Editorial

Steve Clarke and Brian Lehaney
Editors

Welcome to the Volume 21 Issue 3 of OR Insight 2008. Once again we are pleased to be able to present a truly international issue, with three contributions each from a different continent.

Majid Azizi is well known to readers of OR Insight, having presented two earlier papers concerning the paper and pulp industry of Iran. Here, with Mohammad Modarres, he looks at how to develop a strategic plan for selecting the best options for the supply of raw material to feed paper producing plants, using the Analytic Hierarchy Process (AHP) ratings approach. The outcome is a recommendation on how the raw material should be procured.

Alan Brown and Patrick Tobin focus on some of the problems resulting from power deregulation in Australia, and focus on the various methods of determining local prices for access to power on electricity grids which have been proposed since deregulation became widespread. The aim of power regulatory authorities is to ensure fairness by restrictions on collusion. Nodal pricing is used to address this in various transmission networks around the world, and there has been some pressure to introduce this to the Australian market, but Brown and Tobin argue that this approach may be flawed.

Fran Vasko has also contributed to earlier OR Insights. Here, with Kenneth L. Stott, he looks at a linear programming model used by a large US corporation to assist with decisions concerning one of its major product lines. In addition to standard capacity and market demand constraints, this model incorporated constraints termed "complete buildings" (CB) constraints that were dictated by the Sales Department. CB constraints ensured that the model product production levels were, within a tolerance, all the same percentage of their market demand. When Sales, with the help of Accounting, proposed opening a second (then idle) heavy products mill in an effort to capture more of the heavy products market demand, the Sales Department's own CB constraints within the strategic planning linear programming model told a different story.