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Autonomous Production Tracking for Augmenting Output in Off-site Construction

Abstract:

Problems in existing methods of production tracking in off-site construction result in schedule delays and increased costs. To eliminate these deficiencies, an autonomous production tracking that analyzes real-time production data is proposed. A specific implementation of the proposed production tracking mechanisms has been developed for a large off-site construction plant in Australia, and is in the process of installation. The paper shows that: (i) The production model in off-site construction is always nonlinear in the outcome due to the presence of variability (ii) In systems with a periodic production target, deviation from the schedule converges to zero at the end of production period and the same downward trend should be followed in designing plan buffers (iii) Long-term production performance in off-site construction can autonomously be monitored and controlled by observing critical variables of production. The paper provides those who manage off-site construction with recommendations on effective production tracking and management. The models and propositions in this research are of practical value and can be used to detect impending production shortfalls against periodic targets in the short-term, and adjust capacity parameters and production targets in long-term planning.

Keywords: Autonomous control; Construction management; Flexible capacity; Lean production; Off-site construction; Production Planning; Simulation; Workflow

25 **1. Introduction**

26 Off-site production (OSP) is an increasingly popular approach in construction that relocates
27 some on-site operations to a more controlled factory environment. OSP is a unique hybrid of
28 manufacturing and construction and can be described as a series of construction operations on a
29 progressive assembly line. It offers several advantages over traditional site-built construction
30 such as superior quality [1], swift delivery [2], improved health and safety [3], and customization
31 capability [4]. The competitive advantage of off-site manufacturers over their on-site
32 counterparts has its roots in different factors such as broad adoption of information technology,
33 modern equipment, and innovative production layouts.

34 Although OSP is the fastest growing segment of the construction industry [5], there are
35 production challenges that hamper its performance. These production challenges are related to
36 high levels of product mix [6], traditional supply chain configurations [7], engineering faults and
37 rework [8], management decisions [9], and cyclic market demand [10]. Adverse effects of these
38 production challenges are eventually translated to the manufacturing floor and together with
39 process dependencies generate bottlenecks. Delays are closely associated with bottlenecks as
40 there are frequent work starvations downstream and blockages upstream [11]. Delays create a
41 gap between planned production and actual output and prevent OSP making scheduled
42 commitments. Real-time production tracking in OSP must provide short term information (e.g.
43 by hour or shift) regarding progress toward production targets and long term information (e.g. by
44 day or week) regarding capacity parameters and demand planning [12].

45 The necessity of providing a production tracking system with both accurate short term and long
46 term outputs highlights the importance of developing tailored mechanisms that can evaluate the
47 real-time production performance in off-site construction. This requires detection of impending

48 shortfalls with regard to the production target and updating production plans in accordance with
49 operations-level changes occurring on the manufacturing floor. To this end, this paper describes
50 a customized methodology for production tracking in off-site construction as the most important
51 part of managing workflow in any production environment (shop floor control). First, a
52 description of previous studies is provided to identify gaps resulting in previously presented
53 research. Next, a model of production output in off-site construction is developed and the
54 underlying mathematical background is briefly explained. Then, empirical data is used to detect
55 impending production shortfalls against periodic targets in short-term planning. Finally, long-
56 term capacity tracking and feedback mechanisms in off-site construction are discussed and
57 related propositions are developed.

58

59 **2. Research background**

60

61 Although production planning and control systems have been widely investigated by researchers
62 [13-15], there is still much scope to develop customized systems that are tailored for the unique
63 conditions of the construction industry [16, 17]. Traditional techniques for construction planning
64 and control are only able to manage stationary bottlenecks. Such techniques are too coarse and
65 often require an excessive number of jobs under construction to prevent work starvation of the
66 bottleneck [18]. Previous research suggests borrowing production initiatives from manufacturing
67 and the use of workflow leveling strategies such as ‘even flow production’ in construction [19].
68 Although useful, such initiatives are too restrictive for production planning in off-site
69 construction. In fact, they are more appropriate for highly repetitive processes of house building

70 [20, 21]. Furthermore, they cannot manage floating bottlenecks that are closely related to
71 different designs and product mixes in off-site construction [11].

72 Despite efforts in developing specialty production tracking systems for off-site construction, the
73 industry has found the available systems unsatisfactory especially for large scale production.
74 Mullens [22] indicates that realizing the fundamental differences between on-site and off-site
75 construction is crucial to developing robust production control systems that work effectively on
76 the manufacturing floor. For instance, resources in off-site construction are dedicated to
77 processes and therefore the ‘parade of trades’[23] proceeds quicker than in on-site construction.
78 Furthermore, demand in off-site construction is usually translated to a periodic production target
79 (quota) and it is non-trivial to measure the real-time progress towards these targets. Hence, the
80 early detection of an impending production target shortfall is pivotal to identify timely corrective
81 measures in off-site construction production.

82 A number of researchers have studied the development of production tracking mechanisms for
83 site-built construction. For instance, Arditi, et al. [24] suggests the use of linear scheduling
84 methods and line of balance to orchestrate the completion of work units at approximately the
85 same rate. Production planning under resource constraints has also been explored in the context
86 of on-site construction [25-28]. Furthermore, object-oriented models have been developed for
87 projects with highly repetitive processes such as house building [29, 30]. However, there is little
88 research that has explored the potential of developing customized production tracking
89 mechanisms for off-site construction that can generate real-time feedback on the progress
90 towards periodic production targets to adjust capacity parameters [31, 32]. In the next section,
91 the process of autonomous production tracking in off-site construction will be discussed.

92 **3. Research method**

93 Empirical research is conducted in this paper in order to analyze the impact of using an
94 autonomous production tracking system on output in off-site construction. After reviewing
95 relevant studies in the construction literature, the nonlinear model of production in off-site
96 construction is developed and analyzed using conditional probability or Bayesian inference. The
97 analytical model focuses on computing posterior probabilities of meeting scheduled targets given
98 observations of production performance. Translating into probability language, let $B =$
99 "probability of missing the scheduled target", and $A =$ "a positive deviation from production
100 plan". The objective is to calculate $P(B|A)$ and the Bayes' basic formula can be used for this
101 purpose:

$$P(B|A) = \frac{P(B \cap A)}{P(A)} = \frac{P(B \cap A)}{P(B \cap A) + P(B^c \cap A)} \quad Eq. [1]$$

102 Where $P(B^c)$ is the probability of meeting (not missing) the scheduled production target. The
103 multiplication rule is used to compute the probabilities on the right side of the equation:

$$P(B \cap A) = P(B) \times P(A|B) \quad Eq. [2]$$

104 Details about the analytical modeling approach are presented in section 4 of the paper. Following
105 the analytical modeling of production tracking in off-site construction, empirical data is used to
106 construct discrete event simulation (DES) experiments and detect impending production
107 shortfalls against periodic targets in both short-term and long-term planning.

108 A large off-site construction plant in Australia was selected and several site observations were
109 conducted to collect required production data. The off-site construction company builds several
110 sizes and types of precast concrete tanks for industrial wastewater treatment plants. In the

111 controlled environment of the plant, different products are made by placing concrete in reusable
112 formwork and curing it to maximize strength and minimize permeability. All products comply
113 with ACI 318-14 standards and are superior to cast-in-place concrete tanks in terms of
114 construction time, durability, and resistance to development of stress fractures. Fig. 1 illustrates a
115 simplified representation of an activity cycle diagram for building precast concrete tanks.

116

117 **Fig.1. Schematic illustration of the workflow in off-site construction of precast concrete tanks**

118

119 The off-site production data of particular interest in this research are processing times, instances
120 of production shortage/overage, different product mixes, and availability of plan buffers. In order
121 to have a fair comparison between production scenarios, three factors of production rate,
122 resource availability, and rework rate were controlled for throughout the experimentation. In
123 addition to site observations, automatic collection of real-time data in construction was
124 conducted by using wireless data collection tools such as ultra-wideband (UWB) receivers and
125 tags. Using UWB facilitated the implementation of the proposed production tracking system and
126 tracing production input and output on the manufacturing floor to accurately compute real-time
127 values of critical production variables. The process of using the collected data to construct
128 analytical models and simulation experiments are explained in details in the following sections
129 of the paper.

130 **4. Mathematical representation of production tracking in off-site construction**
131 **(shop floor control)**

132

133 The development of a tailored tracking mechanism for off-site production (OSP) is motivated by
134 two important considerations. In the short term (e.g. by hour or shift) the main objective is to
135 detect impending production shortfalls early enough so that timely corrective measures can be
136 implemented to remedy the problem. In the long term (e.g. by day or week), information
137 provided by the production tracking system is used for adjusting capacity parameters and
138 periodic targets of construction production. There are two commonly used set of techniques in
139 OSP for tracking and management of production. The first set includes network analysis
140 techniques such as Critical Path Method (CPM) and Project Evaluation and Review Technique
141 (PERT), which have dominated the industry. Efforts have been made to strengthen and improve
142 these techniques [33, 34]. However, they will almost certainly result in biased production models
143 in OSP as interactions between resources are not fully captured and their main focus is on
144 scheduling, not causing events to conform to the schedule [35, 36].

145 The second set of techniques for tracking and management of production in OSP focuses on
146 managing workflow in the production environment (shop floor control). The aim of this set of
147 techniques is to form a decision support system that suggests feasible sequences for production
148 processes and also address the issue of bottleneck management [37]. Furthermore, the shop floor
149 control system is usually equipped with a real-time simulator of off-site construction processes
150 that traces high priority (hot) jobs in the network and adjust capacity parameters accordingly.
151 This approach to production tracking is the focus of the current research and its major properties
152 as relevant to the goals and discussions in this paper will be presented. The notation and symbols
153 used for this purpose are listed in the appendix.

154 In order to model the production in off-site construction, the length of regular time production is
155 defined as $[0, Tt]$. Let Ap represent the actual production in standard units. If the scheduled

156 production Sp is being set periodically (e.g. by week), the cumulative production at any time $t =$
157 Rt (e.g. by shift) should be equal to $Sp \times Rt/Tt$. The particular figure of interest is the deviation
158 from the production target (d) and can be computed using Eq. [3]:

$$d = Ap - (Sp \times Rt/Tt) \quad Eq. [3]$$

159 where d indicates the amount by which the actual production output is ahead/behind the
160 scheduled production target (Sp) at any time $t = Rt$. As can be seen in Fig. 2, if the quantity of
161 d is positive, the actual production (dashed line) is ahead of schedule (dotted line) at time Rt ; If
162 negative, then the production is behind the scheduled target.

163

164 **Fig.2. Production tracking in off-site construction production**

165

166 Fig. 2 provides valuable feedback on the real-time status of off-site construction during the
167 production period. The solid line in this Figure represents a Lower Control Limit (LCL) of -3
168 standard deviations. Production status can follow three different scenarios. In the best case
169 scenario ($d \geq 0$), the actual production (Ap) is greater than or equal to the scheduled production
170 target (Sp). However, in real-world production in off-site construction there are usually levels of
171 deviation from the schedule and actual production is behind the schedule ($LCL < Ap < Sp$). This
172 situation calls for appropriate corrective measures such as assigning overtime, switching work
173 assignments, and hiring contract labor in order to expedite the construction production. Finally,
174 in the worst case scenario, actual production is below the lower control limit and the chance of
175 making the scheduled production is almost zero ($probability = 0.135\%$). Deviation from the
176 production target and therefore nonlinearity of the production output model is caused by

177 variables such as rework [9, 38], product mix[39], and management-related issues [40].

178 Accordingly, the first proposition in this paper is advanced as:

179 **Proposition 1** The production model in off-site construction is always nonlinear in outcome due
 180 to the presence of variability.

181 The nonlinear model of production in off-site construction can be analyzed using conditional
 182 probability or Bayesian inference. Probability of making the schedule at the end of the
 183 production period ($t = Tt$) can be computed given the level of real-time deviation from the
 184 scheduled target. Over the course of production $[0, Tt]$, it can be assumed that production,
 185 denoted by Ap , is normally distributed unless Tt adopts very small values [41]. From this
 186 assumption, it follows that $d = Ap - Sp \times Rt/Tt$ is also normally distributed and the scheduled
 187 production target can be met if:

$$d \leq Ap_{(Tt-Rt)} - \frac{Sp(Tt - Rt)}{Tt} \quad Eq. [4]$$

188 Where $Tt - Rt$ is the time left to produce Sp . Probability of missing the scheduled target is:

$$P(\text{missing the schedule}) = P \left[d > Ap_{(Tt-Rt)} - \frac{Sp(Tt - Rt)}{Tt} \right] \quad Eq. [5]$$

189 Hence, the probability of making the scheduled target by time Tt is:

$$1 - P \left[d > Ap_{(Tt-Rt)} - \frac{Sp(Tt - Rt)}{Tt} \right] \quad Eq. [6]$$

190 which yields

$$P(\text{making the schedule}) = 1 - \Phi \left[\frac{d - (\mu - Sp)(Tt - Rt)}{Tt} \right] \times \left[\sigma \sqrt{\frac{Tt - Rt}{Tt}} \right]^{-1} \quad Eq. [7]$$

191 where μ and σ are the mean and standard deviation of actual production (Ap), and $\Phi(.)$
 192 represents the standard normal distribution. The above models indicate that it is the level of

193 deviation from scheduled production that defines the chances of making/missing the schedule in
194 off-site construction. This leads to the second proposition in this paper:

195 **Proposition 2** Probability of making/missing a periodic production target in off-site construction
196 is dependent on the real-time deviation from the scheduled production target.

197 The real-time probability of making the scheduled production can be plotted (Fig. 3) to generate
198 updated feedback on the progress towards periodic production targets and adjusting capacity
199 parameters.

200

201 **Fig.3. Real-time evaluation of production performance in off-site construction**

202

203 This Figure gives an at-a-glance indication of the real-time status of construction production. The
204 probability of missing the schedule is less($5\% < P < 50\%$)when the deviation from the planned
205 target is positive ($d > 0$ on the left side of the Figure). Missing the periodic production target
206 (quota) is more probable ($50\% < P < 95\%$) when $d < 0$ and there is shortage with regard to
207 the schedule at $t = Rt$. For example, if the shortage level at time $t = 20$ is equal to -5 standard
208 units of production, the probability of missing the scheduled target lies exactly on 60 per cent in
209 Fig. 3. Understandably, this Figure is symmetrical around its center, indicating that even if there
210 is no deviation (overage/shortage) from the scheduled production ($d = 0$), the probability of
211 missing the scheduled target at the end of production period($t = Tt$)stands at 50%. As the off-
212 site producer becomes more risk averse, a lower probability of missing scheduled commitments
213 is sought. In such cases, use of plan buffers and flexible capacity can mitigate workflow
214 variability on the manufacturing floor [42]. Flexible capacity can be achieved by using multi-
215 skilled resources or intentional underutilization of production capacity [43-45]. Figures 4(a) to

216 4(c) illustrate the relationship between real-time deviation from production target and the
217 probability of missing the target when the scheduled production(S_p)is equal to 100%, 95% and
218 80% of the capacity, respectively.

219

220

221 **Fig.4(a). Production tracking graph (Scheduled target = capacity)**

222

223 **Fig. 4(b). Production tracking graph (Scheduled production = 95% of capacity)**

224

225 **Fig. 4(c). Production tracking graph (Scheduled production = 80% of capacity)**

226

227 Production tracking in the above Figures has shorter intervals and is updated in accordance to
228 operational-level changes occurring in off-site construction. Fig. 4(a) is symmetrical around its
229 center as the scheduled production and capacity are exactly equal. Figures 4(b) and 4(c),
230 however, are asymmetrical because there is flexible capacity in the production system. As a
231 result, when there is no deviation from the scheduled production($d = 0$), the probability of
232 missing the schedule in Figures 4(b) and 4(c) is reduced to 45% and 38% respectively. This
233 result confirms findings of Walsh, et al. [46] and Im, et al. [47], and advances the following
234 proposition:

235 **Proposition 3** The probability of missing periodic production targets in off-site construction is
236 determined by the level of available flexible capacity in the production system.

237 A specific implementation of the proposed production tracking mechanisms has been developed
238 for a large off-site construction plant in Australia. The following section describes how raw data
239 is transformed and used by the production tracking mechanisms to monitor production

240 performance for both short-term and long-term planning purposes. Further propositions of the
241 research will also be advanced in the following sections.

242

243 **5. Empirical research**

244 In order to examine the robustness and effectiveness of the production tracking methodology,
245 empirical data were collected and used in constructing discrete event simulation (DES)
246 experiments.

247 **5.1. The framework of the simulation experiments**

248 A series of discrete event simulation experiments were performed using data collected from a
249 large off-site manufacturer in Australia that builds precast concrete tanks for industrial
250 wastewater treatment plants. The experiments evaluated the short term performance of the
251 tracking mechanisms in detecting impending production shortfalls. Furthermore, long term
252 performance in adjusting capacity parameters and demand planning was examined. Table 1
253 presents 11 major activities in off-site construction of precast concrete tanks and three-point
254 estimates of their duration.

255 **Table 1. Activities and their input data in the off-site production of precast concrete tanks**

256

257 Note that this table only contains a small portion of a much larger record of data points collected.

258 As an example, building the tank floor slab contains several processes such as preparation of the
259 formworks, placing the designed steel mesh, using plastic spacers to ensure the minimum
260 coverage for the steel mesh, pouring, and curing concrete. Care was taken to utilize detail
261 processing data in simulation modeling to ensure a true representation of real-world system
262 behavior. The experimental framework is described in the following section.

263 **5.2. Experimental design**

264 In each experiment, data from the real system were collected and different production scenarios
265 were analyzed by varying duration of production, shortage/overage levels, distribution of
266 processing times, product mix, and the level of capacity flexibility. In each experiment, different
267 commonly used standard theoretical probability distributions such as Normal, Beta, Triangular,
268 Erlang, Gamma, and Exponential were fitted to processing times. In each case, the quality of the
269 fit was evaluated using goodness-of-fit tests in the @RISK probability distribution fitting
270 software. Real-time deviation from periodic production targets(d) was recorded on an hourly
271 basis with an accuracy of 99%.

272 **6. Deviation from periodic production targets in off-site construction**

273 Fig. 5 shows Probability Density Function (PDF) of a sample chronological record of the data
274 points collected in five selected experiments.

275

276 **Fig.5. Probability Density Function (Deviation from periodic production target)**

277

278 In each production scenario, an average of 500 instances of deviation from scheduled production
279 was recorded. Results in Fig. 5 are consistent with Proposition 2, confirming that level of real-
280 time deviation from the production schedule determines probability of missing/making the
281 schedule at the end of production period. Figure 5 shows that the average level of deviation is at
282 its highest level at the start of production($Rt = 0$). However, by proceeding towards the end of
283 the period, the mean value of deviation levels reduce significantly. Furthermore, the cumulative
284 distribution function (CDF) of the production shortage shows how the standard deviation of the
285 variable of interest also declines over the course of production (see Fig. 6).

286

287 **Fig.6. Cumulative Distribution Function (Deviation from periodic production target)**

288 As can be seen in Figures 5 and 6, the actual output in early stages of the production is far behind
289 the schedule. However, difference between scheduled target and actual production declines when
290 approaching the end of production period. This is because near the end of the period, there is not
291 much of the periodic production target (quota) remaining and consequently big capacity cushions
292 cannot increase chances of meeting the target. This is in line with findings of Hong and Hastak
293 [11], González, et al. [48] and Koo, et al. [49], and leads us to the following proposition:

294 **Proposition 4** Use of capacity cushions or plan buffers in off-site construction is more effective
295 at the start rather than the end of the production period.

296

297 The above proposition suggests that there is more opportunity for improvement at the beginning
298 of the production period, when project deadlines are not too close. Production tracking
299 mechanisms proposed in this paper can be used to improve the output in off-site production
300 (OSP). Based on Proposition 1, the production model of OSP is nonlinear in outcome as there is
301 always variability in the system. Hence, the chance of making a periodic production target is 50-
302 50, provided that scheduled target and capacity are equal and the production is exactly on
303 schedule. Proposition 2 suggests that conditional probability can be used to examine the short-
304 term progress towards a periodic target, given the level of real-time deviation in OSP. Based on
305 Proposition 3, flexible capacity can increase the probability of making the scheduled target.
306 Finally, Proposition 4 suggests that due to the dynamics of production in off-site construction,
307 incremental improvements over time should be sought.

308 Once the production tracking system has fulfilled its short-term task of computing the probability
309 of making/missing the schedule, simple and effective visualization of production, similar to
310 Figures 4 to 6 can be used to generate signals when the probability falls below (or rises above)
311 specified levels. For instance, when the probability of missing a periodic production target
312 reaches higher levels than 60%, off-site production managers should diagnose the problem
313 swiftly and address it by rescheduling tasks and switching work assignments. When the
314 probability of missing schedule reaches a very high level, then top management should consider
315 serious corrective measures such as hiring contract labor and/or assigning overtime. In OSP, very
316 low probability of missing periodic production targets may be of interest as well. For example, if
317 a resource is shared by multiple processes from which a process has a very low chance of
318 missing the schedule, it makes sense to engage the resource with another process with a higher
319 probability of missing the scheduled target.

320 The level of deviation from scheduled targets can provide valuable insight into the dynamics of
321 production in off-site construction. In the designed experiments, real-time levels of production
322 deviation were recorded and used to elicit information about the behavior of the production
323 system. Figures 7(a) and 7(b) illustrate the trend of production deviation in the experiments.

324

325 **Fig.7 (a). Decreasing level of deviation from scheduled target over the course of production**

326

327 **Fig. 7 (b). Downward trend of deviation from scheduled target over the course of production**

328

329 In OSP systems with a periodic production target, the objective is to meet the schedule every
330 period. Analysis of production parameters in the experiments show that level of deviation from
331 target gradually decreases and finally converges to zero at the end of the production period. This

332 confirms that optimum amount of flexible capacity is not constant over the course of production
333 and is a function of the production time. This is in line with findings of González, et al. [48] and
334 Arashpour, et al. [50] leads to the following proposition:

335 **Proposition 5** In off-site construction systems with periodic production targets, deviation from
336 the schedule converges to zero at the end of a given production period. In order to optimize the
337 size of capacity buffers, downward trend of production deviation should be translated to
338 consecutive reductions in the buffer size.

339

340 The above proposition can be implemented on the manufacturing floor by visualization of
341 production tracking data similar to Figures 7(a) and 7(b). The following section focuses on long-
342 term capacity tracking and its potential to provide input to other planning modules in order to
343 objectively evaluate the production performance in off-site construction.

344

345 **7. Long-term capacity tracking and feedback mechanism in off-site** 346 **construction**

347 In the long-term, information provided by capacity tracking is used as input to other planning
348 modules such as workforce and aggregate planning. Since periodic targets are set in off-site
349 production (OSP), the main observable variable will be the time to make these targets. This is
350 unique to OSP and calls for tailored capacity tracking and shop floor control mechanisms. These
351 mechanisms should be able to evaluate the performance of OSP systems over the long term and
352 need to acquire real-time data from the manufacturing floor to fulfill their task [51-53]. However,
353 collecting real-time production data is not a trivial task and often considered as the main

354 limitation for long-term capacity tracking in off-site construction [50, 54]. Automatic collection
355 of real-time data in construction can be facilitated by using wireless data collection tools such as
356 ultra-wideband (UWB) receivers and tags [55]. Using UWB enables OSP manufacturers to trace
357 production input and output on the manufacturing floor and accurately compute real-time values
358 of critical production variables such as mean(μ) and standard deviation(σ) of production. Due to
359 the ubiquitous presence of variability in both construction processes and market demand, actual
360 production (Ap) in OSP always fluctuates. Hence, it is necessary to smooth past data to adjust
361 capacity parameters so that they are not excessively sensitive to noise [56, 57]. Exponential
362 smoothing can be used to provide an updated estimate of production parameters using real-time
363 data. Table 2 shows a sample of smoothed mean, variance and standard deviation of production
364 over 14 days. Note that this table only contains a small portion of a much larger record of data
365 points collected.

366 **Table 2. Sample of critical values of production and their exponentially smoothed values**

367
368 As can be seen in Table 2, smoothed values of production variables are less sensitive to noise
369 and depending on the importance (weight) of the past observations, single or double exponential
370 smoothing can be used. Table 2 shows how smoothed production mean has smaller values at the
371 beginning of the period and increases gradually towards the end. Standard deviation of
372 production, however, has an opposite trend and decreases over the course of production. Results
373 from real-time observation of critical values in OSP have potential to provide an at-a-glance
374 indication of long-term performance in OSP and lead to the final proposition of this research:

375 **Proposition 6** Long-term production performance in off-site construction can autonomously be
376 monitored by observing critical variables of production.

377 Tracing critical values of production, such as smoothed mean and standard deviation, can show
378 whether or not management efforts for improvement are having positive effects on the
379 production performance. Fig. 8, for example, plots the smoothed values of mean and standard
380 deviation over the course of production.

381

382 **Fig.8. Critical variables of production**

383

384 As can be seen in Fig. 8, smoothed mean capacity of production is trending up reaching a peak of
385 55 standard units of production at the end of the period. Smoothed standard deviation of
386 capacity, however, is trending down, decreasing from a peak of 12.15 to a low of 1.03. This
387 indicates that performance of off-site production has improved over the course of production.
388 Management should diagnose and address problems on the manufacturing floor, if trends were in
389 opposite direction.

390 **8. Summary and discussion**

391 This research demonstrated the possibility and potential of having an autonomous production
392 tracking system in off-site construction. The analytical models (Section 4) already incorporated
393 two production tracking techniques – controlling real-time deviation from the scheduled
394 production target and level of available flexible capacity in the system. The subsequent
395 simulation experiments incrementally tested the effectiveness of plan buffers at different stages
396 of production and the idea of reducing the size of such buffers towards the end of production
397 course.

398 The series of discrete event simulation experiments were performed using data collected from a
399 large off-site construction manufacturer in Australia that builds precast concrete tanks for

400 industrial wastewater treatment plants. In each experiment, different production scenarios were
401 analyzed by varying duration of production, shortage/overage levels, distribution of processing
402 times, product mix, and the level of capacity flexibility.

403 Findings revealed that the model of production output in off-site construction is nonlinear. This
404 is due to the ubiquitous presence of variability in OSP environments. This nonlinear function can
405 be interpreted using conditional probability or Bayesian inference in order to understand whether
406 or not production is on track to make the scheduled commitments. The results of analysis clearly
407 show that chances of meeting the production target are reasonably high when the quota is not set
408 equal to the capacity and a proper capacity buffer is in place. The optimum size for capacity
409 buffers is not uniform over the course of production and smaller buffers are required when
410 approaching project milestones for convergence of actual and scheduled production. Finally,
411 performance in off-site construction can be autonomously monitored by using the critical values
412 of production. The tracking mechanisms are predictable and provide both managerial
413 information on real-time production status and input to other long-term planning functions such
414 as workforce and aggregate planning.

415 The findings extend those of Benjaoran and Dawood [31] and Pan, et al. [32], confirming that an
416 effective shop floor control in off-site construction can augment production outputs significantly.

417 **9. Conclusions**

418 Prior work has documented different production issues in off-site construction and proposals to
419 improve the situation such as innovative production line configurations, material handling
420 technologies, and process automation[32, 58-60]. However, these studies have not focused on
421 where planning and control meet processes. A customized shop floor control methodology for

422 off-site production (OSP) is required to effectively manage the production flow [22]. Hence, the
423 presented paper describes a tailored methodology for production tracking and control in off-site
424 construction. The extracted knowledge from production control can help diagnosing potential
425 issues in the process of production.

426 This work contributes to the current body of knowledge by proposing customized mechanisms
427 for shop floor control in off-site construction. The models and propositions in this research are of
428 practical value and can be used in order to measure progress against a performance target in the
429 short-term, and also collecting and validating capacity data in the long-term. Improvements
430 recorded in this study have a great potential to be achievable in a range of off-site operations
431 from heavy construction to house building to infrastructure projects.

432 Production tracking and shop floor control in off-site construction is not a trivial task in the
433 presence of variability caused by processing time randomness, product mix, and shared
434 resources. Future research should develop comprehensive control strategies for a real-time
435 evaluation of production performance. In conducting such research, concurrent use of analytical
436 heuristics and simulation tools is likely to be essential.

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441 **Appendix. Notation and symbols**

442 *Ap* Actual production (cumulative)

443 *d* Deviation from production target

444	$E(.)$	Expected value
445	LCL	Lower Control Limit
446	Rt	Real time
447	Sp	Scheduled production target (cumulative)
448	Tt	Target time (end of production)
449	μ	Average production in standard units
450	σ	Standard deviation of production
451	$\Phi(.)$	Standard normal distribution

452

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