)	(Hosang, 2011)	(Seçme, Bayrakdaroğlu, &	(Hadi-Vencheh &	(Nepal, Yadav, & Murat,
		Kahraman, 2009)	Mohamadghasemi, 2011)	2010)
(1,1,1)	(1,1,2)	(1,1,1)	(1,1,2)	(1,1,3)
(2,3,4)	(1,3,5)	(2/3,1,3/2)	(1,2,3)	(1,3,5)
(4,5,6)	(3,5,7)	(1,3/2,2)	(2,3,4)	(3,5,7)
(6,7,8)	(5,7,9)	(3/2,2,5/2)	(3,4,5)	(5,7,9)
(8,9,10)	(8,9,9)	(5/2,3,7/2)	(4,5,5)	(7,9,11)
(Celik, Deha Er, & Ozok,	(Büyüközkan, Çifçi, &	(Cakir & Canbolat, 2008;	(Kaya & Kahraman, 2011a,	(Celik, Kandakoglu, & Er,
2009; Kilincci & Onal,	Güleryüz, 2011; TS. Li &	J. Wang, Fan, & Wang,	2011c; Kutlu & Ekmekçioğlu,	2009; Durán & Aguilo,
2011; Liu & Chen, 2009;	Huang, 2009)	2010)	2012)	2008)
Rostamzadeh & Sofian,				
2011)				
(1,1,1)	(1,1,2)	(1,1,2)	(1,1,1)	(1,1,3)
(2/3,1,3/2)	(2,3,4)	(2,3,4)	(1,1,1.5)	(1,3,5)
(3/2,2,5/2)	(4,5,6)	(4,5,6)	(1,1.5,2)	(3,5,7)
(5/2,3,7/2)	(6,7,8)	(6,7,8)	(1.5,2,2.5)	(5,7,9)
(7/2,4,9/2)	(8,9,10)	(8,9,9)	(2,2.5,3)	(7,9,9)
(Kaya & Kahraman, 2011b)	(Iç & Yurdakul, 2009)	(S. Li & Kuo, 2008)	(Chiang & Che, 2010; Ho,	
			2012; Ou, Fu, Hu, Chu, &	
			Chiou, 2011)	
(1,1,1,1)	(1,1,1,1)	Decision-maker constructs	Not mentioned	
(1,3/2,2,5/2)	(2,3,4,5)	their own membership		
(3/2,2,5/2,3)	(4,5,6,7)	function.		
(2,5/2,3,7/2)	(6,7,8,9)			
(5/2,3,7/2,4)	(8,9,10,10)			



#### Membership function calibration

# Calibration of the membership function is performed through a comparison of measurable alternatives





#### Real measured pairwise comparisons

	A	B	C	D	E	F	G	Η	Ι	J
Α										
B	2									
С	3	3/2								
D	4	4/2	4/3							
E	5	5/2	5/3	5/4						
F	6	6/2	6/3	6/4	6/5					
G	7	7/2	7/3	7/4	7/5	7/6				
Н	8	8/2	8/3	8/4	8/5	8/6	8/7			
Ι	9	9/2	9/3	9/4	9/5	9/6	9/7	9/8		
J		10/2	10/3	10/4	10/5					



#### Matching table

Scale	Equal	Eq/ Mod	Moderate	Mod/ Str	Strong	Str/ very Str	Very Strong	Ver str/ extreme	Extreme
	1.20	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00
	1.00	1.33	1.50	2.33	2.33 2.50 3.00		4.00	4.50	
		1.40	2.00	1.50	2.67	3.50	4.50	9.00	
		1.60	1.67	1.75	2.67	3.60		6.00	
Participant		1.17	2.00	2.00	3.00				
juagements		1.33	1.25	1.50	2.25				
		1.14	1.80						
		1.29							
		1.13							
p(min)	1.00	1.13	1.25	1.50	2.25	3.00	4.00	4.50	9.00
p(mean)	1.10	1.38	1.89	2.18	3.01	4.03	5.17	6.88	9.00
p(max)	1.20	2.00	3.00	4.00	5.00	6.00	7.00	9.00	9.00









#### Case study: bank account selection





#### Demography of the participants

#	Course	Age	Gender	Nationality
P1	MsC Finance	27	М	British
P2	BA Accounting and Finance	19	F	Vietnamese
P3	MsC Business and Management	24	F	Indian
P4	MA Marketing	24	F	Thailand
P5	MsC Business and Management	23	F	Vietnamese
P6	BsC Business and Economic	20	F	British
P7	MsC Business and Management	25	М	Vietnamese
P8	BsC Biology	21	М	British
P9	BA Accountancy and Financial Management	20	F	British
P10	BA Computing	21	F	British
P11	BsC Crime and Criminology	24	М	British
P12	MsC Financial Decision Analysis	23	М	Vietnamese
P13	BA Digital Marketing	22	F	British
P14	MsC Financial Decision Analysis	25	М	Malaysian
P15	BsC Digital Forensics	22	М	British
P16	MsC Finance	26	М	Chinese
P17	MsC Construction Project Management	27	М	British
P18	BA Education and Training studies	22	F	British
P19	BA English Literature	20	F	Chinese
P20	BA Business Administration	19	М	Malaysian
P21	MsC Forensic Accounting	25	М	Chinese
P22	BA Business Enterprise	20	М	Indian
P23	BA Accounting and Business	21	М	Vietnamese
P24	MsC Finance	23	М	Chinese
P25	MsC Business and Management	25	F	British
P26	BA Business with Business Communication	20	Μ	Viethamese
P27	MsC Finance	23	М	British

#### Modes of data collection



Mode of communication	Questionnaire distributed	Nº of responses	Nº of usable responses	Responses rate	Usable response rate
Email	75	25	14	33%	56%
Face to face	40	30	19	75%	63.33%
Social network	High	20	7	(Very low)	35%
Total	115 to high	75	40	n/a	n/a

	Male	Female
British student	10	10
International student	10	10



#### Results

Comparisons	Overall	Compa	arison I	Compa	rison II	<b>Comparison III</b>		
Criteria		Home	Inte- rnational	Females	Males	Under- graduate	Post- graduate	
Number of participants	40	20	20	20	20	17	23	
Services	44.5%	6 42.5% 46.3%		46.5%	42.2%	40.6%	47.1%	
Personal service quality	19.9%	19.3%	20.4%	20.9%	18.7%	17.9%	21.3%	
Building quality	11.1%	9.5%	12.8%	10.9%	11.2%	10.8%	11.1%	
Banking service features	13.5%	13.8%	13.2%	14.8%	12.2%	11.9%	14.7%	
Financial Factors	22.1%	24.0%	20.3%	24.3%	20.0%	20.4%	23.3%	
Charges	8.7%	9.2%	8.3%	<b>9.</b> 7%	7.8%	8.8%	8.6%	
Interest rates	6.5%	7.6%	5.5%	7.5%	5.6%	5.8%	6.9%	
Overdraft facilities	6.9%	7.3%	6.5%	7.2%	6.6%	5.8%	7.7%	
Benefits	33.4%	33.4%	33.4%	29.3%	37.9%	39.0%	29.6%	
Bonuses	18.6%	17.5%	19.7%	16.5%	20.8%	20.9%	16.9%	
Incentives	14.8%	16.0%	13.6%	12.7%	17.1%	18.0%	12.7%	
Inconsistency rate	0%	0%	0%	0%	0%	0%	9%	



Alessio Ishizaka, Nam Hoang Nguyen, Calibrated fuzzy AHP for current bank selection, Expert Systems with Applications, 40(9), 3775–3783, 2013



# Part B

# **AHPSort for selecting a supplier**

Ishizaka A, Pearman C, Nemery P, <u>AHPSort: an AHP based method for sorting</u> <u>problems</u>, International Journal of Production Research , 50(17), 4767-4784, 2012





#### If high number of criteria or alternatives

then

## **Too many pairwise comparisons!**

#### Number of suppliers



A	ΗP	тс	0	MC	DM
Number supplier s	Number articles	Number supplier s	Number articles	Number supplier s	Number articles
n.c.	7	n.c.	1	n.c.	3
2	2	2	2	3	3
3	15	3	2	5	3
4	6	6	1	10	2
5	4	15	1	12	1
6	1	24	1	22	1
7	1	25	1		
8	1	34	1		
Likert scale	2	39	1		



#### Supplier selection

- Tremendous important
- Wrong supplier has serious consequences
- Multicriteria problem recognised early (Dickson, 1966)
- Support of a multicriteria method is advised
- AHP (Analytic Hierarchy Process) widely used for a small number of alternatives











#### **AHPSort: Method**

- A) Problem structuring
  - Definition of goal, criteria and alternatives
  - Definition of classes
  - Definition of limiting profiles or central profiles
- B) Evaluations
  - Pairwise evaluation of criteria
  - Pairwise evaluation of one alternative and the profiles
- C) Assignements
  - Aggregation of the local weighted priorities
  - Assignement to a class
  - Restart the process with the next alternative

#### Assignement to a class



#### **Central profile**



Δ

REIMS · ROUEN · PARIS

#### AHPSort:Pre-qualification stage

Circle one number per row below using the scale:																		
1 = Equal 3 = M	1 = Equal 3 = Moderate 5 = Strong 7 = Very strong 9 = Extreme																	
Experience	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Flexibility
Experience	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Security
Experience	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Resilience
Experience	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Environment
Flexibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Security
Flexibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Resilience
Flexibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Environment
Security	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Resilience
Security	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Environment
Resilience	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Environment



#### Criteria weighting



Criterion	Weighting
Experience	0.565
Flexibility	0.081
Security	0.234
Resilience	0.081
Environment	0.040
Inconsistency Ratio	0.05

#### Local priorities



Circle one number per row below using the scale:  $1 = Equal \ 3 = Moderate \ 5 = Strong \ 7 = Very \ strong \ 9 = Extreme$ 2, 4, 6 and 8 are intermediate values

Compare the relative performance of the supplier against the experience criteria for the PQQ stage.

Supplier A	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier B	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier C	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier D	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier E	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier F	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier G	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier H	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier I	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier J	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier K	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile
Supplier L	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Limiting profile

#### **Global priorities**



	Experience (0.565)	Flexibility (0.081)	Security (0.234)	Resilience (0.081)	Environment (0.040)	Score limiting profile	Overall priority
Supplier A	0.9	0.9	0.9	0.9	0.9	0.100	.900
Supplier B	0.9	0.9	0.9	0.9	0.9	0.100	.900
Supplier C	0.889	0.9	0.9	0.9	0.9	0.106	.894
Supplier D	0.875	0.9	0.833	0.167	0.9	0.191	.809
Supplier E	0.833	0.875	0.875	0.167	0.833	0.209	.791
Supplier G	0.833	0.750	0.5	0.833	0.833	0.285	.715
Supplier F	0.5	0.143	0.9	0.9	0.9	0.423	.577
Supplier H	0.125	0.9	0.5	0.9	0.9	0.614	.386
Supplier I	0.2	0.125	0.8	0.167	0.167	0.668	.332
Supplier J	0.1	0.125	0.5	0.5	0.5	0.700	.300
Supplier K	0.111	0.1	0.5	0.167	0.167	0.748	.252
Supplier L	0.1	0.1	0.1	0.1	0.1	0.900	.100

#### **Qualified suppliers**



Supplier	Score AHPSort
Supplier A	.900
Supplier B	.900
Supplier C	.894
Supplier D	.809
Supplier E	.791
Supplier F	.577
Supplier G	.715
Supplier H	.386
Supplier I	.322
Supplier J	.299
Supplier K	.252
Supplier L	.100

#### **Evaluation stage with AHP**



NE()MA

BUSINESS SCHOOL

#### Supplier ranking



Supplier	Score AHP
Supplier C	.258
Supplier A	.258
Supplier B	.148
Supplier E	.110
Supplier D	.145
Supplier F	.065
Supplier G	.017

#### **Sensitivity Analysis**

**NEOMA** 

BUSINESS SCHOOL REIMS · ROUEN · PARIS



## **Conclusion AHPSort**



- AHP is useful but not applicable for a large number of suppliers
- The two stage approach AHPSort and AHP allow to bypass this problem

#### However:

- It is not implemented in the information system
- Staff must be trained to use the method

Ishizaka A, Pearman C, Nemery P, <u>AHPSort: an AHP based method for sorting</u> <u>problems</u>, International Journal of Production Research , 50(17), 4767-4784, 2012



# **Partie C**

# **GAHPO** Introduction of incomparabilities in AHP

Ishizaka Alessio, Labib Ashraf, Selection of new production facilities with the Group Analytic Hierarchy Process Ordering Method, Expert Systems With Applications, 38(6),7317–7325, 2011



#### Agenda

- 1. Title
- 2. Agenda
- 3. Problem description
- 4. Decision Workflow Management
- 5. Awarness session on the AHP
- 6. AHP in group decisions
- 7. Weight of stakeholders
- 8. Structure of the hierarchy model
- 9. Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

Prof Alessio Ishizaka University of Portsmouth Portmsouth Business School Richmond Building PO1 3DE Portsmouth United Kingdom

Alessio.lshizaka@port.ac.uk

#### Motivation



- 1. Title
- 2. Agenda
- 3. Problem description
- 4. Decision Workflow Management
- 5. Awarness session on the AHP
- AHP in group decisions
- Weight of stakeholders
- 8. Structure of the hierarchy model
- 9. Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

3 possible relations between 2 alternatives:

- Preference: x is preferred to y x P y
- Indifference: x and y are indifferent to him/her x l y
- Incomparable: (s)he unable to compare them x J y

The incomparability relation is missing in AHP



#### **Problem description**

#### 1. Title

- 2. Agenda
- 3. Problem description
- Decision Workflow Management
- 5. Awarness session on the AHP
- 6. AHP in group decisions
- Weight of stakeholders
- Structure of the hierarchy model
- 9. Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

# **Current situation:**

Two plants in England:

- the **'Green' plant** producing paper products
- the 'Plasto' plant producing plastic items

#### New situation:

Repatriation of another plastic production plant from Scotland

#### **Consequence:**

the Plasto plant has to be redesigned



#### Alternatives

- 1. Title
- 2. Agenda
- 3. Problem description
- Decision Workflow Management
- 5. Awarness session on the AHP
- 6. AHP in group decisions
- Weight of stakeholders
- 8. Structure of the hierarchy model
- 9. Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

- A. Redesign of Plasto plant, hereafter referred to as *Plant Redesign*
- **B.** Automation of Plasto production processes, hereafter referred to as *Plant Automation*
- C. Relocation and consolidation of Green plant with Plasto, hereafter referred to as *Plant Consolidation*

#### Decision Workflow Management



#### 1. Title

- 2. Agenda
- 3. Problem description

Α.

- 4. Decision Workflow Management
- 5. Awarness session on the AHP
- 6. AHP in group decisions
- Weight of stakeholders
- 8. Structure of the hierarchy model
- Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

- Awareness session on the AHP
- B. Structure of the hierarchy model
- C. Assessment of pairwise comparisons
- D. Calculation of priorities and sensitivity analysis

# Awarness session on the AHP



NFO

#### AHP in group decisions



## Weight of stakeholders (1)



- 1. Title
- 2. Agenda
- 3. Problem description
- Decision Workflow Management
- 5. Awarness session on the AHP
- AHP in group decisions
- 7. Weight of stakeholders
- 8. Structure of the hierarchy model
- 9. Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

The weight reflect the expertise of a decisionmaker or the importance of the impact of the decision on the actor.

Allocation of weights by:

- A. A supra decision-maker or benevolent dictator
- B. A participatory approach



## Weight of stakeholders (2)

1.	Title					
2.	Agenda		Share-	Senior	Middle	Relative
3.	Problem description		holdorg	monogora	monogora	importance
4.	Decision Workflow		nonders	managers	managers	Importance
	Management					
5.	Awarness session on the AHP	Shareholders	1	3	9	0.672
6.	AHP in group decisions	Senior	1/3	1	5	0 265
7.	Weight of	Managers	170	I	U	0.200
	stakenoiders	Middle				
8.	Structure of the hierarchy model	managers	1/9	1/5	1	0.063
9	Assessment of	0				

Inconsistency Ratio = 0.03

11. Sensitivity analysis

comparisons

10. Calculation of

12. Conclusions

priorities

pairwise

NE()MA

REIMS · ROUEN · PARIS

#### Structure of the cost hierarchy model REIMS - ROUEN - PARIS



NEOMA

#### Structure of the benefit hierarchy model ROUEN - PARIS



NE()MA



#### Assessment of pairwise comparisons

	Production	Quality	Maintenance	Facilities	Priorities
Production	1	3	5	5	0.538
Quality	1/3	1	5	5	0.305
Maintenance	1/5	1/5	1	1	0.078
Facilities	1/5	1/5	1	1	0.078

## Calculation of priorities



ΝΓΟΜΑ

REIMS · BOUEN

Sensitivity analysis on the benefits analysis



- 11. Sensitivity analysis
- 12. Conclusions

Sensitivity analysis on the costs analysis rouen - paris

- 1. Title
- 2. Agenda
- 3. Problem description
- Decision Workflow Management
- 5. Awarness session on the AHP
- 6. AHP in group decisions
- 7. Weight of stakeholders
- 8. Structure of the hierarchy model
- Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis



12. Conclusions

#### **Graphical representation**

Α

REIMS · ROUEN · PARIS



# Graphical representation of our case Study





#### Conclusions

- 1. Title
- 2. Agenda
- 3. Problem description
- 4. Decision Workflow Management
- 5. Awarness session on the AHP
- 6. AHP in group decisions
- 7. Weight of stakeholders
- 8. Structure of the hierarchy model
- 9. Assessment of pairwise comparisons
- 10. Calculation of priorities
- 11. Sensitivity analysis
- 12. Conclusions

- 1. Significant reduction of time and effort in the decision process due to a structured methodology;
- 2. Easiness for the decision makers to arrive at a consensus, because the hierarchy model brings a common reference, which can be debated;
- 3. Enhancement of the decision quality, due to the consistency check and sensitivity analysis embedded in the AHP method;
- 4. Documentation and justification of the decision made.





Prof Alessio Ishizaka NEOMA Business School 1 rue du Maréchal Juin 76130 Mont-Saint-Aignan

Alessio.lshizaka@neoma-bs.fr

#### Thanks for your attention

# **Questions?**



#### Multi-Criteria Decision Analysis Methods and Software

Alessio Ishizaka Philippe Nemery