



A NOVEL HYBRID SWARA AND VIKOR METHODOLOGY FOR SUPPLIER SELECTION IN AN AGILE ENVIRONMENT

Maryam ALIMARDANI^a, Sarfaraz HASHEMKHANI ZOLFANI^b,
Mohammad Hasan AGHDAIE^c, Jolanta TAMOŠAITIENĖ^d

^a*Department of Industrial Engineering, College of Engineering, University of Tehran, Tehran, Iran*

^b*Department of Management, Science and Technology, Technology Foresight Group,
Amirkabir University of Technology (Tehran Polytechnic), Futures Studies Research Institute,
Amirkabir University of Technology (Tehran Polytechnic),
P.O. Box 1585-4413, Tehran, Iran*

^c*Department of Industrial Engineering, Shomal University, P. O. Box 731, Amol, Mazandaran, Iran*

^d*Department of Construction Technologies and Management, Vilnius Gediminas Technical University,
Sauletekio al. 11, LT-10223 Vilnius, Lithuania*

Received 27 December 2012; accepted 17 June 2013

Abstract. The concept of the agile supply chain has been taken into account as means of achieving a high competitive edge in rapidly changing business environments. Supply partner selection is one of the most appealing issues for agile supply chain management, which have recently been studied by academicians and practitioners. Due to a large number of factors to be considered, supplier selection process is a difficult task for every company. Therefore, supplier selection process can be viewed as a multiple attribute decision-making (MADM) problem. In this paper, a novel hybrid MADM method is proposed for agile supplier selection based on four criteria including performance, cost, flexibility and technology. Two MADM methods, including step-wise weight assessment ratio analysis (SWARA) and Vlse Kriterijumska Optimizacija I Kompromisno Resenje (VIKOR) are applied in decision-making process. More precisely, SWARA is used for determining the importance of each criterion and calculating their weights and VIKOR is applied for evaluating alternatives as well as ranking supplier alternatives from the best to the worst. More precisely, the first phase of the proposed methodology, step-wise weight assessment ratio analysis (SWARA), is useful for determining the importance of each criterion and calculating the weight of each criterion, and the second phase with Vlse Kriterijumska Optimizacija I Kompromisno Resenje (VIKOR) is useful for evaluating alternatives as well as ranking supplier alternatives from the best to the worst. Finally, a real case-study is presented to demonstrate the applicability of the proposed methodology. As a result, the model can help managers to evaluate and select the best supplier regarding own company strategies, resources, policies and etc. for their organization.

Keywords: selection, multiple criteria analysis, method, system, MCDM.

Corresponding author Jolanta Tamošaitienė
E-mail: jolanta.tamosaitiene@vgtu.lt

Reference to this paper should be made as follows: Alimardani, M.; Hashemkhani Zolfani, S.; Aghdaie, M. H.; Tamošaitienė, J. 2013. A novel hybrid SWARA and VIKOR methodology for supplier selection in an agile environment, *Technological and Economic Development of Economy* 19(3): 533–548.

JEL Classification: A12, C15, C80, E22.

Introduction

Supply chain management (SCM) is considered as one of the most important aspects of production planning and control (Yigin *et al.* 2007) and it has recently been taken into account by managers and researchers. The main aim of SCM is to manage multiple relationships across the supply chain (SC) regarding the entire flow of information, materials, and services to fulfil customer demands in an efficient manner (Li, Wang 2007). Supply chains comprise potential suppliers, producers, distributors, retailers and customers and etc. In this context, suppliers have an important role in achieving the goal of supply chain management. In this regard, the integration of strategic partnership with suppliers with better performance is recommended within the SC, while it leads to enhanced performance of the chain in many directions such as costs reduction through waste elimination, continuous improvement of quality to achieve zero defects, flexibility improvement to meet the end-customer requirements, decrease lead time at different stages of the SC (Amin, Razmi 2009).

Besides, the concept of agile supply chains (ASC) or networks has recently attracted many businesses to efficiently and effectively respond to increasingly dynamic and volatile markets. Whenever a dynamic network of companies is formed, an agile supply chain is likely to need to change frequently in response to rapidly changing business environments (Wu *et al.* 2009). In ASC, the alignment of companies with their supply partners is suggested, which leads to improved efficiency of their operations, as well as working together to achieve the necessary levels of agility throughout the entire supply chain (Wu, Barnes 2011). Therefore, among different ASC issues, supply partner selection process becomes more crucial to survive in today's highly competitive and global environment.

Moreover, there is a wide set of reasons to regard supplier selection process as the most appealing issue, to which numerous researches have been dedicated. The repetitive nature of supplier selection process and frequently changing customer demands lead to the increase in the uncertainty and ambiguity of this decision-making process, particularly in ASC. Therefore, in order to achieve the successful operation of an ASC, an effective supply partner selection becomes an essential process that may enhance effectiveness, efficiency, quality, safety and profit. It should be noted that the importance and complexity of partner selection has increased (Sarkar, Mohapatra 2006). ASC partner selection has been defined as a process for identification of an efficient combination of suppliers, producers and distributors, depending on which the right mix and quantity of products and services are provided to customers (Talluri, Baker 2002). In an ASC, determination of key components of the supply network – e.g. suppliers, producers, distribution centres, etc. — can be an extremely complex task just as well as specification of their combination. In addition, demanding and dynamic

market conditions, in which organizational decision-makers may have to consider a wide set of selection criteria such as performance, cost, flexibility (Cagliano *et al.* 2004) may change over time. Other important reasons of the supplier selection issue could be listed as follows: the product quality which depends on the organization's suppliers, the existence of several suppliers that offer a wide range of choices for selecting supplier alternatives. Hence, the partner selection process should be done quickly as well as thoroughly (Arteta, Giachetti 2004).

Supplier selection problem has been expressed as a complex decision-making process in nature due to variant parameters and diverse aspects (Xia, Wu 2007; Razmi *et al.* 2009). In this regard, the authors propose supplier selection process in agile environments as a multiple attribute decision-making (MADM) problem. MADM approaches one of the major categories of multiple criteria decision-making (MCDM) methods and deals with the evaluation and selection of an alternative among other alternatives (Zavadskas *et al.* 2009, 2010). As Technique for Order Preference by Similarity to Ideal Solution (TOPSIS) (Hwang, Yoon 1981), Elimination and Choice Translating Reality (ELECTRE) (Roy 1968), MUSA (Grigoroudis, Siskos 2002), Vlse Kriterijumska Optimizacija I Kompromisno Resenje (VIKOR) (Opricovic 1998), Complex Proportional Assessment (COPRAS) (Zavadskas, Kaklauskas 1996), Complex Proportional Assessment with Grey relations (COPRAS-G) (Zavadskas *et al.* 2008, 2009), Additive Ratio Assessment (ARAS) (Zavadskas, Turskis 2010; Zavadskas *et al.* 2012), Step-wise Weight Assessment Ratio Analysis (SWARA) (Keršulienė *et al.* 2010), Factor Relationship (FARE) (Ginevicius 2011) are the prominent MADM techniques in the related literature.

Inclusive complex criteria used in multi-stage decision-making process are apposite for solving many problems (Zavadskas *et al.* 2012; Tamošaitienė *et al.* 2013; Tamošaitienė, Gaudutis 2013).

In this paper, the authors attempt to provide a novel hybrid MADM methodology for supplier selection in agile environments. The proposed model comprises SWARA and VIKOR techniques for agile supplier selection in order to respond to increasingly volatile markets and survive in the highly competitive manufacturing milieu. Firstly, the SWARA method is implemented to obtain the weights of agility criteria. And then, the VIKOR method is used for evaluation and selection of the best/agile supplier alternative according to the agility level of an organization.

The rest of the paper is structured as follows: Section 1 presents the proposed integrated approach model, and SWARA and VIKOR methods are elaborated as well. In Section 2, a real case-study is analysed to validate the proposed model. Also, the proposed decision-making SWARA and VIKOR results are presented in Section 2. Finally, some remarks and future research directions are provided in the final section.

1. Proposed integrated SWARA–VIKOR methodology

In today's dynamic manufacturing milieu, enterprises deal with dramatic and often unexpected changes, such as the increase of product variety and complexity, shorter time frames to respond, and the continual need to gain new capabilities through innovativeness (Sari *et al.* 2008). In this era, companies must use every opportunity for performance improvement. To

do so, a close relationship between a firm and its supply chain partners has been recommended to optimize its business processes (Wu, Barnes 2011). Furthermore, the required products are changed frequently as well as some partners. Hence, supplier selection process as a key step in the formation of any supply chains and especially in the agile supply chains, which are frequently reconfigured, is to be studied applying effective techniques (Sari *et al.* 2008).

Supply partner selection process is a multi-attribute decision-making problem that comprises both qualitative and quantitative factors. Consequently, a variety of reasons exist for using MADM approaches for selecting an alternative. Firstly, MADM methods deal with the selection process of the best alternative among candidates that is done upon decision-maker preferences with respect to many conflicting/contradictory qualitative and quantitative multiple criteria. Secondly, determination and evaluation of all these factors is a difficult task.

The aim of this paper is: using MADM approaches to assess and choose the best supplier for a manufacturing company that produces a variety of products. Therefore, the authors attempt to propose a bi-level hybrid structure of the new multiple-attribute decision-making (MADM) methods to discuss supplier selection process for the first time in agile supply chains. The supposed integrated approach involves two MADM procedures; Step-wise Weight Assessment Ratio Analysis (SWARA) and Vlse Kriterijumska Optimizacija I Kompromisno Resenje (VIKOR). In the first level, SWARA technique is devoted to calculation of the weight of a criterion and then, VIKOR is proposed to rank agile supplier alternatives from the best to the worst. Fig. 1 describes the evaluation procedure of this study, which consists of three main phases:

Phase I. After establishing the decision-making team, the most important criteria for supplier selection is identified. Next, the qualitative and quantitative criteria are defined. Finally, the project team constructs the selection criteria and problem structure.

Based upon a comprehensive review of partner evaluation process, and measurement of organizations agility, the authors propose the four main criteria including performance (as a combination of quality, time, and progress), cost (as a combination of caution cost, capital expenditure, and operational expenditure), flexibility (including product flexibility, product volume flexibility, multi-skilled and flexible people, establishment flexibility, manufacture flexibility), and finally – technology that is measured in terms of technical features/characteristics, system reliability/availability, system redundancy, compliance with international standards, interoperability with other systems, future technology development (Sharifi, Zhang 1999; Tam, Tummala 2001; Tsourveloudis, Valavanis 2002; Lin *et al.* 2006; Luo *et al.* 2009; Buyukozkan, Cifci 2011) that contribute to the goal. Fig. 2 represents the selection criteria and problem structure. As depicted in Fig. 2, on the next level are four criteria that are decomposed into numerous sub-criteria and some of the proposed sub-criteria are also divided into some other sub-criteria.

The quality dimension is decomposed into three sub-criteria including the product quality (Sharifi, Zhang 1999; Luo *et al.* 2009), which is measured by means of the ratio of the defected product to the all product, service level (Wu *et al.* 2009; Luo *et al.* 2009), and information quality (Buyukozkan, Cifci 2011), which is measured in terms of information accessible to beneficiary (Luo *et al.* 2009), perfect degree of enterprise information system (Lin *et al.* 2006).

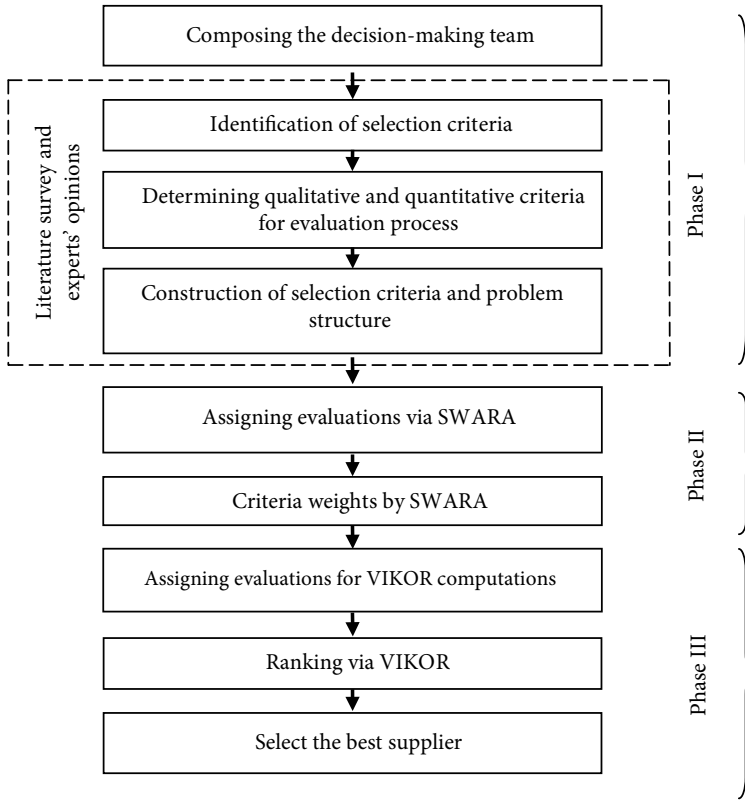


Fig. 1. The evaluation procedure

The time dimension comprises delivery time (Sari *et al.* 2008; Buyukozkan, Cifci 2011), on-time response to request (Buyukozkan, Cifci 2011), distribution time, and transportation time (Wu *et al.* 2009). The progress criterion is assessed upon customer satisfaction as well as customer-driven innovations (Sharifi, Zhang 1999).

The cost dimension is a combination of caution cost, which is evaluated by means of risk or commitment (Sari *et al.* 2008), capital expenditure and operational expenditure (Tam, Tummala 2001). It must be noted that raw material cost is suggested as a sub-criterion of the capital expenditure criterion, since the whole ASC seeks to minimize the cost of raw material, which is supplied by various suppliers. Moreover, since the whole ASC seeks to minimize the production costs (Wu *et al.* 2009), which are provided by manufacturing plants, they are regarded as operational expenditure. Besides, operational expenditure is evaluated depending on maintenance cost and support system cost (Tam, Tummala 2001).

The flexibility criterion is categorized into product flexibility (Sharifi, Zhang 1999), product volume flexibility (Tsourveloudis, Valavanis 2002), multi-skilled and flexible people (Sharifi, Zhang 1999) including sub-criteria continuous training and development (Tsourveloudis, Valavanis 2002) and establishment flexibility, which expresses the complexity and flexibility

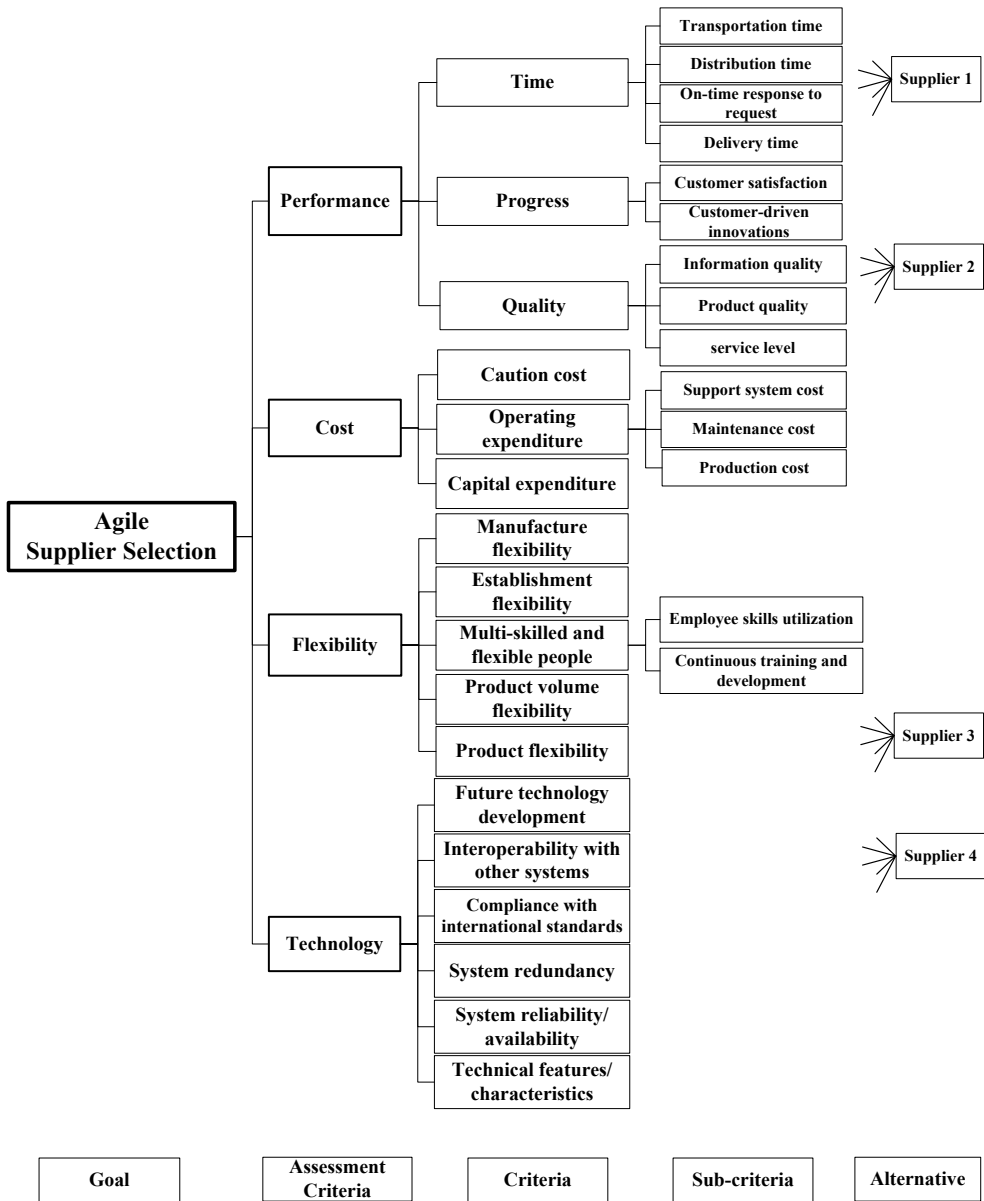


Fig. 2. Problem structure, selection aspects and formulated alternatives

of building new relationships as well as breaking up old relationships (Wu *et al.* 2009), manufacture flexibility that is appraised according to concurrent execution of activities (Tsourveloudis, Valavanis 2002; Lin *et al.* 2006). The proposed criteria related to the agile supplier selection problem are presented in Table 1.

Table 1. Factors taken from the review of the related literature and relevant to supplier evaluation and selection in an agile supply chain

No.	Criteria and sub-criteria	Related literature source
X_1	Performance	
X_{1-1}	Quality	
X_{1-1-1}	<i>product quality</i>	Wu <i>et al.</i> (2009); Luo <i>et al.</i> (2009)
X_{1-1-2}	<i>service level</i>	Wu <i>et al.</i> (2009); Luo <i>et al.</i> (2009)
X_{1-1-3}	<i>information quality</i>	Buyukozkan, Cifci (2011)
X_{1-2}	Time	
X_{1-2-1}	<i>delivery time</i>	Sari <i>et al.</i> (2008); Buyukozkan, Cifci (2011)
X_{1-2-2}	<i>on-time response to request</i>	Luo <i>et al.</i> (2009); Buyukozkan, Cifci (2011)
X_{1-2-3}	<i>distribution time</i>	Wu <i>et al.</i> (2009)
X_{1-2-4}	<i>transportation time</i>	Wu <i>et al.</i> (2009)
X_{1-3}	Progress	
X_{1-3-1}	<i>customer satisfaction</i>	
X_{1-3-2}	<i>customer-driven innovations</i>	Sharifi, Zhang (1999)
X_2	Cost	
X_{2-1}	Caution cost	Sari <i>et al.</i> (2008)
X_{2-2}	Capital expenditure	Tam, Tummala (2001); Wu <i>et al.</i> (2009)
X_{2-3}	Operational expenditure	
X_{2-3-1}	<i>production cost</i>	Wu <i>et al.</i> (2009)
X_{2-3-2}	<i>maintenance cost</i>	Tam, Tummala (2001)
X_{2-3-3}	<i>support system cost</i>	Tam, Tummala (2001)
X_3	Flexibility	
X_{3-1}	Product flexibility	Sharifi, Zhang (1999)
X_{3-2}	Product volume flexibility	Tsourveloudis, Valavanis (2002)
X_{3-3}	Multi-skilled and flexible people	
X_{3-3-1}	<i>continuous training and development</i>	Tsourveloudis, Valavanis (2002)
X_{3-3-2}	<i>employee skills utilization</i>	
X_{3-4}	Establishment flexibility	Wu <i>et al.</i> (2009)
X_{3-5}	Manufacture flexibility	Tsourveloudis, Valavanis (2002); Lin <i>et al.</i> (2006)
X_4	Technology	

Continued Table 1

No.	Criteria and sub-criteria	Related literature source
X_{4-1}	Technical features/ characteristics	Sharifi, Zhang (1999); Buyukozkan, Cifci (2011)
X_{4-2}	System reliability/availability	Tam, Tummala (2001); Lin et al. (2006)
X_{4-3}	System redundancy	Tam, Tummala (2001)
X_{4-4}	Compliance with international standards	Tam, Tummala (2001); Luo et al. (2009)
X_{4-5}	Interoperability with other systems	Tam, Tummala (2001); Tsourveloudis, Valavanis (2002)
X_{4-6}	Future technology development	Sharifi, Zhang (1999); Tam, Tummala (2001)

Phase II. Criteria weights were calculated by applying SWARA method and based on expert evaluations.

Phase III. In this stage, all alternatives were evaluated by the project team and VIKOR method was applied to achieve the final ranking results.

The following weight assessment approaches are among those listed in the literature: Entropy (Shannon 1948; Sušinskas et al. 2011; Keršulienė, Turskis 2011), FARE (Ginevicius 2011), SWARA (Keršulienė et al. 2010), etc. SWARA method is one of the brand-new ones. In this method, an expert plays an important role on evaluations and calculation of weights. Also, each expert chooses the importance of each criterion. Next, each expert ranks all criteria from the first to the last. An expert uses his or her own implicit knowledge, information and experiences. Based on this method, the most significant criterion is given rank 1, and the least significant criterion is given rank last. The overall ranks to the group of experts are determined according to the mediocre value of ranks (Keršulienė, Turskis 2011). The ability to estimate experts' opinion about importance ratio of the criteria in the process of their weights determination is the main element of this method (Keršulienė et al. 2010). Moreover, this method is helpful for coordinating and gathering data from experts. Furthermore, SWARA method is uncomplicated and experts can easily work together. The main advantage of this method in decision-making is that in some problems priorities are defined based on policies of companies or countries and there is no need for evaluation to rank criteria. In other methods, such as AHP or ANP, the model is created based on criteria and expert evaluations will affect priorities and ranks (Zavadskas et al. 2011; Hashemkhani Zolfani et al. 2012). So, SWARA can be useful for some issues with known priorities depending on a situation; and finally, SWARA is proposed in a certain environment of decision-making. All developments of decision-making models based on SWARA method are as follow: Keršulienė et al. (2010) in selection of rational dispute resolution method; Keršulienė, Turskis (2011) for architect selection; Hashemkhani Zolfani et al. (2013a) in design of products; Aghdaie et al. (2013) in the machine tool selection; Hashemkhani Zolfani et al. (2013b) in selecting the optimal alternative of mechanical longitudinal ventilation of tunnel pollutants; Hashemkhani Zolfani et al. (2013c) in investigating the success factors of online games based on explorer.

VIKOR method

The VIKOR method is a compromise MADM method, developed by Opricovic, Tzeng (Opricovic 1998; Opricovic, Tzeng 2002). The concept of VIKOR is based on the compromise programming of MCDM by comparing the measure of “closeness” to the “ideal” alternative (Wu *et al.* 2009). The VIKOR method can provide a maximum “group utility” for the “majority” and a minimum of an individual regret for the “opponent” (Opricovic 1998; Opricovic, Tzeng 2002, 2004).

The recent developments of decision-making models based on VIKOR method are listed below: Fouladgar *et al.* (2012) in project portfolio selection, Yücenur and Demirel (2012) for insurance company selection, Wang and Tzeng (2012) for creating brand value, Liu *et al.* (2012) in improvement of tourism policy implementation, Wu *et al.* (2012) for ranking universities, Antucheviciene *et al.* (2011) in ranking of building redevelopment alternatives.

2. Case study

A real case study problem has been chosen to show the performance and application of the model. The study was conducted by a well-known company in manufacturing automobile industry. This company is located near Tehran, in Iran and it is a large manufacturing company with more than 500 employees. Besides, it is one of the biggest suppliers for both Saypa and Zamyad automobile manufacturing companies. Recent fast changes in automobile market environment and customer needs have been combined with high competitiveness in this market place. Therefore, the company has decided to use analytical tools for evaluation and selection of its suppliers. After defining a new project for evaluation and selection of suppliers, a project team of two industrial engineers, two managers and CEO of the company was established (see Table 2). This team identified four potential suppliers as alternatives for evaluation. The alternatives denoted as A_1 , A_2 , A_3 , and A_4 , respectively.

Among all criteria ten criteria X_{1-1-1} , X_{1-1-2} , X_{1-1-3} , X_{1-1-4} , X_{2-1} , X_{2-2-1} , X_{2-2-2} , X_{2-2-3} , X_{4-4} , and X_{2-4} , are cost criterion (the minimum amount of this criterion is desirable) and others are benefit criteria. This kind of classification is important for VIKOR analysis.

Decision-making team has followed every step of this project for this selection. They accepted the criteria list for evaluation of alternatives, which were derived from the literature survey. Also, they developed the problem structure (see Fig. 2).

For receiving general agreement in every step of this project, Delphi method was used. Delphi is a very famous method for receiving general agreement in complicated decision-making situations. Therefore, after a numerous discussions, a project team identified criteria for evaluation and they constructed problem structure. Then the project team accepted the criteria list that was explored from the literature study (see Table 1). There was a general consensus about this criteria list. As mentioned before, in this paper SWARA was used for calculating criteria weights.

In this section, the authors focus on obtained numerical results. In the first part, SWARA results will be discussed. As mentioned before, after determining all selection criteria and sup-

plier alternatives, SWARA method was used to tackle the ambiguities involved in the process of the linguistic assessment of the criteria and alternatives. Like other similar methods (e.g. AHP and ANP), SWARA uses expert ideas or thoughts but experts can participate without difficulty in this method. Information about experts is shown in Table 2. Table 3 shows criteria weights and the decision matrix that is filled by experts. Also, Table 3 indicates the results of criteria weights for all assessment criteria, criteria and sub-criteria. The weight of each criterion is shown in the fifth column. The last column of Table 3 provides the evaluations of each alternative by experts that are used to calculate the rank of each alternative. Table 3 is used as an input, which is applied by VIKOR method. The aim of using VIKOR method is selecting the best supplier. After discussing SWARA results, in this section, the authors ranked suppliers based on VIKOR. Equations in VIKOR section were used for calculations in VIKOR method.

The authors had four alternatives in this paper and there were four potential suppliers as alternatives for evaluation. The alternatives were denoted as A_1 , A_2 , A_3 , and A_4 . Five decision-making experts evaluated each alternative giving a score. After creating the decision matrix, the normalized value was calculated and other steps based on VIKOR steps were followed (Opricovic 1998; Opricovic, Tzeng 2002, 2004).

According to Table 4, which shows ultimate results of VIKOR methodology Alternative 3 (supplier 3) is the best option for this problem. Based on this Table, this supplier can work and satisfy company’s needs in an agile environment. Also, the proposed hybrid model provides a systemically analytic model for supplier selection in an agile environment.

Table 2. The characteristics of the five decision-making experts

	Gender	Age	Education Level	Experience (years)	Job title	Job responsibility	
Decision-making expert	D1	Male	53	B Sc in management	> 30	Manager of the company (CEO)	In charge of the most important decisions of the company.
	D2	Male	50	M Sc in business administration	> 25	Supply chain manager	Managing the engineering team, supply chain, suppliers and new projects.
	D3	Female	49	M Sc in business administration	> 21	Operations manager	Managing, designing, and controlling the process of production and redesigning business operations in the production of goods and/or services.
	D4	Male	45	B Sc in industrial engineering	> 18	Production planning and material handling manager	Managing product lines, buying new materials and inventory planning.
	D5	Female	47	Ph D of philosophy’s industrial engineering	> 14	Marketing manager	Responsible for R&D, marketing research and pricing decisions.

Table 3. Calculation results by applying SWARA and VIKOR methods

Criterion	Criteria weights based on SWARA				Decision matrix on VIKOR			
	Comparative importance of average value s_j	Coefficient $k_j = s_j + 1$	Recalculated weight $w_j = \frac{x_{j-1}}{k_j}$	Weight $q_j = \frac{w_j}{\sum w_j}$	A_1	A_2	A_3	A_4
X_1	0.28	1.28	0.781	0.272				
X_{1-1}		1	1	0.406				
X_{1-3}	0.25	1.25	0.8	0.326				
X_{1-2}	0.21	1.21	0.662	0.268				
X_{1-1-1}	0.13	1.13	0.884	0.270	9	5	4	8
X_{1-1-2}	0.16	1.16	0.645	0.196	4	8	9	6
X_{1-1-3}	0.18	1.18	0.749	0.228	4	4	6	3
X_{1-1-4}		1	1	0.306	8	3	5	3
X_{1-2-1}		1	1	0.545	9	3	4	6
X_{1-2-2}	0.20	1.20	0.833	0.455	6	9	8	9
X_{1-3-1}	0.26	1.26	0.793	0.317	5	6	7	8
X_{1-3-2}		1	1	0.400	9	6	3	4
X_{1-3-3}	0.12	1.12	0.708	0.283	4	8	8	5
X_2	0.32	1.32	0.591	0.207				
X_{2-1}	0.39	1.39	0.566	0.241	4	6	5	8
X_{2-2}		1	1	0.424				
X_{2-2-1}	0.21	1.21	0.751	0.284	8	5	3	4
X_{2-2-2}	0.1	1.1	0.909	0.341	2	4	3	6
X_{2-2-3}		1	1	0.375	4	3	3	6
X_{2-3}	0.27	1.27	0.787	0.335	6	4	3	4
X_3	0.20	1.20	0.492	0.171				
X_{3-1}		1	1	0.294	3	8	4	9
X_{3-2}	0.26	1.26	0.384	0.113	4	5	3	8
X_{3-3}	0.42	1.42	0.484	0.143				
X_{3-3-1}		1	1	0.568	4	9	6	5
X_{3-3-2}	0.31	1.31	0.763	0.432	6	5	8	4
X_{3-4}	0.18	1.18	0.847	0.248	9	6	8	4
X_{3-5}	0.23	1.23	0.688	0.202	6	4	4	7
X_4		1	1	0.350				
X_{4-1}	0.19	1.19	0.478	0.136	5	4	8	4
X_{4-2}	0.30	1.3	0.569	0.169	8	6	9	7
X_{4-3}	0.35	1.35	0.740	0.211	3	4	5	3
X_{4-4}	0.16	1.16	0.326	0.093	5	6	7	4
X_{4-5}		1	1	0.286	6	7	8	3
X_{4-6}	0.26	1.26	0.379	0.108	9	4	4	9

Table 4. Ultimate results and ranking of the alternatives

Alternatives	s_i	k_j	w_j	q_j	Ranking
A_1	0.541	0.074	0.5	0.713	3
A_2	0.496	0.058	0.5	0.472	2
A_3	0.350	0.042	0.5	0	1
A_4	0.569	0.100	0.5	1	4

Conclusion and future research directions

In the current era, many businesses have been forced to form a dynamic network of companies, namely agile supply chain, and outsourcing has also increased to help businesses concentrate on frequent market changes. In this regard, supply partner selection process becomes more crucial in today's highly competitive and global environment. The uncertainty and ambiguity of supplier selection process is the main reason to suppose an effective supply partner selection to achieve the successful operation of an ASC. To do so, in this paper, a hybrid MADM methodology with three phases based on integrating two MADM methods for selecting the most suitable supplier, was proposed. According to the results of this study, DMs were faced with critical factors that were found to influence an organization's decisions about evaluating and selecting a new supplier. According to the results, the case study is presented. Specifically, this study provides a valuable view that DMs should be selected as a decision-making team. In addition, SWARA method was used as a decision-making tool for extracting weights of criteria, which VIKOR needed. Therefore, VIKOR used SWARA result weights as input weights. Therefore, another significant contribution to this study is the proposed SWARA–VIKOR integrated approach. In general, the findings of this study have contributed towards providing important and advanced knowledge by various criteria and a simple, efficient method, with which managers of a company or decision-makers can increase their ability to choose an appropriate supplier. As a result of the study, the authors found that the proposed approach is practical for ranking supplier alternatives with respect to multiple conflicting criteria in an agile environment.

This study results show that decision criteria significantly influence on the choice of supplier selection. However, in this paper the most important criteria were selected based on the in-depth literature survey; another study could design a new structure with other criteria, sub-criteria and assessing alternatives with a new structure.

References

- Aghdaie, M. H.; Hashemkhani Zolfani, S.; Zavadskas, E. K. 2013. Decision making in machine tool selection: An integrated approach with SWARA and COPRAS-G methods, *Inzinerine Ekonomika – Engineering Economics* 24(1): 5–17.
- Antucheviciene, J.; Zakarevicius, A.; Zavadskas, E. K. 2011. Measuring congruence ranking results applying particular MCDM methods, *Informatika* 22(3): 319–338.
- Arteta, B. M.; Giachetti, R. E. 2004. A measure of agility as the complexity of the enterprise system, *Robotics and Computer-Integrated Manufacturing* 20(6): 495–503. <http://dx.doi.org/10.1016/j.rcim.2004.05.008>

- Amin, S. H.; Razmi, J. 2009. An integrated fuzzy model for supplier management: A case study of ISP selection and evaluation, *Expert Systems with Applications* 36: 8639–8648.
<http://dx.doi.org/10.1016/j.eswa.2008.10.012>
- Buyukozkan, G.; Cifci, G. 2011. A novel fuzzy multi-criteria decision framework for sustainable supplier selection with incomplete information, *Computers in Industry* 62(2): 164–174.
<http://dx.doi.org/10.1016/j.compind.2010.10.009>
- Cagliano, R.; Caniato, F.; Spina, G. 2004. Lean, Agile and traditional supply: How do they impact manufacturing performance?, *Journal of Purchasing and Supply Management* 10: 151–164.
<http://dx.doi.org/10.1016/j.pursup.2004.11.001>
- Fouladgar, M. M.; Yazdani-Chamzini, A.; Zavadskas, E. K.; Yakhchali, S. H.; Ghasempourabadi, M. H. 2012. Project portfolio selection using fuzzy AHP and VIKOR techniques, *Transformations in Business & Economics* 11(1–25): 213–231.
- Ginevicius, R. 2011. A new determining method for the criteria weights in multi-criteria evaluation, *International Journal of Information Technology and Decision Making* 10(6): 1067–1095.
<http://dx.doi.org/10.1142/S0219622011004713>
- Grigoroudis, E.; Siskos, Y. 2002. Preference disaggregation for measuring and analysing customer satisfaction: the MUSA method, *European Journal of Operational Research* 143(1): 148–170.
[http://dx.doi.org/10.1016/S0377-2217\(01\)00332-0](http://dx.doi.org/10.1016/S0377-2217(01)00332-0)
- Hashemkhani Zolfani, S.; Chen, I. S.; Rezaeiniya, N.; Tamosaitiene, J. 2012. A hybrid MCDM model encompassing AHP and COPRAS-G method for selecting company supplier in Iran, *Technological and Economic Development of Economy* 18(3): 529–543.
<http://dx.doi.org/10.3846/20294913.2012.709472>
- Hashemkhani Zolfani, S.; Zavadskas, E. K.; Turskis, Z. 2013a. Design of products with both international and local perspectives based on Yin-Yang balance theory and SWARA method, *Ekonomiska Istraživanja – Economic Research* 26(2): 153–166.
- Hashemkhani Zolfani, S.; Esfahani, M. H.; Bitarafan, M.; Zavadskas, E. K.; Lale Arefi, S. 2013b. Developing a new hybrid MCDM method for selection of the optimal alternative of mechanical longitudinal ventilation of tunnel pollutants during automobile accidents, *Transport* 28(1): 89–96.
<http://dx.doi.org/10.3846/16484142.2013.782567>
- Hashemkhani Zolfani, S.; Farrokhzad, M.; Turskis, Z. 2013c. Investigating on successful factors of online games based on explorer, *E & M: Ekonomie a Management* 16(2): 161–169.
- Hwang, C. L.; Yoon, K. 1981. *Multiple attribute decision making methods and applications*. Heidelberg: Springer Verlag. <http://dx.doi.org/10.1007/978-3-642-48318-9>
- Keršulienė, V.; Turskis, Z. 2011. Integrated fuzzy multiple criteria decision making model for architect selection, *Technological and Economic Development of Economy* 17(4): 645–666.
<http://dx.doi.org/10.3846/20294913.2011.635718>
- Keršulienė, V.; Zavadskas, E. K.; Turskis, Z. 2010. Selection of rational dispute resolution method by applying new step-wise weight assessment ratio analysis (SWARA), *Journal of Business Economics and Management* 11(2): 243–258. <http://dx.doi.org/10.3846/jbem.2010.12>
- Li, X.; Wang, Q. 2007. Coordination mechanisms of supply chain systems, *European Journal of Operational Research* 179: 1–16. <http://dx.doi.org/10.1016/j.ejor.2006.06.023>
- Lin, T.; Chiu, H.; Tseung, Y. H. 2006. Agility evaluation using fuzzy logic, *International Journal of Production Economics* 101(2): 353–368. <http://dx.doi.org/10.1016/j.ijpe.2005.01.011>
- Liu, C. H.; Tzeng, G. H.; Lee, M. H. 2012. Improving tourism policy implementation – The use of hybrid MCDM models, *Tourism Management* 33(2): 413–426.
<http://dx.doi.org/10.1016/j.tourman.2011.05.002>

- Luo, X.; Wu, C.; Rosenberg, D.; Barnes, D. 2009. Supplier selection in agile supply chains: An information-processing model and an illustration, *Journal of Purchasing and Supply Management* 15: 249–262. <http://dx.doi.org/10.1016/j.pursup.2009.05.004>
- Opricovic, S. 1998. Multi criteria optimization of civil engineering systems, *Faculty of Civil Engineering* 37(12): 1379–1383.
- Opricovic, S.; Tzeng, G. H. 2002. Multi-criteria planning of post earthquake sustainable reconstruction, *Computer-Aided Civil and Infrastructure Engineering* 17: 211–220. <http://dx.doi.org/10.1111/1467-8667.00269>
- Opricovic, S.; Tzeng, G. H. 2004. Compromise solution by MCDM methods: A comparative analysis of VIKOR and TOPSIS, *European Journal of Operational Research* 156(2): 445–455. [http://dx.doi.org/10.1016/S0377-2217\(03\)00020-1](http://dx.doi.org/10.1016/S0377-2217(03)00020-1)
- Razmi, J.; Rafiei, H.; Hashemi, M. 2009. Designing a decision support system to evaluate and select suppliers using fuzzy analytic network process, *Computers and Industrial Engineering* 57: 1282–1290. <http://dx.doi.org/10.1016/j.cie.2009.06.008>
- Roy, B. 1968. Classement et Choix en Presence de Points de vue Multiples (la method Electre), *Revue Francaise d' Informatique et de Recherche Operationnelle* 8(1): 57–75.
- Sari, B.; Sen, T.; Kilic, S. E. 2008. AHP model for the selection of partner companies in virtual enterprises, *International Journal of Advanced Manufacturing Technology* 38 (3–4): 367–376. <http://dx.doi.org/10.1007/s00170-007-1097-6>
- Sarkar, A.; Mohapatra, P. K. J. 2006. Evaluation of supplier capability and performance: a method for supply base reduction, *Journal of Purchasing and Supply Management* 12(3): 148–163. <http://dx.doi.org/10.1016/j.pursup.2006.08.003>
- Shannon, C. E. 1948. The mathematical theory of communication, *Bell System Technical Journal* 27: 379–423. <http://dx.doi.org/10.1002/j.1538-7305.1948.tb00917.x>
- Sharifi, H.; Zhang, Z. 1999. A methodology for achieving agility in manufacturing organizations: an introduction, *International Journal of Production Economics* 62(1–2): 7–22. [http://dx.doi.org/10.1016/S0925-5273\(98\)00217-5](http://dx.doi.org/10.1016/S0925-5273(98)00217-5)
- Sušinskas, S.; Zavadskas, E. K.; Turskis, Z. 2011. Multiple criteria assessment of pile-columns alternatives, *The Baltic Journal of Road and Bridge Engineering* 6(3): 77–83. <http://dx.doi.org/10.3846/bjrbe.2011.19>
- Tam, M. C. Y.; Tummala, V. M. R. 2001. An application of the AHP in vendor selection of a telecommunications system, *Omega – The International Journal of Management Science* 29(2): 171–182.
- Tamošaitienė, J.; Šipalis, J.; Banaitis, A.; Gaudutis, E. 2013. Complex model for the assessment of the location of high-rise buildings in the city urban structure, *International Journal of Strategic Property Management* 17(1): 93–109. <http://dx.doi.org/10.3846/1648715X.2013.781968>
- Tamošaitienė, J.; Gaudutis, E. 2013. Complex assessment of structural systems used for high-rise buildings, *Journal of Civil Engineering and Management* 19(2): 305–317. <http://dx.doi.org/10.3846/13923730.2013.772071>
- Talluri, S.; Baker, R. C. 2002. A multi-phase mathematical programming approach for effective supply chain design, *European Journal of Operational Research* 141: 544–558. [http://dx.doi.org/10.1016/S0377-2217\(01\)00277-6](http://dx.doi.org/10.1016/S0377-2217(01)00277-6)
- Tsourveloudis, N. C.; Valavanis, K. P. 2002. On the measurement of enterprise agility, *Journal of Intelligent Robotic Systems* 33(3): 329–342. <http://dx.doi.org/10.1023/A:1015096909316>
- Wang, Y. L.; Tzeng, G. H. 2012. Brand marketing for creating brand value based on a MCDM model combining DEMATEL with ANP and VIKOR methods, *Expert Systems with Applications* 39: 5600–5615. <http://dx.doi.org/10.1016/j.eswa.2011.11.057>

- Wu, H. Y.; Chen, J. K.; Chen, I. S.; Zhou, H. H. 2012. Ranking universities based on performance evaluation by a hybrid MCDM model, *Measurement* 45(5): 856–880. <http://dx.doi.org/10.1016/j.measurement.2012.02.009>
- Wu, C.; Barnes, D. 2011. A literature review of decision-making models and approaches for partner selection in agile supply chains, *Journal of Purchasing and Supply Management* 17: 256–274. <http://dx.doi.org/10.1016/j.pursup.2011.09.002>
- Wu, C.; Barnes, D.; Rosenberg, D.; Luo, X. X. 2009. An analytic network process-mixed integer multi-objective programming model for partner selection in agile supply chains, *Production Planning and Control* 20(3): 254–275. <http://dx.doi.org/10.1080/09537280902856047>
- Xia, W.; Wu, Z. 2007. Supplier selection with multiple criteria in volume discount environments, *Omega* 35: 494–504. <http://dx.doi.org/10.1016/j.omega.2005.09.002>
- Yigin, I. H.; Taşkın, H.; Cedimoglu, I. H.; Topal, B. 2007. Supplier selection: an expert system approach. *Production Planning and Control* 18(1): 16–24. <http://dx.doi.org/10.1080/09537280600940655>
- Yücenur, G. N.; Demirel, N. C. 2012. Group decision making process for insurance company selection problem with extended VIKOR method under fuzzy environment, *Expert Systems with Applications* 39(3): 3702–3707. <http://dx.doi.org/10.1016/j.eswa.2011.09.065>
- Zavadskas, E. K.; Kaklauskas, A. 1996. Determination of an efficient contractor by using the new method of multi criteria assessment, in Langford, D. A.; Retik, A. (Eds.). *International Symposium for “The Organization and Management of Construction”. Shaping theory and practice. Vol. 2: Managing the Construction Project and Managing Risk.* CIB W 65; London: E and FN SPON, 94–104.
- Zavadskas, E. K.; Turskis, Z. 2010. A new additive ratio assessment (ARAS) method in multicriteria decision-making, *Technological and Economic Development of Economy* 16(2): 159–172. <http://dx.doi.org/10.3846/tede.2010.10>
- Zavadskas, E. K.; Vainiunas, P.; Turskis, Z.; Tamosaitiene, J. 2012. Multiple criteria decision support system for assessment of projects managers in construction, *International Journal of Information Technology and Decision Making* 11(2): 501–520. <http://dx.doi.org/10.1142/S0219622012400135>
- Zavadskas, E. K.; Turskis, Z.; Tamošaitienė, J. 2011. Selection of construction enterprises management strategy based on the SWOT and multi-criteria analysis, *Archives of Civil and Mechanical Engineering* 11(4): 1063–1082. [http://dx.doi.org/10.1016/S1644-9665\(12\)60096-X](http://dx.doi.org/10.1016/S1644-9665(12)60096-X)
- Zavadskas, E. K.; Turskis, Z.; Ustinovichius, L.; Shevchenko, G. 2010. Attributes weights determining peculiarities in multiple attribute decision making methods, *Inzinerine Ekonomika – Engineering Economics* 21(1): 32–43.
- Zavadskas, E. K.; Kaklauskas, A.; Turskis, Z.; Tamosaitiene, J. 2009. Multi-attribute decision-making model by applying grey numbers, *Informatica* 20(2): 305–320.
- Zavadskas, E. K.; Kaklauskas, A.; Turskis, Z.; Tamosaitiene, J. 2008. Selection of the effective dwelling house walls by applying attributes values determined at intervals, *Journal of Civil Engineering and Management* 14(2): 85–93. <http://dx.doi.org/10.3846/1392-3730.2008.14.3>

Maryam ALIMARDANI received her Bachelor's degree in Industrial Engineering – Industrial Production from Shomal University, Amol, Iran in 2009. She received her Master's degree in Industrial Engineering – Industrial Engineering from University of Tehran, Tehran, Iran in 2012. Her papers have appeared in international conferences and journals, such as *International Journal of Production Research*, *International Journal of Civil and Structural Engineering*, *Zadeh Journal of Mathematics*. Her major research interests include production planning and control, supply chain management, supply chain inventory management, multi criteria decision-making.

Sarfraz HASHEMKHANI ZOLFANI received his Bachelor's degree in Industrial Management and Master's degree in Industrial Engineering from Shomal University, Iran. He is a PhD student of Technology Foresight in Amirkabir University of Technology (Tehran Polytechnic). He is working at Future Studies Research Institute of Amirkabir University of Technology (Tehran Polytechnic), Sustainability office of Amirkabir University of Technology (Tehran Polytechnic) and Research Institute of the Internet and Intelligent Technologies, Vilnius Gediminas Technical University. He is a member of EURO Working Group *OR in Sustainable Development and Civil Engineering*. He is a reviewer in journals like: *International Journal of Strategic Property Management*, *International Journal of Business and Society* etc. He is an author of more than 45 scientific papers that presented, published or reviewed at/for International Conferences and Journals (including ISI-cited publications). He has published in journals such as: *Technological and Economic Development of Economy*, *Journal of Business Economics and Management*, *International Journal of Strategic Property Management*, *Archives of Civil and Mechanical Engineering*, *Transport*, *The Baltic Journal of Road and Bridge Engineering* etc. His research interests include: performance evaluation, strategic management, decision-making theory, supply chain management, (fuzzy) multi criteria decision making, marketing, future studies, sustainable development.

Mohammad Hasan AGHDAIE received his Bachelor's and Master's degree in Industrial Engineering from Shomal University, in Amol. He is the author of more than 21 scientific papers in international conferences and international journals, which were published, accepted or peer-reviewed. He has published in journals such as *Journal of Business Economics and Management*, *International Journal of Business Innovation and Research*, *The Baltic Journal of Road and Bridge Engineering*, *Quarterly journal of Research and Planning in Higher Education*, *Engineering Economics*, and several others. His current research interests include operations research, decision analysis, multiple criteria decision analysis, operations research interfaces with other fields, especially marketing, market segmentation, marketing research and modelling, market design and engineering, pricing, data mining, data science, application of fuzzy sets and systems, creative thinking and problem solving.

Jolanta TAMOŠAITIENĖ. Associate Professor, Dr, a Vice-Dean of Civil Engineering Faculty and working in the Department of Construction Technology and Management at Vilnius Gediminas Technical University, Lithuania. Since 2013 is a member of Editorial Board "The Journal of Engineering, Project, and Production Management", since 2011 is a member of Editorial Board "Technological and Economic Development of Economy" journal. Since 2009 is a member of EURO Working Group OR in Sustainable Development and Civil Engineering, EWG-ORSDC. Since 2013 is a board member of Engineering, Project, and Production Management Association. She published 50 scientific papers. Research interests: many miscellaneous management areas (enterprise, construction project etc.), risk assessment, construction project administration, building life-cycle, construction technology and organisation, decision-making and grey system theory, Decision Making (DM), statistics, optimization, strategies, game theory, intelligent support system, Sustainable Development: developing of alternative construction processes, economic and other aspects, sustainable development challenges for business and management in construction enterprises, environmental impact processes etc.