CONTENTS

List of Symbols xv
Preface xvii

Chapter 1 Basic Simulation Modeling 1
1.1 The Nature of Simulation 1
1.2 Systems, Models, and Simulation 3
1.3 Discrete-Event Simulation 6
1.3.1 Time-Advance Mechanisms 7
1.3.2 Components and Organization of a Discrete-Event Simulation Model 9
1.4 Simulation of a Single-Server Queueing System 12
1.4.1 Problem Statement 12
1.4.2 Intuitive Explanation 18
1.4.3 Program Organization and Logic 27
1.4.4 C Program 32
1.4.5 Simulation Output and Discussion 39
1.4.6 Alternative Stopping Rules 41
1.4.7 Determining the Events and Variables 45
1.5 Simulation of an Inventory System 48
1.5.1 Problem Statement 48
1.5.2 Program Organization and Logic 50
1.5.3 C Program 53
1.5.4 Simulation Output and Discussion 60
1.6 Parallel/Distributed Simulation and the High Level Architecture 61
1.6.1 Parallel Simulation 62
1.6.2 Distributed Simulation and the High Level Architecture 64
1.7 Steps in a Sound Simulation Study 66
1.8 Other Types of Simulation 70
1.8.1 Continuous Simulation 70
1.8.2 Combined Discrete-Continuous Simulation 72
1.8.3 Monte Carlo Simulation 73
1.8.4 Spreadsheet Simulation 74

1.9 Advantages, Disadvantages, and Pitfalls of Simulation 76

Appendix 1A: Fixed-Increment Time Advance 78
Appendix 1B: A Primer on Queueing Systems 79
1B.1 Components of a Queueing System 80
1B.2 Notation for Queueing Systems 80
1B.3 Measures of Performance for Queueing Systems 81

Problems 84

Chapter 2 Modeling Complex Systems 91

2.1 Introduction 91
2.2 List Processing in Simulation 92
2.2.1 Approaches to Storing Lists in a Computer 92
2.2.2 Linked Storage Allocation 93
2.3 A Simple Simulation Language: simlib 99
2.4 Single-Server Queueing Simulation with simlib 108
2.4.1 Problem Statement 108
2.4.2 simlib Program 108
2.4.3 Simulation Output and Discussion 113
2.5 Time-Shared Computer Model 114
2.5.1 Problem Statement 114
2.5.2 simlib Program 115
2.5.3 Simulation Output and Discussion 123
2.6 Multiteller Bank With Jockeying 126
2.6.1 Problem Statement 126
2.6.2 simlib Program 127
2.6.3 Simulation Output and Discussion 137
2.7 Job-Shop Model 140
2.7.1 Problem Statement 140
2.7.2 simlib Program 142
2.7.3 Simulation Output and Discussion 153
2.8 Efficient Event-List Manipulation 155

Appendix 2A: C Code for simlib 156

Problems 169

Chapter 3 Simulation Software 187

3.1 Introduction 187
3.2 Comparison of Simulation Packages with Programming Languages 188
3.3 Classification of Simulation Software 189
3.3.1 General-Purpose vs. Application-Oriented Simulation Packages 189

3.3.2 Modeling Approaches 190
3.3.3 Common Modeling Elements 192
3.4 Desirable Software Features 193
3.4.1 General Capabilities 193
3.4.2 Hardware and Software Requirements 195
3.4.3 Animation and Dynamic Graphics 195
3.4.4 Statistical Capabilities 197
3.4.5 Customer Support and Documentation 198
3.4.6 Output Reports and Graphics 199
3.5 General-Purpose Simulation Packages 200
3.5.1 Arena 200
3.5.2 Extend 206
3.5.3 Other General-Purpose Simulation Packages 211
3.6 Object-Oriented Simulation 212
3.7 Examples of Application-Oriented Simulation Packages 213

Chapter 4 Review of Basic Probability and Statistics 214
4.1 Introduction 214
4.2 Random Variables and Their Properties 214
4.3 Simulation Output Data and Stochastic Processes 226
4.4 Estimation of Means, Variances, and Correlations 228
4.5 Confidence Intervals and Hypothesis Tests for the Mean 232
4.6 The Strong Law of Large Numbers 237
4.7 The Danger of Replacing a Probability Distribution by its Mean 238

Appendix 4A: Comments on Covariance-Stationary Processes 239

Problems 239

Chapter 5 Building Valid, Credible, and Appropriately Detailed Simulation Models 243
5.1 Introduction and Definitions 243
5.2 Guidelines for Determining the Level of Model Detail 246
5.3 Verification of Simulation Computer Programs 248
5.4 Techniques for Increasing Model Validity and Credibility 253
5.4.1 Collect High-Quality Information and Data on the System 253
5.4.2 Interact with the Manager on a Regular Basis 255
5.4.3 Maintain a Written Assumptions Document and Perform a Structured Walk-Through 255
5.4.4 Validate Components of the Model by Using Quantitative Techniques 257

5.4.5 Validate the Output from the Overall Simulation Model 259
5.4.6 Animation 264
5.5 Management's Role in the Simulation Process 264
5.6 Statistical Procedures for Comparing Real-World Observations and Simulation Output Data 265
5.6.1 Inspection Approach 265
5.6.2 Confidence-Interval Approach Based on Independent Data 269
5.6.3 Time-Series Approaches 272
5.6.4 Other Approaches 272

Problems 273

Chapter 6 Selecting Input Probability Distributions 275
6.1 Introduction 275
6.2 Useful Probability Distributions 281
6.2.1 Parameterization of Continuous Distributions 281
6.2.2 Continuous Distributions 282
6.2.3 Discrete Distributions 301
6.2.4 Empirical Distributions 301
6.3 Techniques for Assessing Sample Independence 312
6.4 Activity I: Hypothesizing Families of Distributions 315
6.4.1 Summary Statistics 316
6.4.2 Histograms 318
6.4.3 Quantile Summaries and Box Plots 320
6.5 Activity II: Estimation of Parameters 326
6.6 Activity III: Determining How Representative the Fitted Distributions Are 330
6.6.1 Heuristic Procedures 330
6.6.2 Goodness-of-Fit Tests 340
6.7 The ExpertFit Software and an Extended Example 353
6.8 Shifted and Truncated Distributions 359
6.9 Bézier Distributions 361
6.10 Specifying Multivariate Distributions, Correlations, and Stochastic Processes 362
6.10.1 Specifying Multivariate Distributions 363
6.10.2 Specifying Arbitrary Marginal Distributions and Correlations 366
6.10.3 Specifying Stochastic Processes 367
6.11 Selecting a Distribution in the Absence of Data 370
6.12 Models of Arrival Processes 375
6.12.1 Poisson Processes 375
6.12.2 Nonstationary Poisson Processes 377
6.12.3 Batch Arrivals 379

6.13 Assessing the Homogeneity of Different Data Sets 380
Appendix 6A: Tables of MLEs for the Gamma and Beta Distributions 381
Problems 384

Chapter 7 Random-Number Generators 389
7.1 Introduction 389
7.2 Linear Congruential Generators 393
7.2.1 Mixed Generators 395
7.2.2 Multiplicative Generators 396
7.3 Other Kinds of Generators 398
7.3.1 More General Congruences 398
7.3.2 Composite Generators 399
7.3.3 Feedback Shift Register Generators 401
7.4 Testing Random-Number Generators 405
7.4.1 Empirical Tests 406
7.4.2 Theoretical Tests 410
7.4.3 Some General Observations on Testing 414
Appendix 7A: Portable C Code for a PMMLCG 415
Appendix 7B: Portable C Code for a Combined MRG 417
Problems 419

Chapter 8 Generating Random Variates 422
8.1 Introduction 422
8.2 General Approaches to Generating Random Variates 424
8.2.1 Inverse Transform 424
8.2.2 Composition 433
8.2.3 Convolution 436
8.2.4 Acceptance-Rejection 437
8.2.5 Ratio of Uniforms 444
8.2.6 Special Properties 446
8.3 Generating Continuous Random Variates 447
8.3.1 Uniform 448
8.3.2 Exponential 448
8.3.3 *m*-Erlang 449
8.3.4 Gamma 449
8.3.5 Weibull 452
8.3.6 Normal 453
8.3.7 Lognormal 454
8.3.8 Beta 455
8.3.9 Pearson Type V 456
8.3.10 Pearson Type VI 456
8.3.11 Log-Logistic 456

8.3.12 Johnson Bounded 456
8.3.13 Johnson Unbounded 457
8.3.14 Bézier 457
8.3.15 Triangular 457
8.3.16 Empirical Distributions 458
8.4 Generating Discrete Random Variates 459
8.4.1 Bernoulli 460
8.4.2 Discrete Uniform 460
8.4.3 Arbitrary Discrete Distribution 460
8.4.4 Binomial 465
8.4.5 Geometric 465
8.4.6 Negative Binomial 465
8.4.7 Poisson 466
8.5 Generating Random Vectors, Correlated Random Variates, and Stochastic Processes 466
8.5.1 Using Conditional Distributions 467
8.5.2 Multivariate Normal and Multivariate Lognormal 468
8.5.3 Correlated Gamma Random Variates 469
8.5.4 Generating from Multivariate Families 470
8.5.5 Generating Random Vectors with Arbitrarily Specified Marginal Distributions and Correlations 470
8.5.6 Generating Stochastic Processes 471
8.6 Generating Arrival Processes 472
8.6.1 Poisson Processes 473
8.6.2 Nonstationary Poisson Processes 473
8.6.3 Batch Arrivals 477

Appendix 8A: Validity of the Acceptance-Rejection Method 477
Appendix 8B: Setup for the Alias Method 478

Problems 479

Chapter 9 Output Data Analysis for a Single System 485
9.1 Introduction 485
9.2 Transient and Steady-State Behavior of a Stochastic Process 488
9.3 Types of Simulations with Regard to Output Analysis 490
9.4 Statistical Analysis for Terminating Simulations 494
9.4.1 Estimating Means 495
9.4.2 Estimating Other Measures of Performance 504
9.4.3 Choosing Initial Conditions 507
9.5 Statistical Analysis for Steady-State Parameters 508
9.5.1 The Problem of the Initial Transient 508
9.5.2 Replication/Deletion Approach for Means 517
9.5.3 Other Approaches for Means 519
9.5.4 Estimating Other Measures of Performance 533

9.6 Statistical Analysis for Steady-State Cycle Parameters 534
9.7 Multiple Measures of Performance 537
9.8 Time Plots of Important Variables 540

Appendix 9A: Ratios of Expectations and Jackknife Estimators 542
Problems 543

Chapter 10 Comparing Alternative System Configurations 548
10.1 Introduction 548
10.2 Confidence Intervals for the Difference Between the Expected Responses of Two Systems 552
10.2.1 A Paired-*t* Confidence Interval 552
10.2.2 A Modified Two-Sample-*t* Confidence Interval 554
10.2.3 Contrasting the Two Methods 555
10.2.4 Comparisons Based on Steady-State Measures of Performance 555
10.3 Confidence Intervals for Comparing More than Two Systems 557
10.3.1 Comparisons with a Standard 558
10.3.2 All Pairwise Comparisons 560
10.3.3 Multiple Comparisons with the Best 561
10.4 Ranking and Selection 561
10.4.1 Selecting the Best of *k* Systems 562
10.4.2 Selecting a Subset of Size *m* Containing the Best of *k* Systems 568
10.4.3 Additional Problems and Methods 569

Appendix 10A: Validity of the Selection Procedures 572
Appendix 10B: Constants for the Selection Procedures 573

Problems 575

Chapter 11 Variance-Reduction Techniques 577
11.1 Introduction 577
11.2 Common Random Numbers 578
11.2.1 Rationale 579
11.2.2 Applicability 580
11.2.3 Synchronization 582
11.2.4 Some Examples 586
11.3 Antithetic Variates 594
11.4 Control Variates 600
11.5 Indirect Estimation 607
11.6 Conditioning 609

Problems 613

Chapter 12 Experimental Design and Optimization 619
12.1 Introduction 619
12.2 2^k Factorial Designs 622
12.3 2^{k-p} Fractional Factorial Designs 636
12.4 Response Surfaces and Metamodels 643
12.5 Simulation-Based Optimization 655
12.5.1 Optimum-Seeking Methods 657
12.5.2 Optimum-Seeking Packages Interfaced with Simulation Software 658
Problems 666

Chapter 13 Simulation of Manufacturing Systems 669
13.1 Introduction 669
13.2 Objectives of Simulation in Manufacturing 670
13.3 Simulation Software for Manufacturing Applications 672
13.3.1 Flexsim 672
13.3.2 ProModel 675
13.3.3 Other Manufacturing-Oriented Simulation Packages 684
13.4 Modeling System Randomness 685
13.4.1 Sources of Randomness 685
13.4.2 Machine Downtimes 687
13.5 An Extended Example 694
13.5.1 Problem Description and Simulation Results 694
13.5.2 Statistical Calculations 703
13.6 A Simulation Case Study of a Metal-Parts Manufacturing Facility 704
13.6.1 Description of the System 705
13.6.2 Overall Objectives and Issues to Be Investigated 705
13.6.3 Development of the Model 706
13.6.4 Model Verification and Validation 707
13.6.5 Results of the Simulation Experiments 708
13.6.6 Conclusions and Benefits 711
Problems 712

Appendix 715
References 719
Subject Index 751