

ERPsim @ Seidman

An SAP® Young Thinkers Program Event

The SAP Young Thinkers Program offers hands-on workshops to equip high school students with analytical and creative thinking skills. This experiential learning program aims to help youth understand the extraordinary revolution brought about by ERP (enterprise resource planning) systems and its impact on societies, businesses, and everyday life.¹

The students will spend the day with ESSU mentors and ERP Program faculty playing a simulation game that focuses on the marketing, pricing, purchasing, and distribution of bottled water. Teams have to use standard business reports in SAP to make business decisions, ultimately working towards making the most money. The simulation is a great way to expose high school students to business processes, reporting and decision making using SAP ERP software in a fun environment. While on the GVSU campus, high school students will also learn more about the ERP Program as a future college and career path.²

The ERP Advantage: Knowing How To Use SAP Pays Off

To date, Seidman ERP Program graduates with various levels of SAP specialization have received employment offers with such companies as 3M, Cargill, GM, Chrysler, Deloitte, and Steelcase. Due to their knowledge about SAP, many undergraduate students who chose to partake in internships are asked to join a company even before they graduate. Students who possess some or all of the ERP skill sets are more marketable and in greater demand no matter what their major is.

- 8th most valuable major according to Forbes.³
- 7th highest paying college major according to the Wall Street Journal.⁴
- 40th on 100 Best Jobs in America by CNN Money.⁵

March 25, 2016

Seidman College of Business: Grand Valley State University

8:00	Registration
8:15	Welcome
8:30	Introduction to the ERPsim Game
9:45	Team Strategy Meeting
10:15	Simulation Round 1
11:00	Debriefing Round 1
11:15	Simulation Round 2
12:00	Debriefing Round 2 & Lunch
12:30	Simulation Round 3
1:15	Winners Announced & Closing Remarks
1:30	Event Completed

@gvsu
@gvsuessu
@kentisd
@sap_ua

@erpsim
@steelcase
#GVLakerEffect
#erpsimatgvsu



www.gvsu.edu/erp

1 <http://go.sap.com/docs/download/2015/11/0a67851f-4a7c-0010-82c7-eda71af511fa.pdf>
2 <http://www.gvsu.edu/erp/>
3 <http://www.forbes.com/pictures/lmj45jfl/no-8-management-information-systems/>
4 <http://blogs.wsj.com/economics/2012/04/17/which-college-majors-pay-best/>
5 <http://money.cnn.com/pf/best-jobs/2015/list/index.html>

ERPSim Mentor Job Aid

Preparation

Thank you for participating in the SAP Young Thinkers ERPSim event.

The event is going to be held in the computer lab at GVSU Holland Campus:

- GVSU Meijer Campus in Holland
515 S. Waverly Rd
Holland, Michigan 49423
- **Be in the computer lab by 7:30**
- Dress is business casual. You will receive an SAP t-shirt to wear over your business attire. It might be black or bright yellow.
- We will need to get computers set-up and paperwork handed out.
- After set-up of the room, we will disperse and station around the building to make sure the high school students don't get lost, they will be coming directly to the room from the bus.
- Working with high school students means no BAD language.
- Bring things down to their level, don't talk down to them, but make sure they understand and offer words of encouragement and support.
- During break and lunch time, please "line" the hall way to point them in the right direction to the room we will be eating in. It should be easy, it is the main "hang out" space.
- During snack and lunch, you will sit with you group, this is their debriefing time and you will want to help them think about their strategy.
- Lunch will be a time for the GVSU Career Center to talk about the program at GVSU and for our sponsor company to speak about ERP in the industry.
- The students will have their job aid card, job description card reflection sheet, and their table tent at their computer/chair.
- Remember each team is made up of Inventory Specialist, Purchasing Agent, Marketing Person and Communications Coordinator.
- Make sure to keep the Communications Coordinator active, just because they don't have a computer doesn't mean they shouldn't be reading reports and helping to make decisions.
- Computer Login Information: Will be written on the white board that day. We will need to login to the GVSU lab computer account, and then help them login to the Sim game.

Setup

Get the team organized in their seats with their papers

Establish the slang that they will use – 1 Clear, 1 Spritz, Half Lemon

Encourage note taking

Round 1

You cannot buy inventory – DO NOT RUN OUT

Coordinator should help with sales and marketing

Small Changes

Wait 2 or 3 days and see what happens

DAY 7 BREAK – Discuss the market data, pricing strategy, inventory

Marketing - If you don't clear the cells you will continue to spend. SAVE

Round 2

You can buy more inventory in QTY of 1000, up to 3 day lead time

Watch your spending

Purchase enough so you don't run out, but not too much

Round 3

Inventory will be purchased in quantity up to 1000

Do not order towards the end of the 3rd round

Thought Provoking Questions

What is your strategy?

Did you communicate?

Did your strategy work? Why or why not?

STRATEGY TIPS

Don't sell for less than cost

Marketing should be no more than 3% of predicted sales

Don't make big changes

Focus on certain products

SIMULATION TIPS

SAVE AFTER TRANSACTIONS

Use the reports to make decisions

Market what is selling

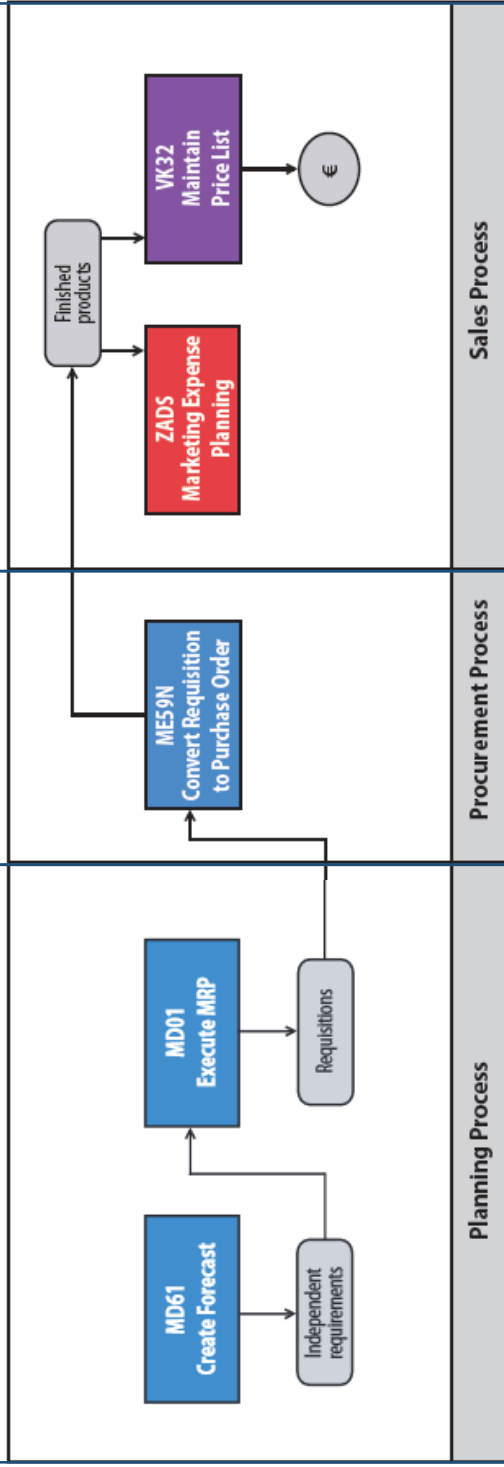
Products will compete when marketed in the same region

Marketing doesn't have long term effects

Ignore everyone else

Emphasize understanding the market

Inventory Specialist		Purchasing Agent	Marketing Person
Forecast Sales Create Planned Indep. Req. (MD61) 1 Select Product group, then enter: \$\$-B 2 3 Enter new forecasted quantities in next month The quantity corresponds to the replenishment level 4		Purchasing Automatic Gen. of POs (MES5N) 1 2 Purchase orders are created 3 If no open requisitions: No suitable requisitions found	Marketing Expense Marketing Expense Planning (ZADS) 1 Enter the daily amount of marketing for each product and each area. 2 Change Price Condition Maintenance: Change (VK32) 1 Open prices folder and double click on Price list 2 In Distribution channel, enter DC 18 3 In Material, enter product code (optional) 4 5 Enter your prices 6



Planning Process		Procurement Process	Sales Process
Stock Levels Inventory report (ZMB52) Shows all stock levels.		Purchase Orders Purchase order tracking (ZME2N) Shows purchase orders. For each order, it shows the issue date, the expected time of arrival of the products (Round and day) and the date of payment of the vendors (Vendor payment, round, and date)	Sales and Market Data Sales order report (ZVA05) Shows sales transactions: time, sales revenues, bottles sold and price per box. Summary sales report (ZVC2) Shows cumulative sales Price Market report (ZMARKET) Shows market sales for lagging 5 days - revenues, units, and average price.

Products



Box of 12 bottles

Box of 24 bottles

\$\$-B01

€ 11.99



\$\$-B04

€ 16.99



ERP
Water
Carbonated

€ 14.99

\$\$-B05

€ 19.99



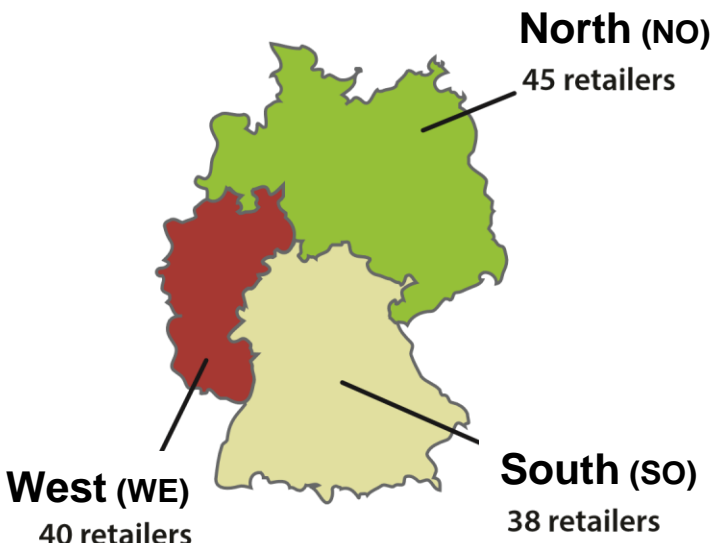
€ 16.99

\$\$-B06

€ 22.99

German Market

General information



Days Per Round
20

Distribution Channel
DC18: Convenience Stores
(Default)

Regions

3 with distinct marketing accounts

Customers	
Lead Time (Days)	1-3
Payment Time (Days)	10

Suppliers	
Lead Time (Days)	1-3
Payment Time (Days)	10

Total Market Size

Approx. € 6,000 per company per day

Cost, Inventory & Initial Pricing

Material	\$\$-B01	\$\$-B02	\$\$-B03		\$\$-B04	\$\$-B05	\$\$-B06
Name	1L ClearPure	1L Spritz	1L Lemon Spritz		500mL ClearPure	500mL Spritz	500mL Lemon Spritz
Size	1L	1L	1L		500mL	500mL	500mL
Number of bottles in package	12	12	12		24	24	24
Cost	11.99	14.99	16.99		16.99	19.99	22.99
Initial price	14.99	17.99	19.99		19.99	22.99	25.99
Initial stock	1,000	1,000	1,000		1,000	1,000	1,000

Marketing Person

Responsible for the perception of the company's products by the public.

Responsible for the product pricing relative to competitors.

Company Employees	User ID
Marketing Person	\$ 1
Inventory Specialist	\$ 2
Purchasing Agent	\$ 3
Communications Coordinator	\$ 4

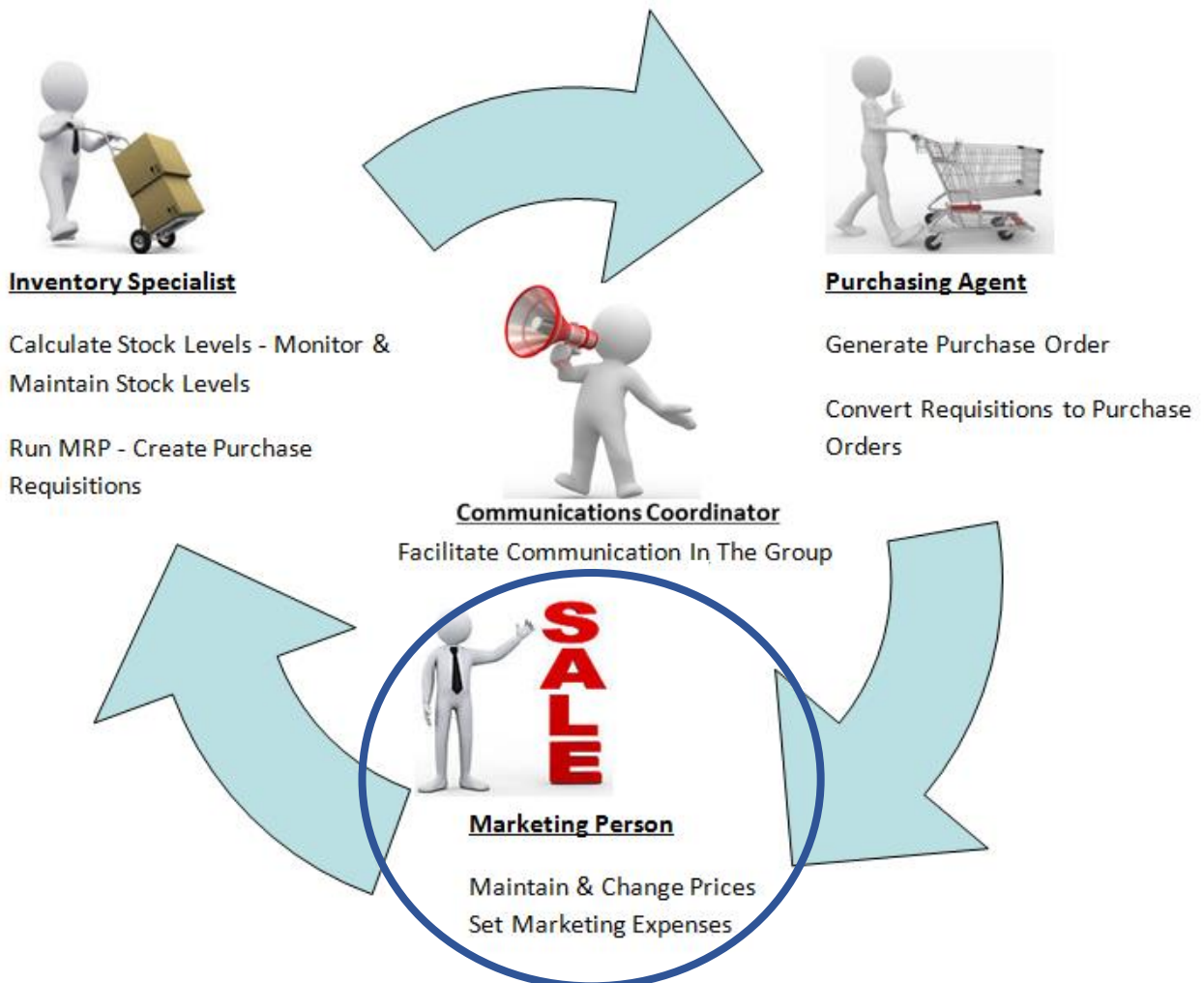
TASKS:

- Invest in marketing at any point in the game
- Target Market- one region per product
- Implement marketing strategy
- Advertise only if have product in stock
- Adjust prices to increase demand and profitability



COMMUNICATION: (Examples of Team Communication)

- To the Communications Coordinator
 - We are currently marketing (1L Lemon etc.), maybe we should increase price.
 - The average selling price for (500ml Spritz etc.) is xxx Euros, is our prices above the average?
 - What is the average price for (1L Lemon, 500ml Clear Pure etc)?
- To the Purchasing Agent
 - When will we be receiving more stock? I stopped marketing (1L Clear Pure, 500ml Lemon etc.) because we are out of stock.
 - We have decreased prices on (1L Clear Pure, 500ml Lemon etc), are we above the cost of the products?
- To the Inventory Specialist
 - We are marketing (1L Spritz, 500ml Lemon etc). Do we have inventory?
 - What product are we out of?
 - What product do we need to order more of (1L Clear Pure, 500ml Lemon etc)?



Inventory Specialist

Responsible for monitoring current product inventory, setting future product purchases and monitoring the company's financial status.

Company Employees	User ID
Marketing Person	\$ 1
Inventory Specialist	\$ 2
Purchasing Agent	\$ 3
Communications Coordinator	\$ 4

TASKS:

- Ensure inventory is maintained at the right level
- Match purchase schedules with sales

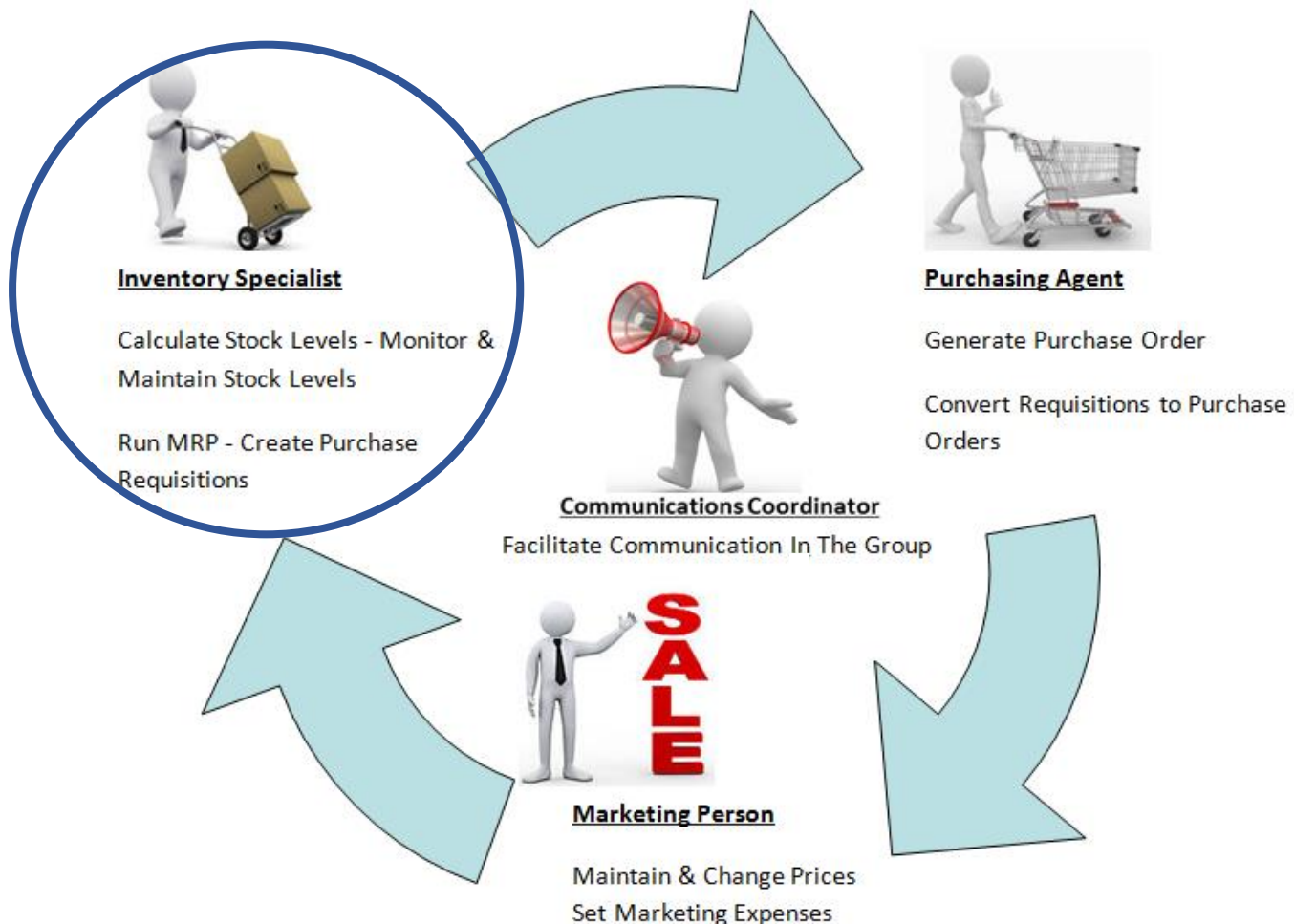
COMMUNICATION: (Examples of Team Communication)

- To the Communications Coordinator
 - We will receive xxx units of (1L Clear Pure, 500ml Lemon etc.) on day xx. What should we do about that?
- To the Marketing Manager
 - We have in inventory (1L Clear Pure, 500ml Lemon etc), therefore we can market.
 - We are out of (1L Lemon, 500ml Spritz etc), therefore we should stop marketing.
- To the Purchasing Agent
 - We are low on (1L Clear Pure, 500ml Lemon etc); therefore we need to reorder.
 - Our quantity is between 200-500 units, therefore we should reorder.



HEC MONTRÉAL
ERP SIMULATION GAME
Distribution Game (Academic)

powered by ERPsim



Purchasing Agent

Responsible for ordering the products and tracking their receipt.

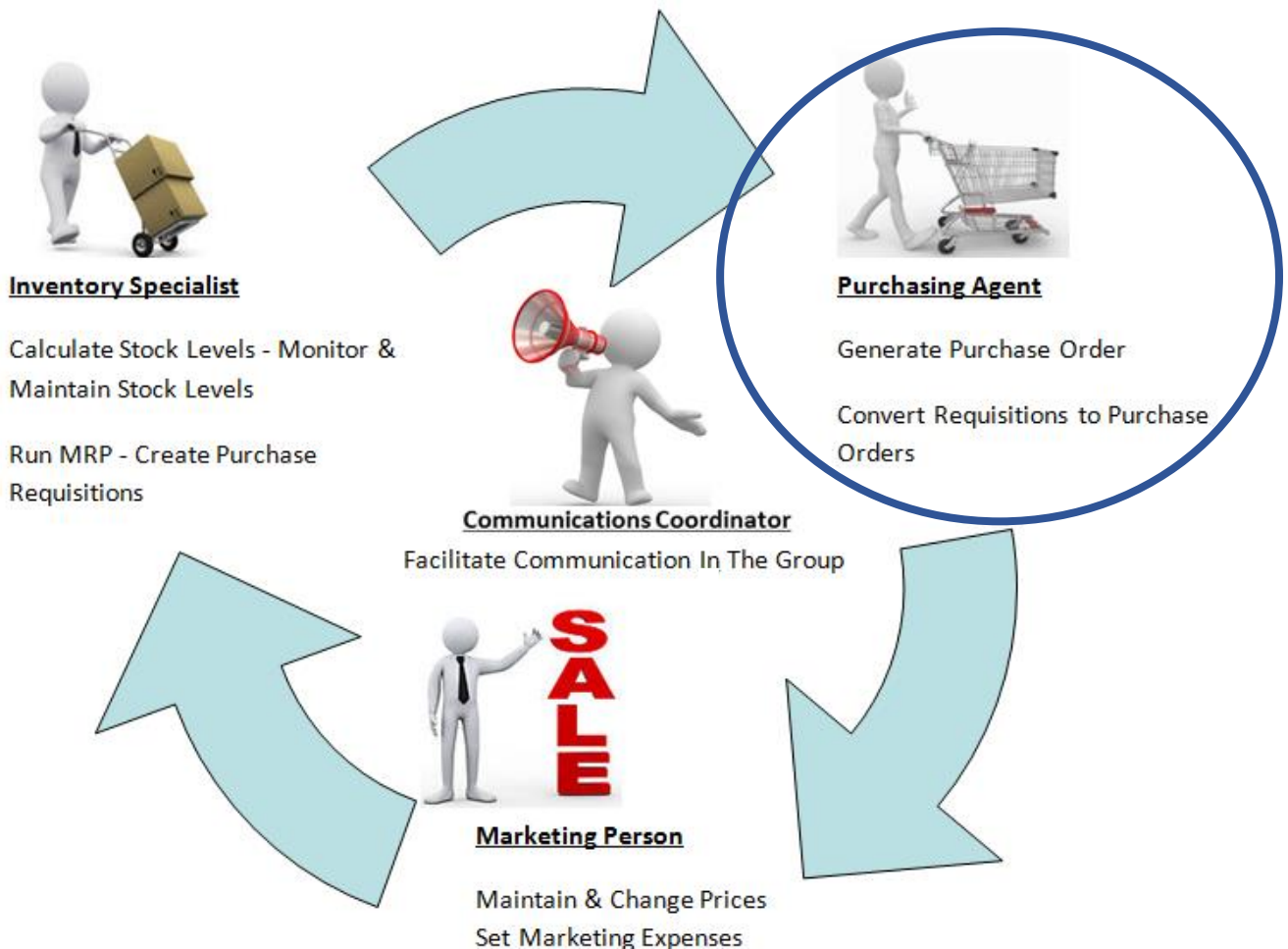
Company Employees	User ID
Marketing Person	\$ 1
Inventory Specialist	\$ 2
Purchasing Agent	\$ 3
Communications Coordinator	\$ 4

TASKS:

- Run MRP to create purchase requisitions
- Convert purchase requisitions into purchase orders
- Monitoring purchase orders for Date of Receipt

COMMUNICATION: (Examples of Team Communication)

- To the Communications Coordinator
 - We will receive xxx units of (1L Clear Pure, 500ml Lemon etc.) on day xx. What should we do about that?
- Inventory Specialist
 - What product are we are low on (1L Clear Pure, 500ml Lemon etc)?
 - What day will Inventory will be received on day xx.
- Marketing Coordinator
 - What product are we spending the most on marketing?
 - Should we increase pricing because its costing xxx for (1L Clear Pure, 500ml Lemon etc.).



Communications

Coordinator

Responsible for facilitating communication in the group.
Observe team operations and optimize.

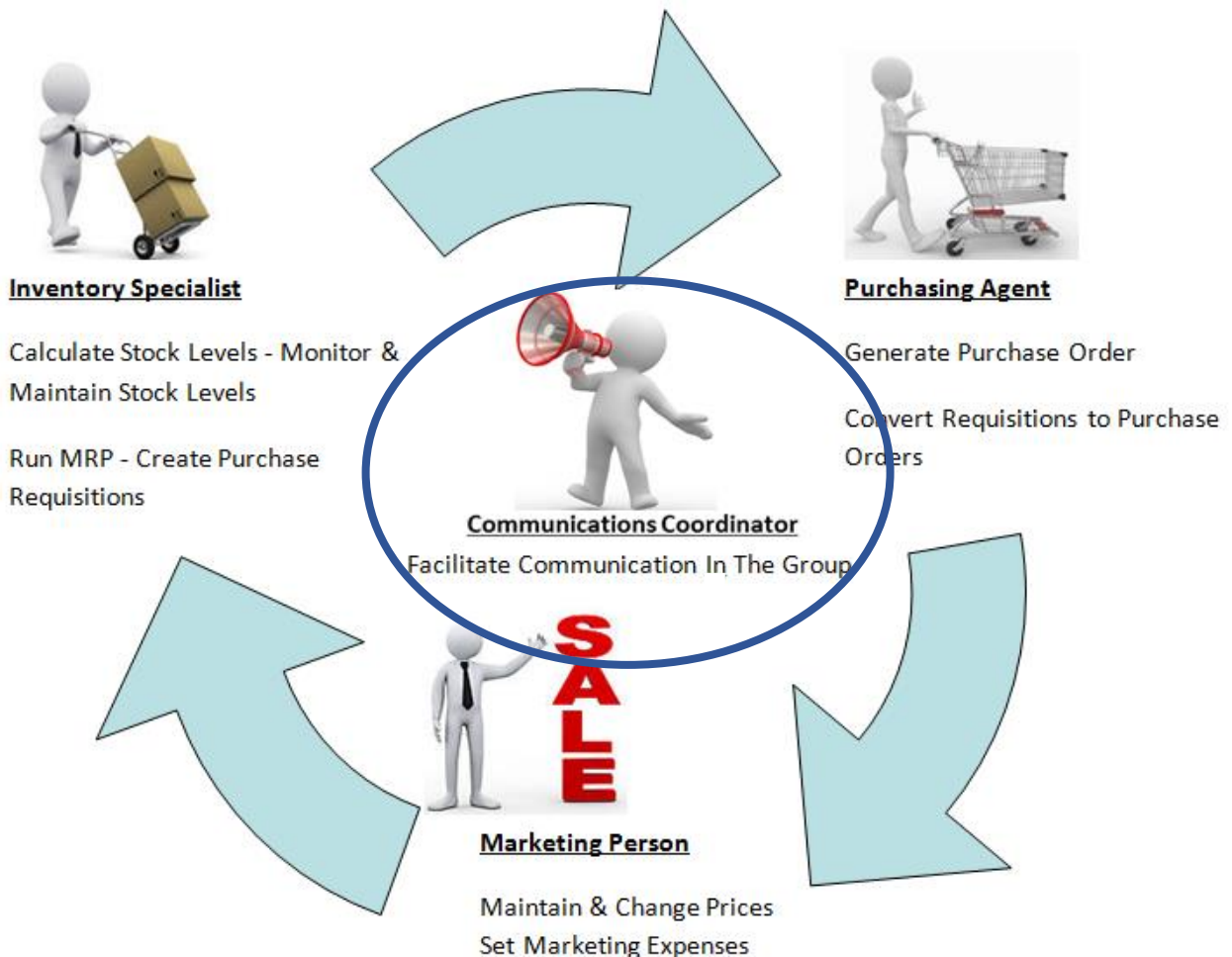
TASKS:

- Observe reports of team members and make recommendations.
- Lead the strategy discussion with the team.

COMMUNICATION: (Examples of Team Communications)

- To the Inventory Specialist
 - What are our inventory levels at?
 - What products are we running out of and need to raise prices on?
 - Have we received our inventory?
- To the Marketing Coordinator
 - What are you currently marketing
 - What product are we spending the most on marketing?
 - What percentage of sales are you marketing?
- To the Purchasing Agent
 - When will we be receiving more stock? I stopped marketing (1L Clear Pure, 500ml Lemon etc.) because we are out of stock.
 - We have decreased prices on (1L Clear Pure, 500ml Lemon etc), are we above the cost of the products?

Company Employees	User ID
Marketing Person	\$ 1
Inventory Specialist	\$ 2
Purchasing Agent	\$ 3
Communications Coordinator	\$4



Round 1 & 2: Debriefing Questions

How did your team communication work?

- Did your marketing work?
- Did your pricing work?
- Did you run out of supply?
- Did your strategy work?

What do you want to do in the next round?

- How do you want to change your marketing?
- How do you want to change your pricing?
- How do you feel about your supply levels?
- How do we prepare so we don't run out of supply?
- What is our overall strategy going to be?

Round 3: Debriefing Questions

Explain the process that took place?

- What are the steps that took place?
- Why do you have to do one before the other?

What were your strategies?

- Why do you think your group didn't or did win?