



# MIS PROJECT

GROUP B2-4 : Vinayak SINGH, Sakshi  
THOKE, Jade COUPET, Clémence LABATUT,  
Julien BESSON



# OUR TEAM



Vinayak SINGH

Sales Manager



Sakshi THOKE

Procurement  
Manager



Jade COUPET

Business Analyst



Cindy MOREIRA

Business Analyst



Julien BESSON

Financial Analyst



Clémence LABATUT

Marketing  
Manager

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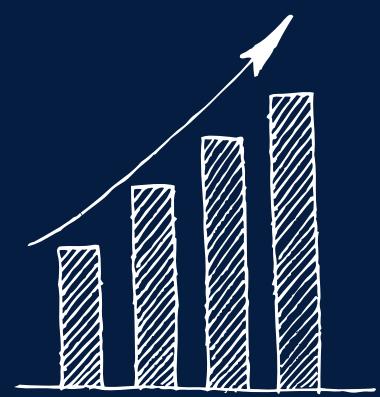


# GOALS AND OBJECTIVES

## ----- Growth -----



Our growth strategy entailed targeted expansion into **high-demand regions** by tailoring syrup offerings to regional preferences. By analyzing **sales data** and **consumer trends**, we aimed to optimize product assortments for maximum penetration in North, South, and West markets, trying to ensure **strategic market dominance** and sustainable revenue growth



# GOALS AND OBJECTIVES

## ----- Game Strategy -----

Our strategy focused on maximizing profitability through:

- efficient operations
- strategic market expansion
- customer-centricity

While achieving a superior balanced scorecard!

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# TIMELINE

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In the simulation spanning four rounds, each lasting 20 days, we navigated strategic decisions and operational challenges to drive our maple syrup company's growth and performance. Through iterative gameplay, we honed our decision-making skills and adapted our strategies to achieve success in a dynamic business environment.

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## Round 1

In Round 2, location 04 maintained good maple syrup stocks, notably in 1L sizes. Sales were strong, particularly for 500ml and 1L Amber Grade, and 500ml Dark Grade syrups .

## Round 2

After round 4, "1L Dark Grade" maple syrup has a significant surplus of 3,189 units, implying production or demand issues. Meanwhile, "500ml Amber Grade" and "500ml Very Dark Grade" syrups are sold out, signifying high demand or supply problems.

## Round 3

In Round 1, all maple syrup was stored at location 04. The 1L Dark Grade had the highest stock and sales, highlighting its popularity and importance.

## Round 4

In Round 3, sales for 1L Golden and 500ml Dark Grade Maple Syrups were robust across all regions, reflecting their market popularity. The marketing plan maintained balanced distribution, supporting strong sales and revenue in the competitive market.

# RESULTS AND ANALYSIS

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08

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Sales & Marketing  
Strategy

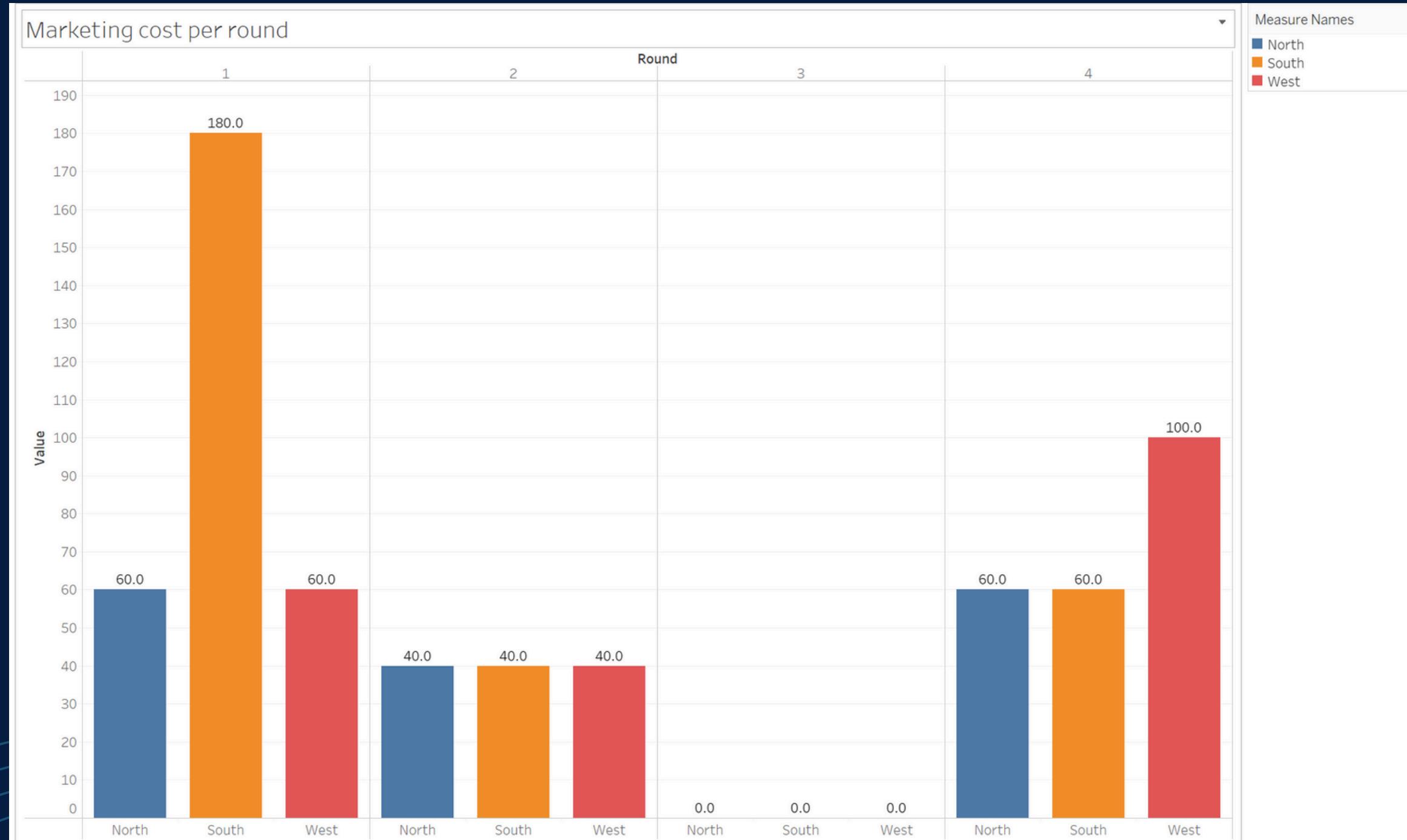
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Procurement  
Strategy

# SALES & MARKETING STRATEGY

## MARKETING EXPENSE PER REGION PER ROUND

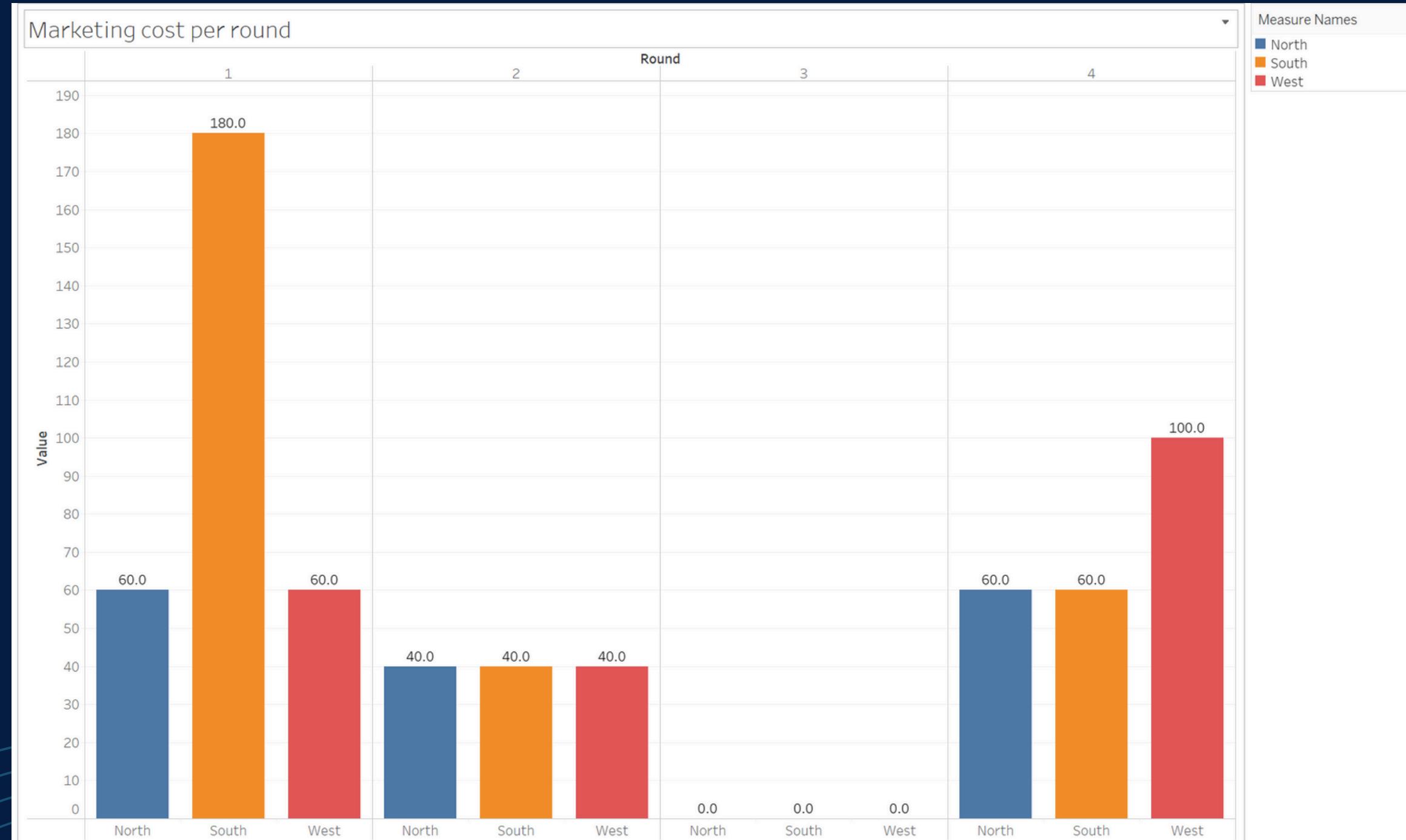


## Initial Strategy

- Our initial approach was to focus on the highest selling products and increase their inventory and sales.
- So we decided to arbitrarily allot a total of 6000 Euros in the first round out of which 60 Euros were allotted to North and South for 500ml Amber grade syrup, 60 Euros were allotted to South & West of 500ml Very dark grade maple syrup and 60 Euros were allotted to South for 1L Dark grade Maple syrup
- The purpose behind this strategy was to identify the products that sell better and invest in them

# SALES & MARKETING STRATEGY

## MARKETING EXPENSE PER REGION PER ROUND

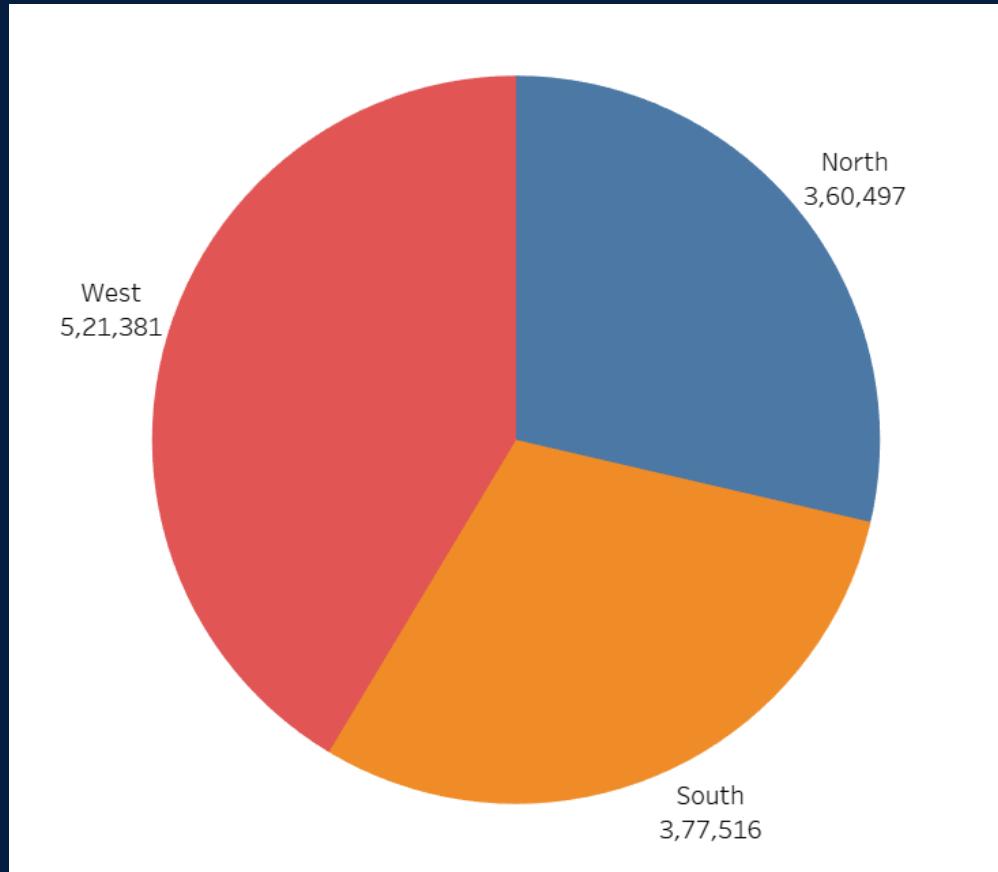


## Revised Strategy

- As the first round resulted in a negative company evaluation due to other costs we decided to focus on reducing marketing costs and hence invested only 40 Euros per region for top 3 highest selling products.
- This strategy helped us reduced costs but the round 3 results were worse due to bad procurement strategy so to cut down the costs completely from marketing we decided to not invest in marketing in the 3rd round at all.

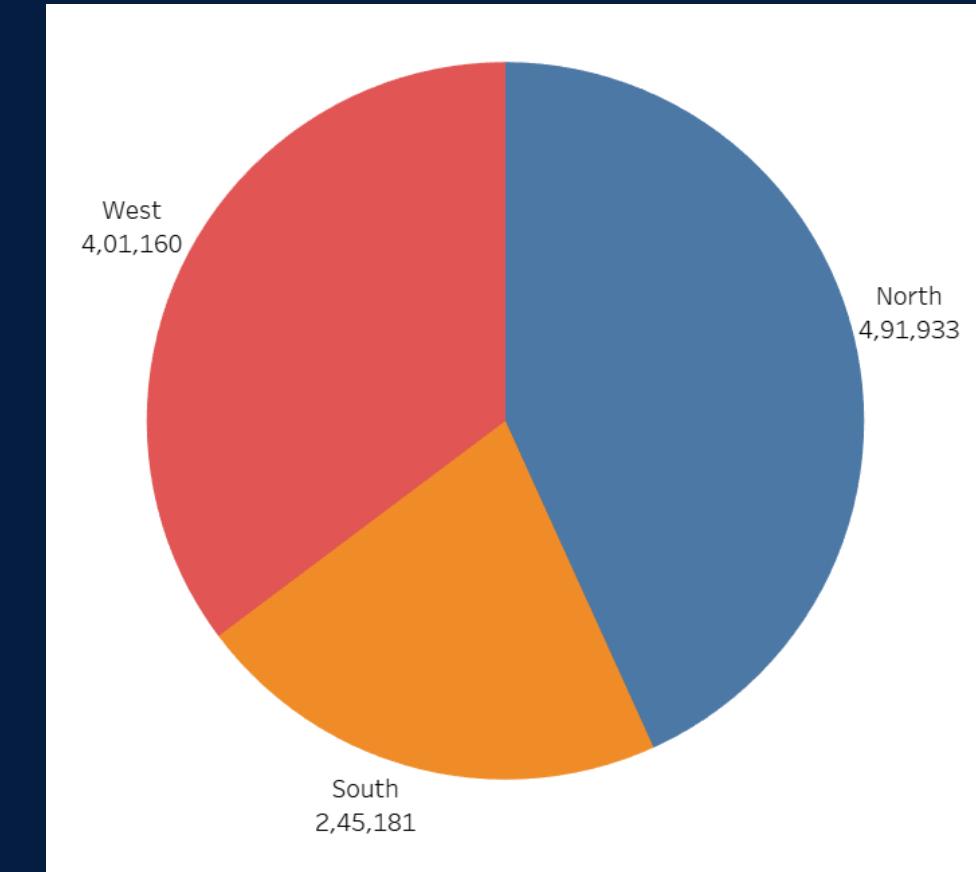
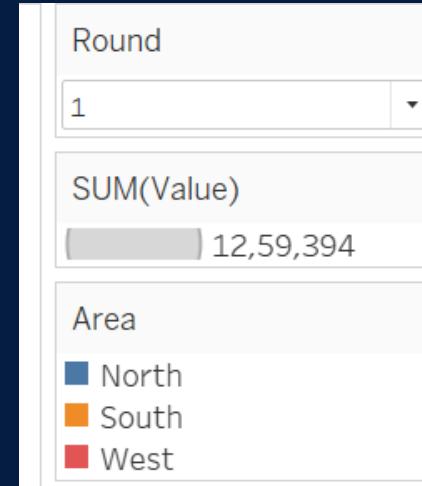
# SALES & MARKETING STRATEGY

## REGION WISE TOTAL SALES



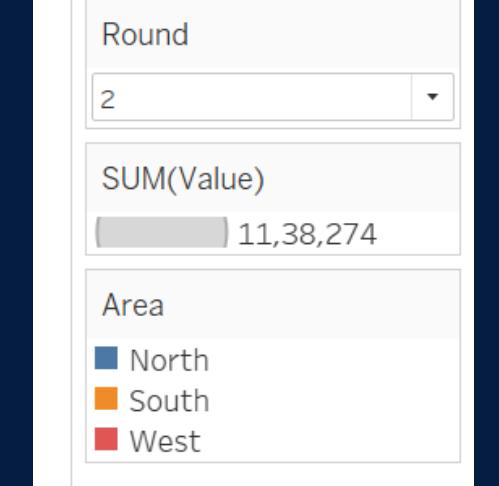
### Initial Market Capture

Initially, the West region dominated in terms of market capture, indicating a higher proportion of sales attributed to this region. This trend persisted until strategic adjustments were made to our procurement strategy, resulting in a notable shift in market capture dynamics.



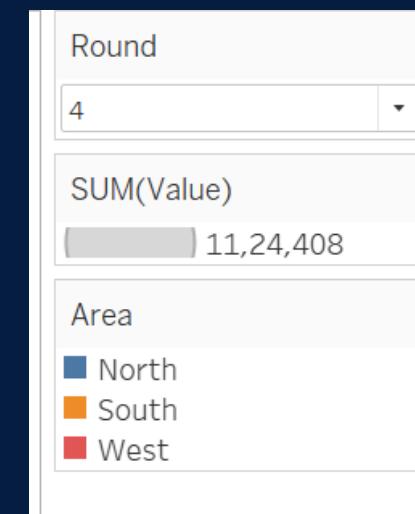
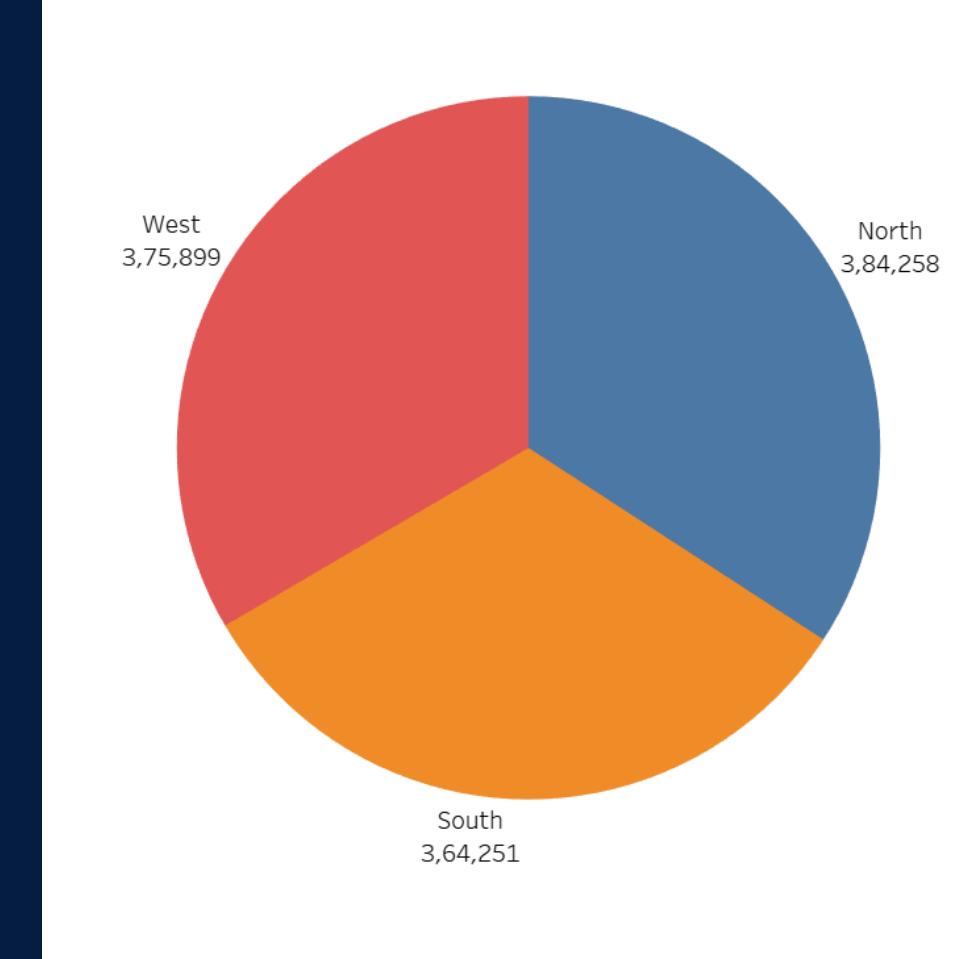
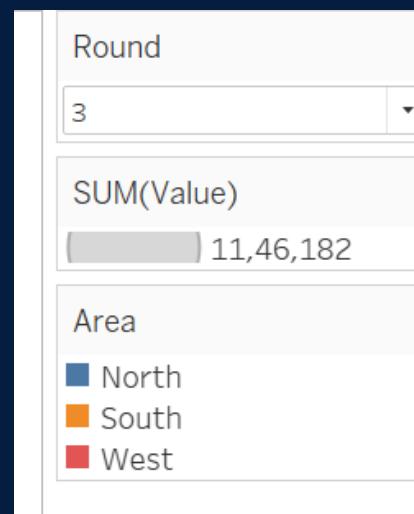
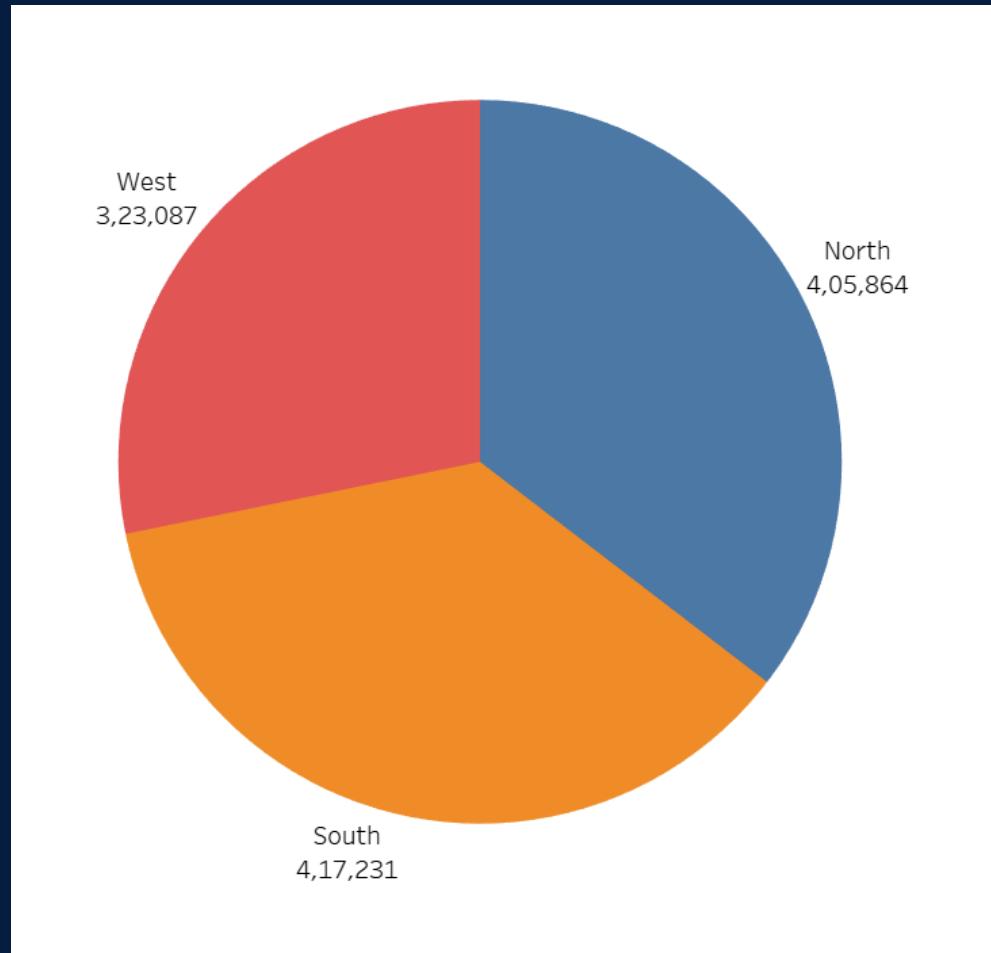
### Impact of Procurement Strategy Change

Following the adjustment in our procurement strategy, the North region emerged as the frontrunner in market capture. This shift can be attributed to various factors, including targeted procurement decisions aimed at aligning inventory with regional demand patterns and capitalizing on the popularity of specific products in the North region of Germany.



# SALES & MARKETING STRATEGY

## AS A RESULT



### Round 3:

- The South region experienced a sharp recovery with sales climbing back to 4.17 million, which could indicate an improvement in the sales strategy or an effective adjustment to previous challenges.
- The North and West saw a slight decrease to 4.05 million and 3.23 million respectively, but remain key regions with significant sales.

### Round 4:

- Sales became more balanced between regions, with the North at 3.84 million, the South at 3.64 million, and the West at 3.75 million.
- This more uniform distribution of sales reflects a corporate strategy aimed at stabilizing and optimizing market presence in all regions.

# SALES & MARKETING STRATEGY

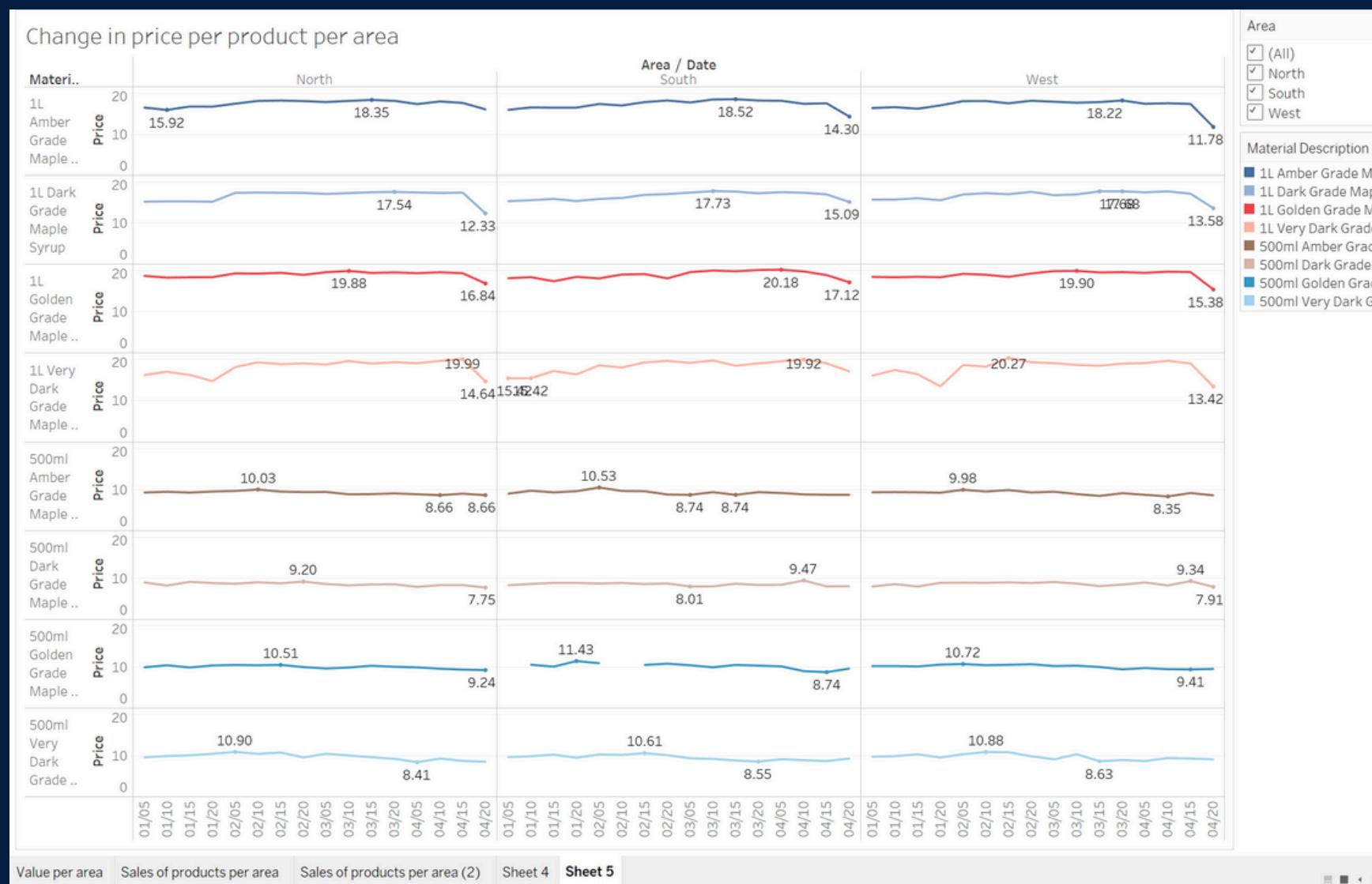
## Initial strategy:

We decided to gain higher margin from most selling products and decent margin from low selling product

## Revised strategy:

As the higher margin from high selling products was reducing the sales we decided to keep the margin from all products as 1 Euro and in the end reduced the margin for high priced products

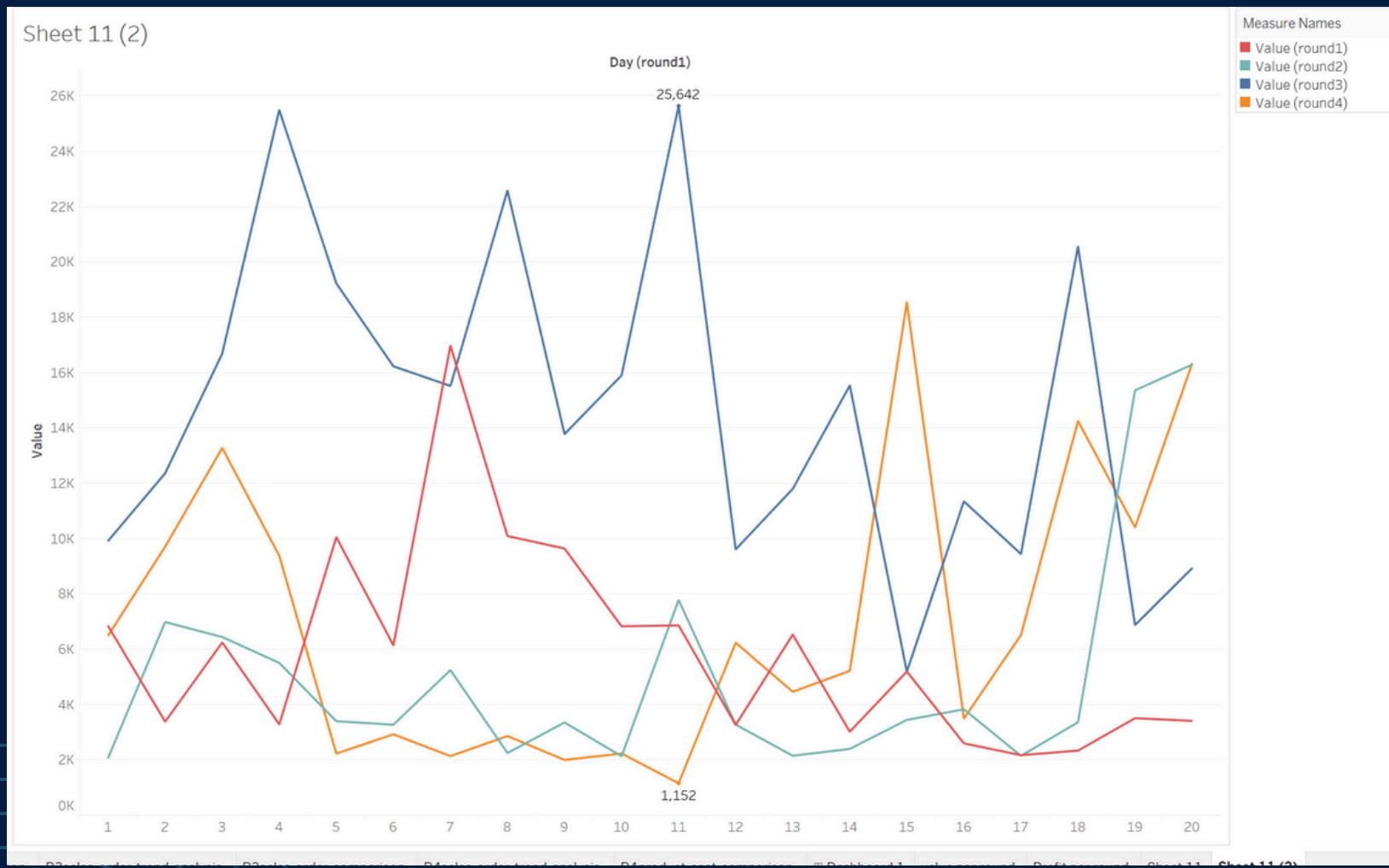
## REGION WISE PRICE VARIATION



- **1L Amber Grade Maple Syrup :** The price has steadily decreased across all regions, going from over 15 to about 11-14 dollars, indicating a price reduction strategy to stimulate demand.
- **1L Dark Grade Maple Syrup :** The price in the North and South has dropped significantly, while in the West it has slightly increased, reflecting regional differences in consumer preferences.
- **1L Golden Grade Maple Syrup :** The price has decreased in the North and South, but has increased in the West, suggesting a flexible pricing approach tailored to each regional market.
- **1L Very Dark Grade Maple Syrup :** Prices have increased, particularly in the West, this is due to increasing popularity or a shortage of the product in this region.
- **500ml Amber Grade Maple Syrup:** Prices have been relatively stable, with a slight decrease, suggesting effective price positioning management for this product.
- **500ml Dark Grade Maple Syrup :** A general decrease in prices is observed, especially in the West, in response to a decrease in demand.
- **500ml Golden Grade Maple Syrup:** Prices have slightly varied but have shown a trend towards an increase in the South and West, in response to higher production costs.
- **500ml Very Dark Grade Maple Syrup:** The price has gradually decreased in all regions, indicating a strategy to increase sales volumes in the face of increased competition.

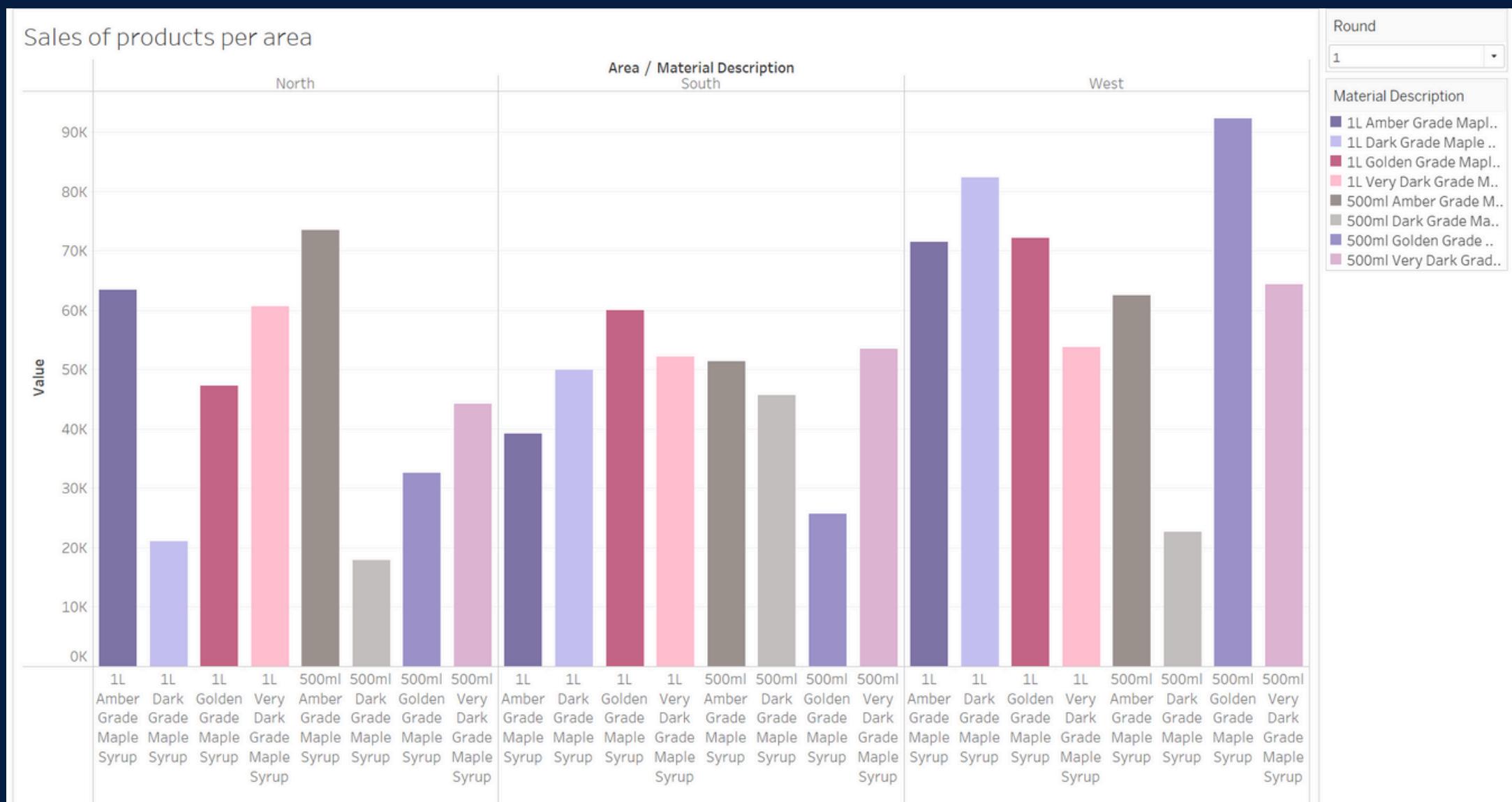
# SALES ORDER REPORT ANALYSIS

This chart illustrates the **evolution of our company's value** over a 20-day period, divided into four rounds indicated by different colors (red, orange, green, blue). Each line represents a **specific round**.



- **Round 1 (red):** The value starts at an average level, rises quickly to peak around day 2, then declines steadily until day 7. After a slight recovery, it falls again, ending much lower than it started.
- **Round 2 (orange):** This round begins at a low level, experiences a significant increase until day 6, then fluctuates moderately before finishing slightly below its peak.
- **Round 3 (green):** The green line starts very low, increases gradually, with minor fluctuations, until reaching a modest peak towards the end of the observed period. This line shows a general upward trend, although the amount remains relatively low compared to the other rounds.
- **Round 4 (blue):** Starts at the lowest level, but experiences a rapid and strong climb, surpassing all other values towards the end of the period. This indicates a significant improvement influencing the company's value in this round despite the lack of time to continue in this direction and rectify our mistakes.

# REGION WISE PRODUCT SALES



- This chart shows the sales of each products in each area
- It can be seen that the West region has highest demand for almost all products followed by South for second highest sales because of its consistency in sales for all products
- This chart helped us identify high selling products in each region and decide the products to spend marketing on.
- At first we decided to spend on highest selling products in the first round, then we decided to focus on lowest selling products in the second round
- As for the final round we decided to focus on products that were not selling well, since the products getting sold fast already had a high demand and did not require much marketing and our focus was to clear out the inventory at the end

# PROCUREMENT STRATEGY

## Inventory Report Analysis

Round 1		Round 2	
Material Description	Material	Material Description	Material
1L Amber Grade Ma..	DD-S12	4,689	4,242
1L Dark Grade Mapl..	DD-S13	4,944	6,602
1L Golden Grade Ma..	DD-S11	4,746	4,441
1L Very Dark Grade ..	DD-S14	1,262	996
500ml Amber Grade ..	DD-S02	2,258	5,912
500ml Dark Grade M..	DD-S03	2,550	6,619
500ml Golden Grade..	DD-S01	4,000	7,526
500ml Very Dark Gr..	DD-S04	4,994	5,956

Round 3		Round 4	
Material Description	Material	Material Description	Material
1L Amber Grade Ma..	DD-S12	2,118	1,282
1L Dark Grade Mapl..	DD-S13	4,890	3,189
1L Golden Grade Ma..	DD-S11	3,323	2,132
1L Very Dark Grade ..	DD-S14	195	369
500ml Amber Grade ..	DD-S02	0	0
500ml Dark Grade M..	DD-S03	1,242	332
500ml Golden Grade..	DD-S01	2,886	547
500ml Very Dark Gr..	DD-S04	891	0

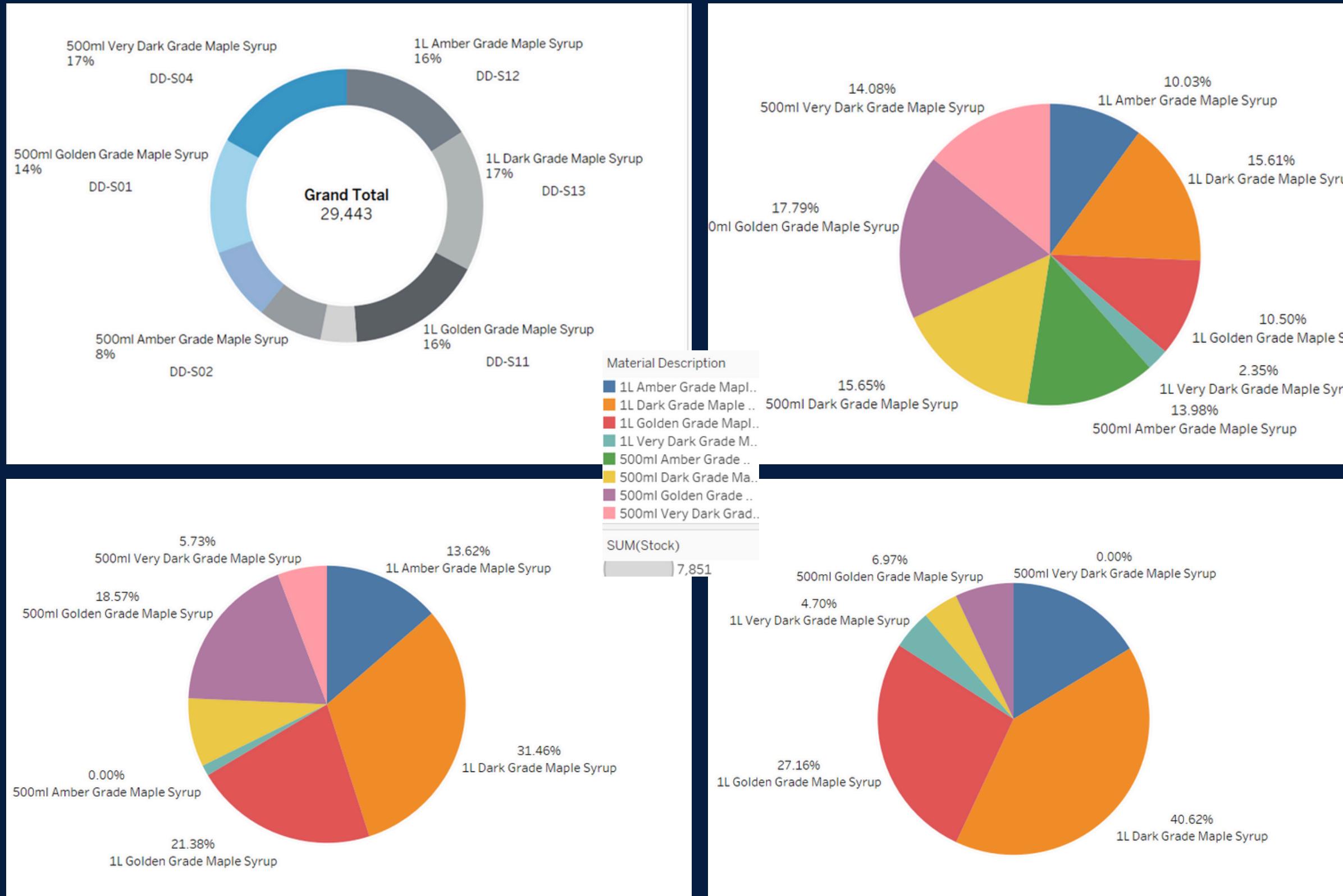
### 1: Strategy Formulation

In the initial phase of the SAP simulation game, our strategy revolved around optimizing profit by aligning inventory levels with customer demand. We prioritized ordering products based on customer demand to maximize profitability. Initially, pricing was set at the cost price, but adjustments were made for items where the selling price was lower than the cost price to ensure profitability.

### 2: Customer Demand Insights

As the simulation progressed, we gained valuable insights into customer demand dynamics. It became apparent that customer interest was concentrated on a select few items rather than being evenly distributed across all products. This realization prompted significant adjustments to our inventory management strategy to minimize holding costs and optimize profit margins.

# PRODUCT PORTFOLIO



These pie charts and the donut chart clearly show what was the **inventory occupation compared to other products** for each round starting from round 1 to round 4

## 3: Inventory Optimization and Financial Impact

The adjustments made in response to customer demand patterns had a profound impact on our ending inventory levels and holding costs. While our sales performance ranked among the top, the discrepancy between actual demand and initial inventory projections led to higher holding costs and reduced profitability. Consequently, we encountered challenges with accounts payable, highlighting the importance of fine-tuning inventory management strategies to mitigate financial risks.

# PROCUREMENT STRATEGY

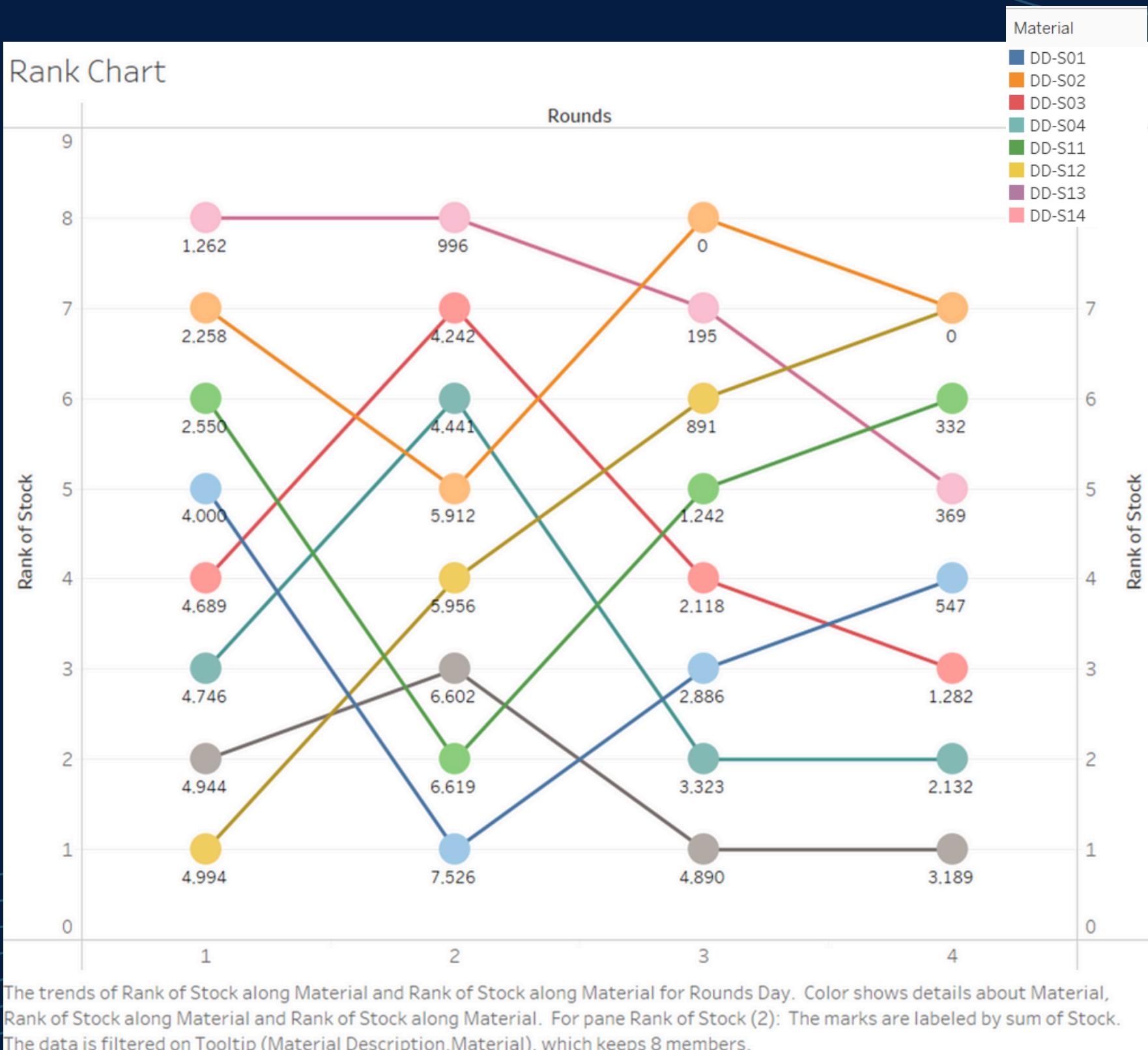
## Strategic Reflection



This progress chart shows our change in inventory with each upcoming rounds, it is important to note that the increase in inventory was to match our strategy for ordering products more which were selling comparatively quicker

We learned, strategic refinement will be essential to align inventory levels more closely with actual customer demand, thereby minimizing holding costs and optimizing profitability. Enhanced forecasting techniques and adaptive inventory management strategies will be key to achieving this goal. Additionally, leveraging insights gained from the simulation experience, we will prioritize proactive measures to address accounts payable challenges and ensure financial stability in future operations.

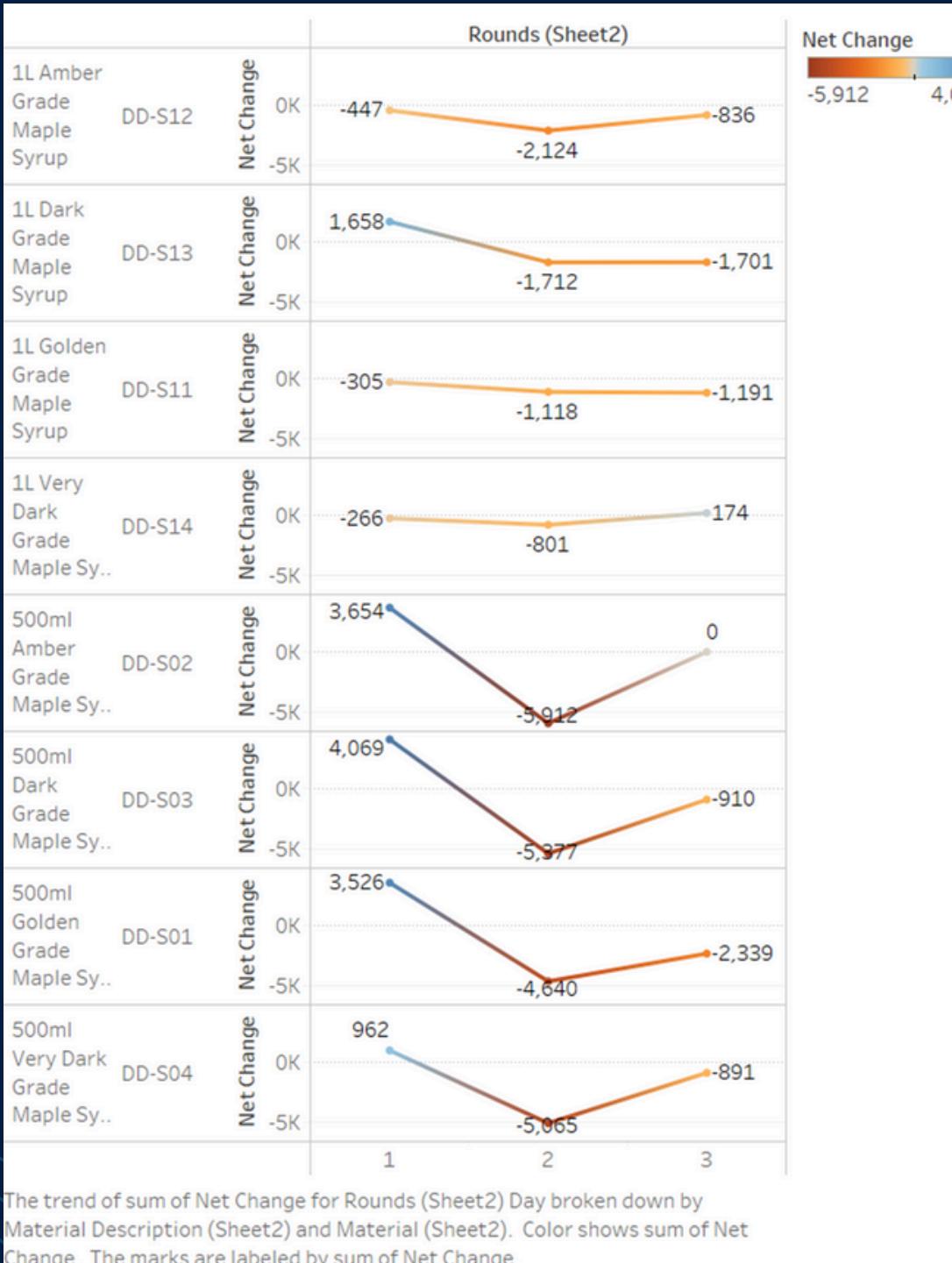
# RANKING OUR INVENTORIES



we conducted a comprehensive analysis of the ranking of our ordered products to gain insights into their performance. The rank graph visually depicts the distribution of stock for each product, with Rank 1 representing the highest stock level. Through Rounds 1 to 4, we tracked the trajectory of each product, observing how their rankings evolved over time.

The insights gleaned from the rank graph hold significant implications for our inventory management strategy. Products consistently ranked higher warrant sustained attention to meet ongoing demand effectively. Conversely, products experiencing fluctuations in rank require agile inventory adjustments to optimize stock levels in response to changing market dynamics.

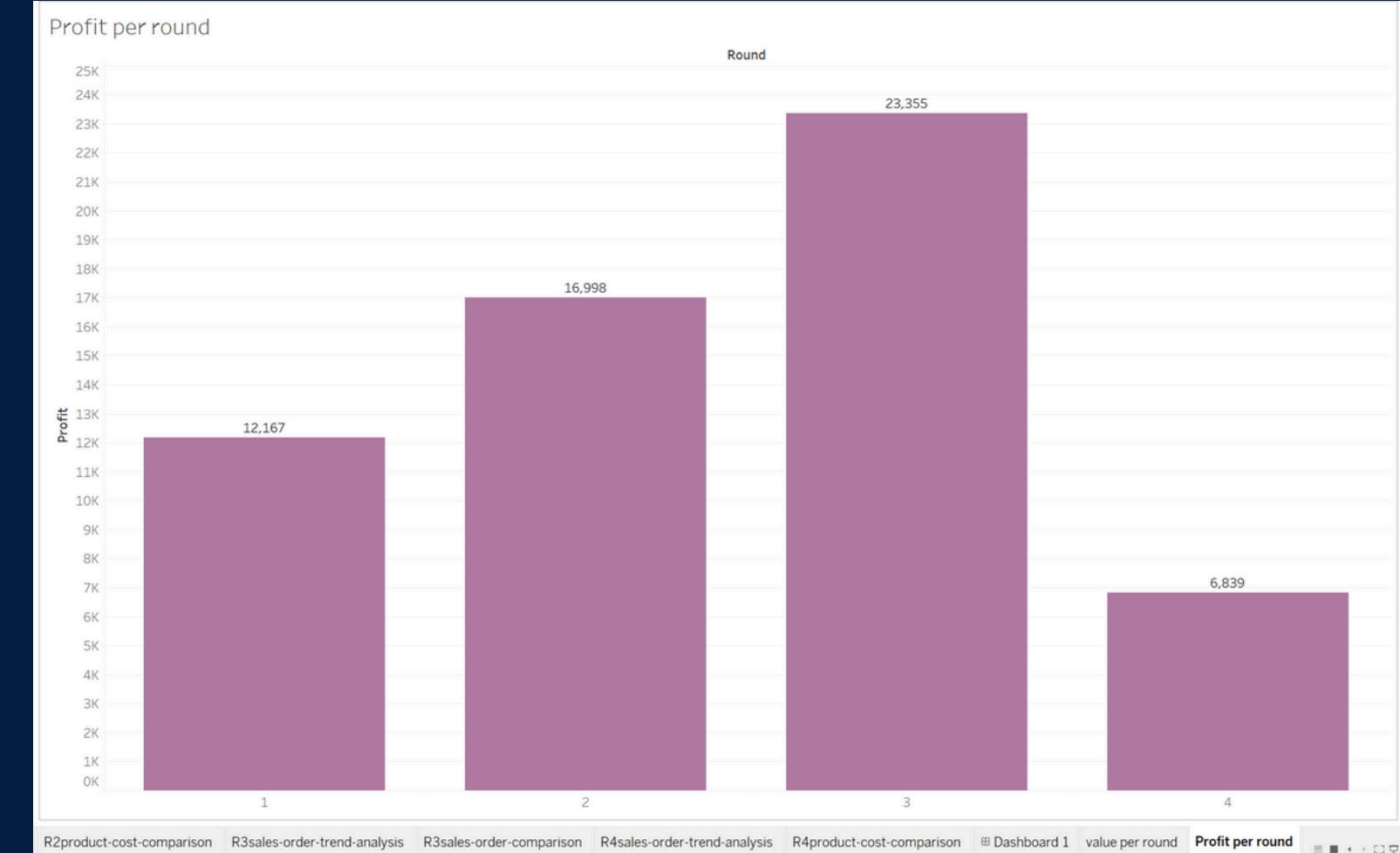
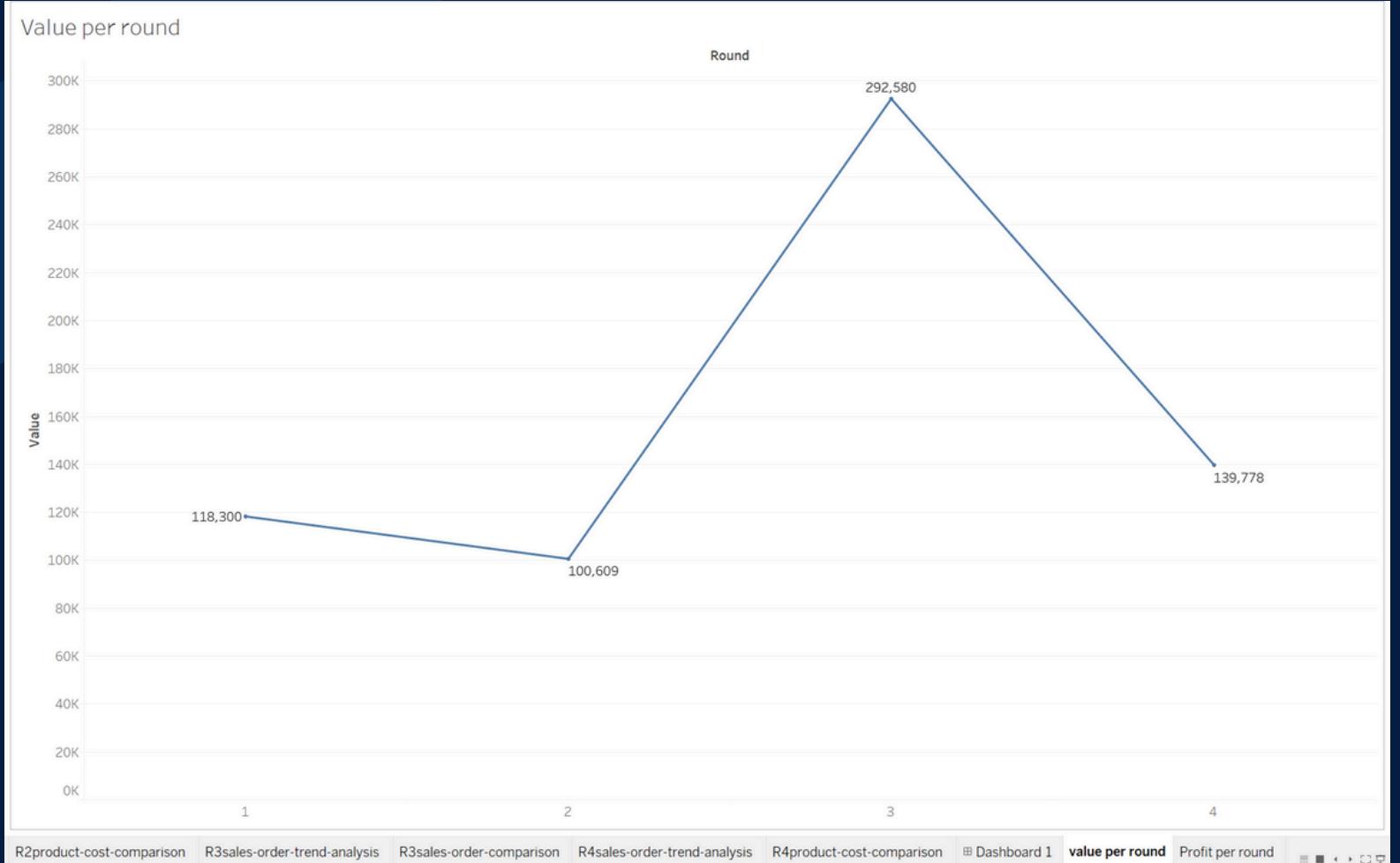
# ROUND OVER ROUND INVENTORY CHANGES



In our analysis, we implemented a round over round inventory change calculation methodology to track the fluctuations in inventory levels over successive rounds. Initially, for Round 1, the inventory change is set to zero as it serves as the baseline. Subsequently, the inventory change calculation captures the difference in inventory levels between consecutive rounds, illustrating the dynamic nature of inventory management.

The inventory change data provides valuable insights into the evolving inventory dynamics across rounds. For instance, a negative value such as -447 indicates a decrease in inventory for a specific product from Round 1 to Round 2. Conversely, a positive value signifies an increase in inventory, reflecting adjustments made in response to changing demand patterns, supply chain disruptions, or strategic inventory management decisions.

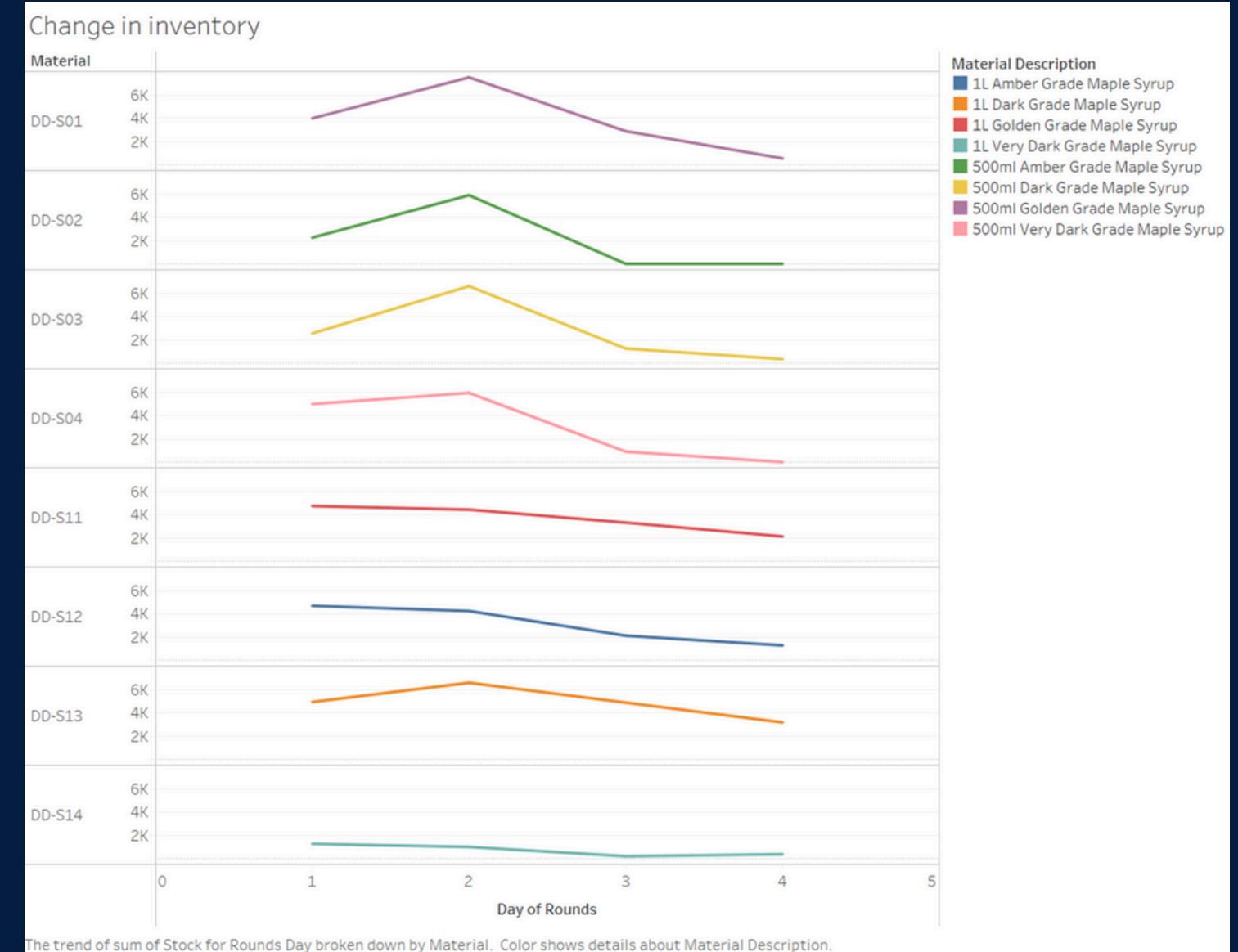
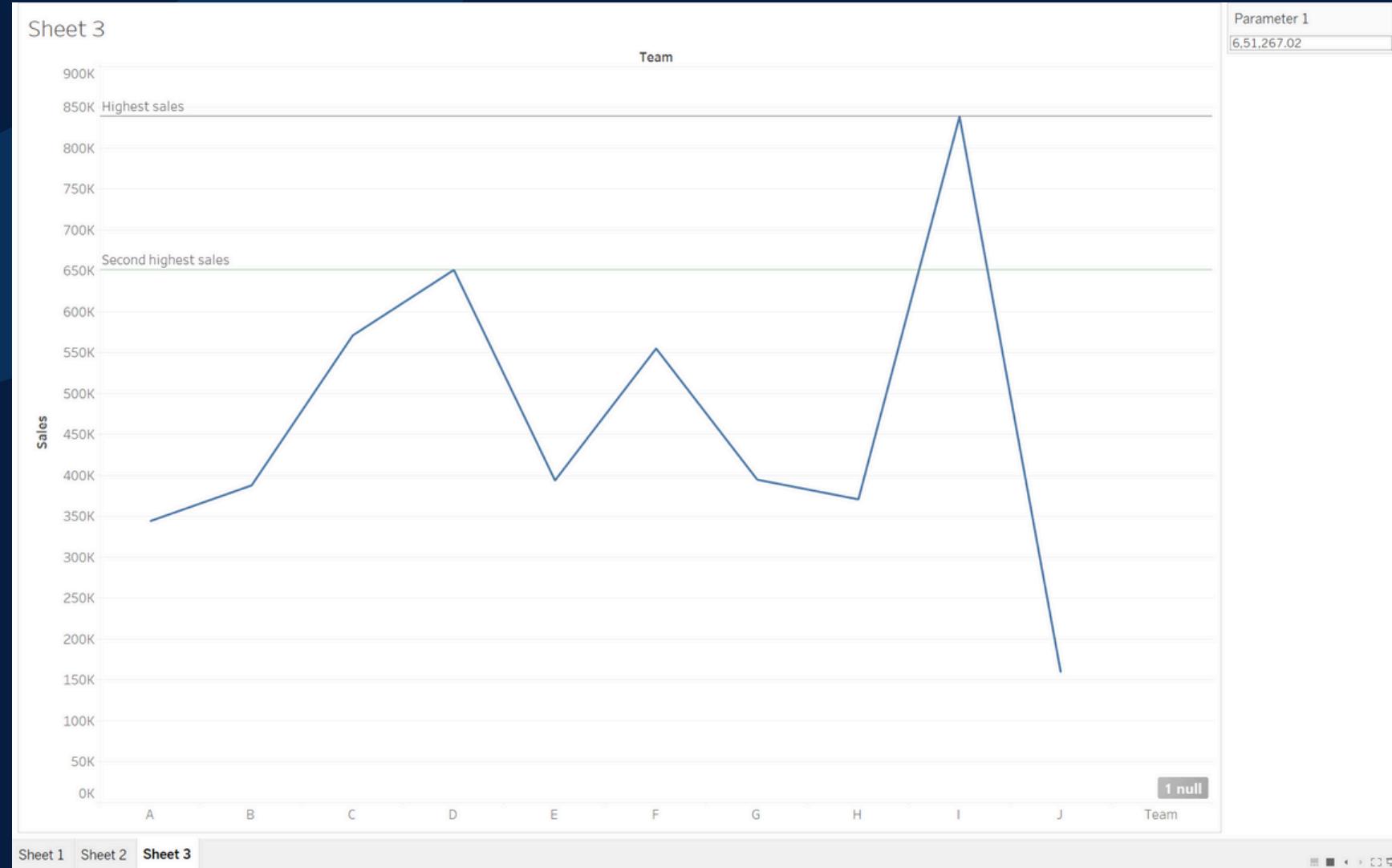
# 5 KEY ACHIEVEMENTS



1) During the first rounds, our company value increased considerably. We managed to sell correctly, thanks to our price strategy and our marketing investments.

2) We managed to produce a fast growing profit for a few rounds. Indeed, during the third three rounds, we managed to set attractive prices without too much expenses, which enabled us to generate a growing profit.

# 5 KEY ACHIEVEMENTS

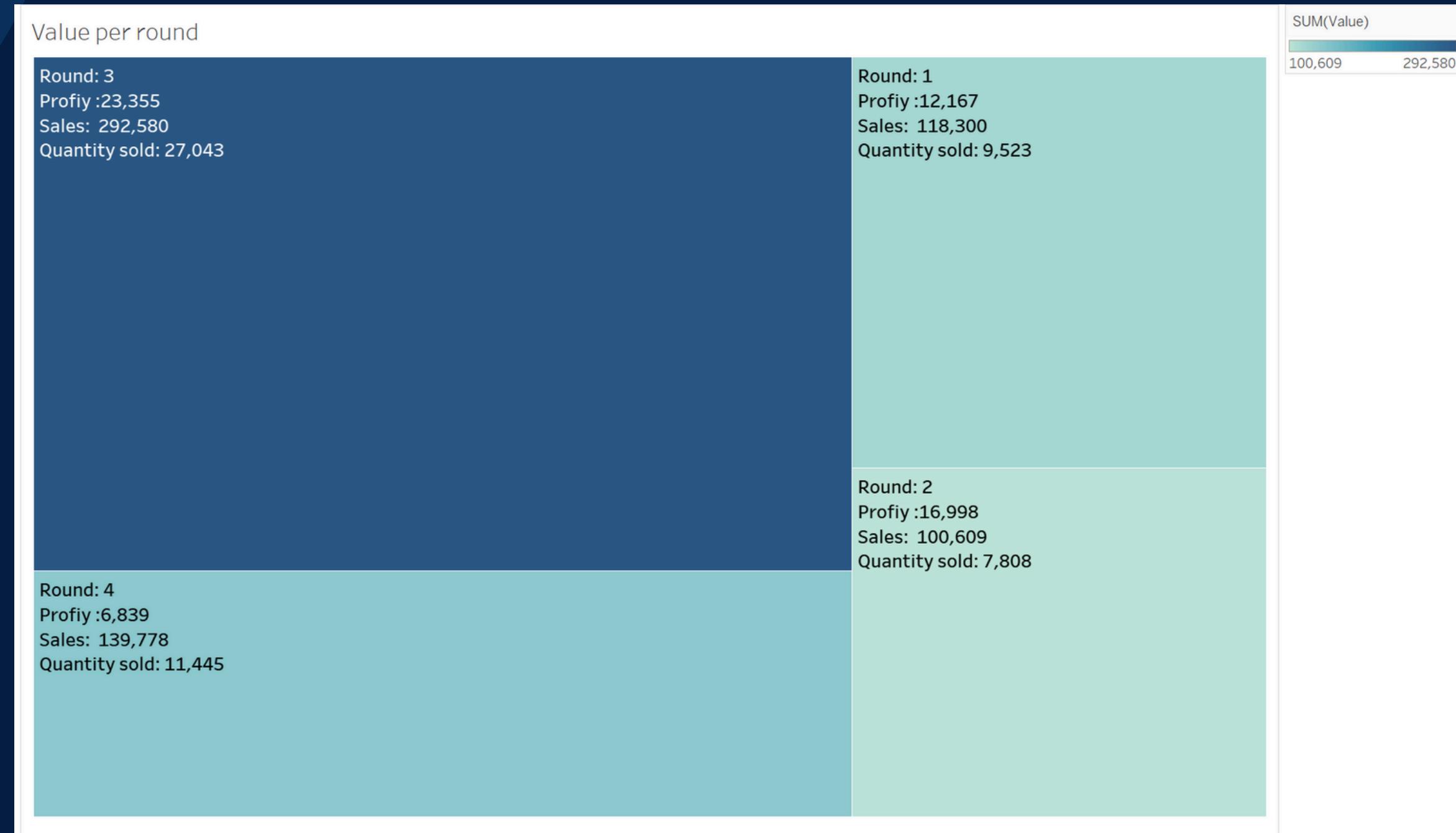


**3) We also managed to produce the second highest amount of sales of the class. We set attractive prices during all the rounds, while managing the marketing investments on the right products, which enabled us to finish the simulation with a good sales number.**

4) When things were going bad (too much expenses from our bad inventory management), we set up solutions to limit our loss in profit : we stopped investing in marketing and tried to better set our prices so that our products would be bought, enabling our inventory to decrease progressively.

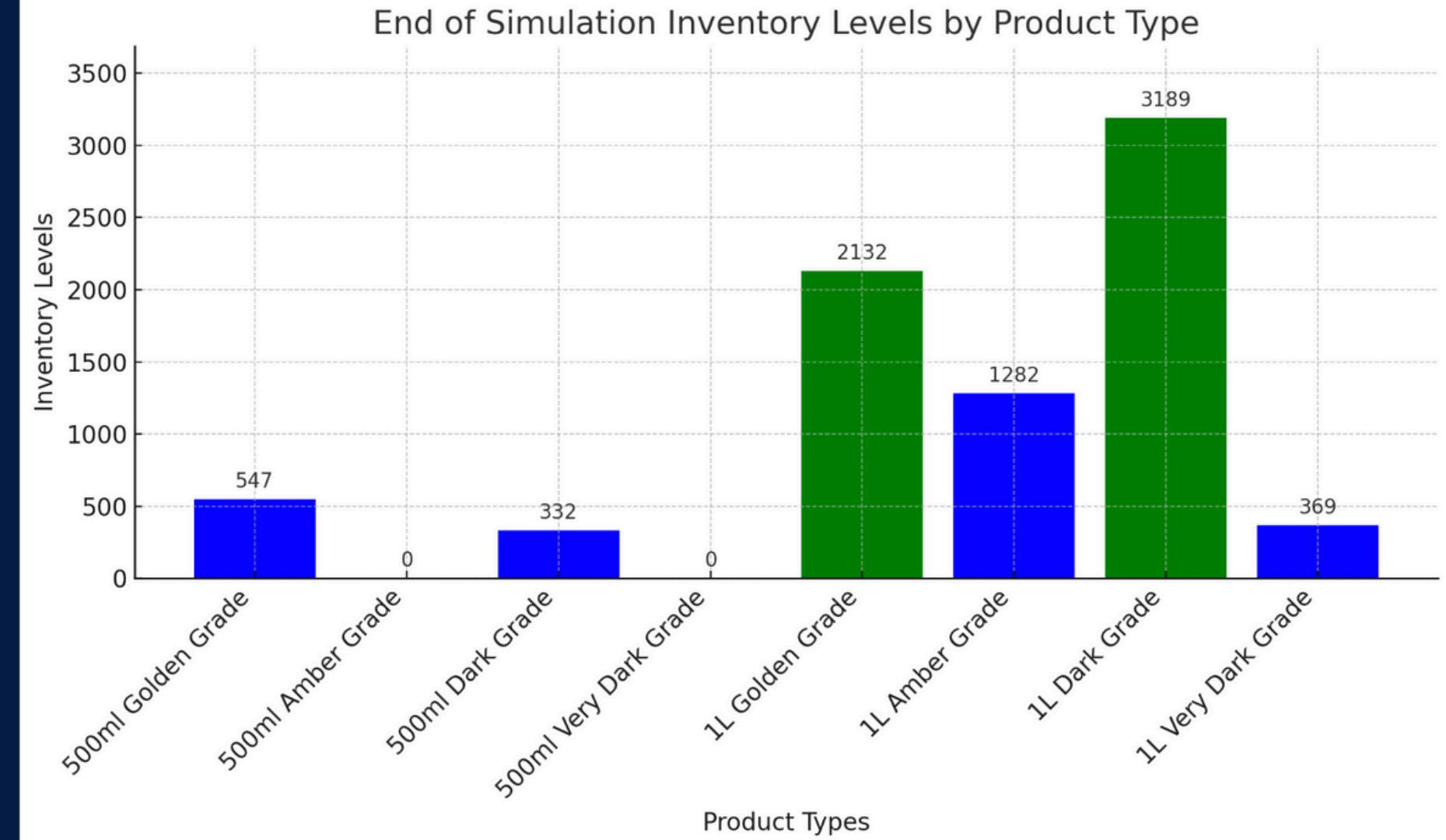
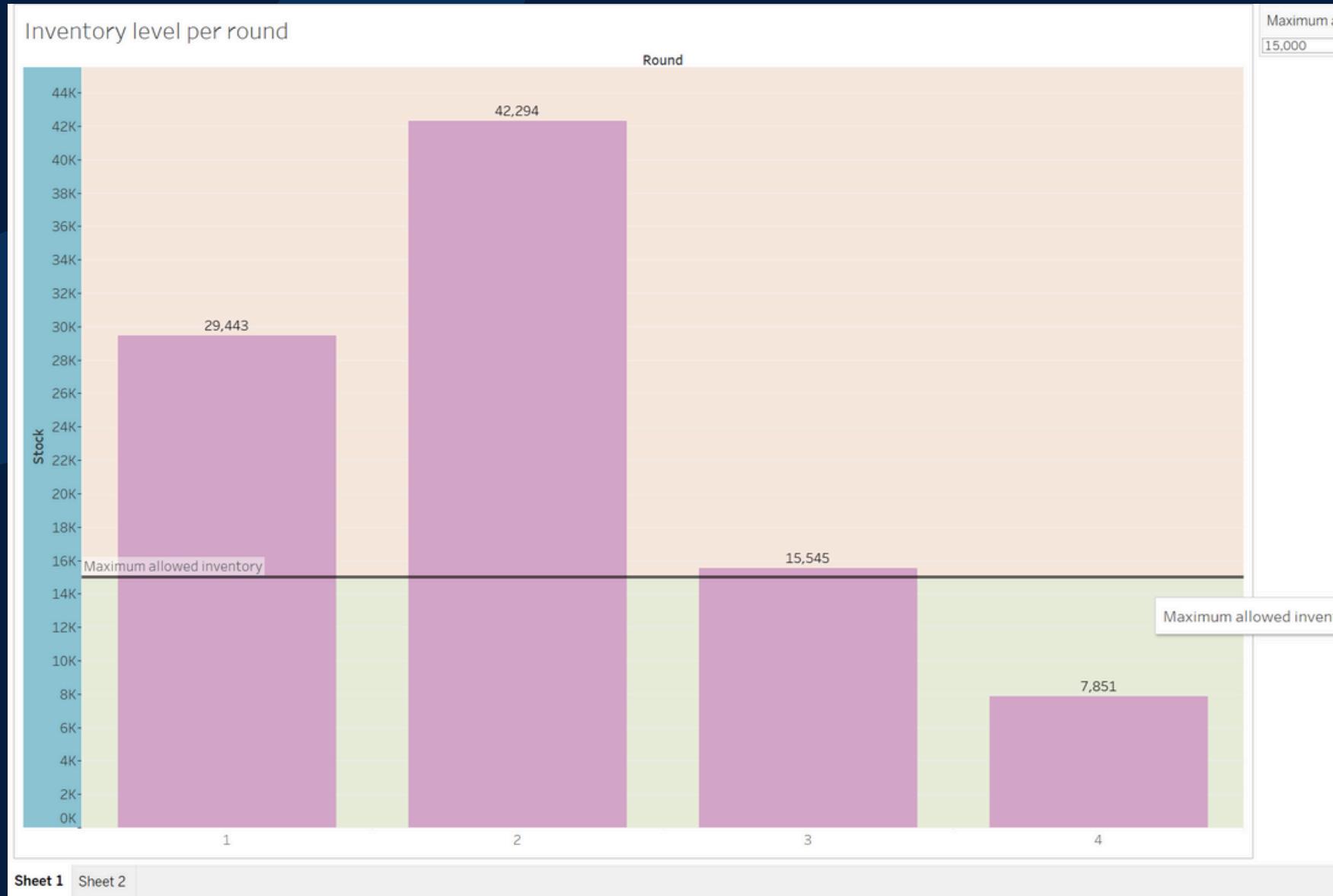
# 5 KEY ACHIEVEMENTS

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5) Finally, we managed to adapt quite well to our customers' preferences according their regions. We identified our best-sellers per region and adapted the prices according to the demand.

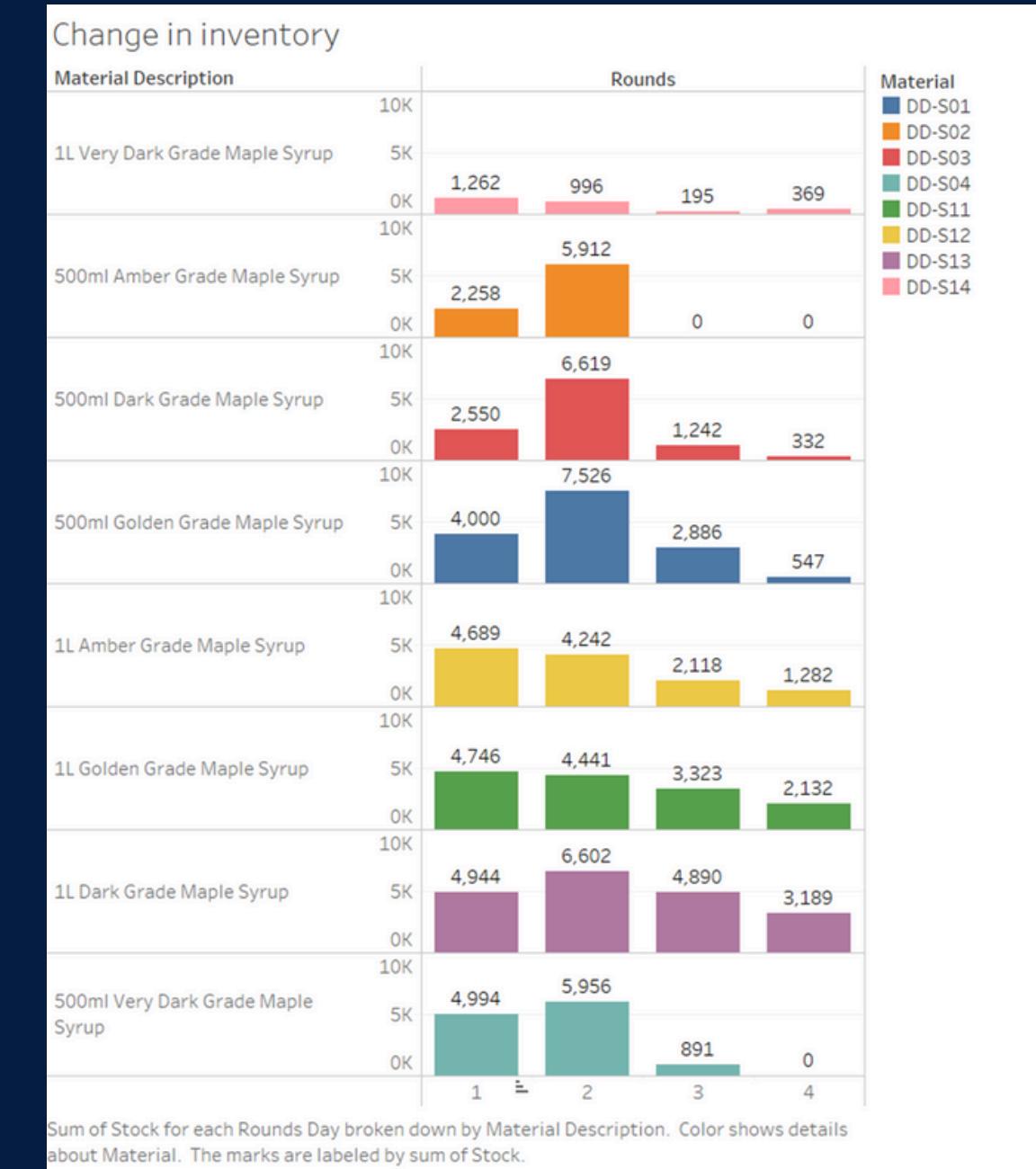
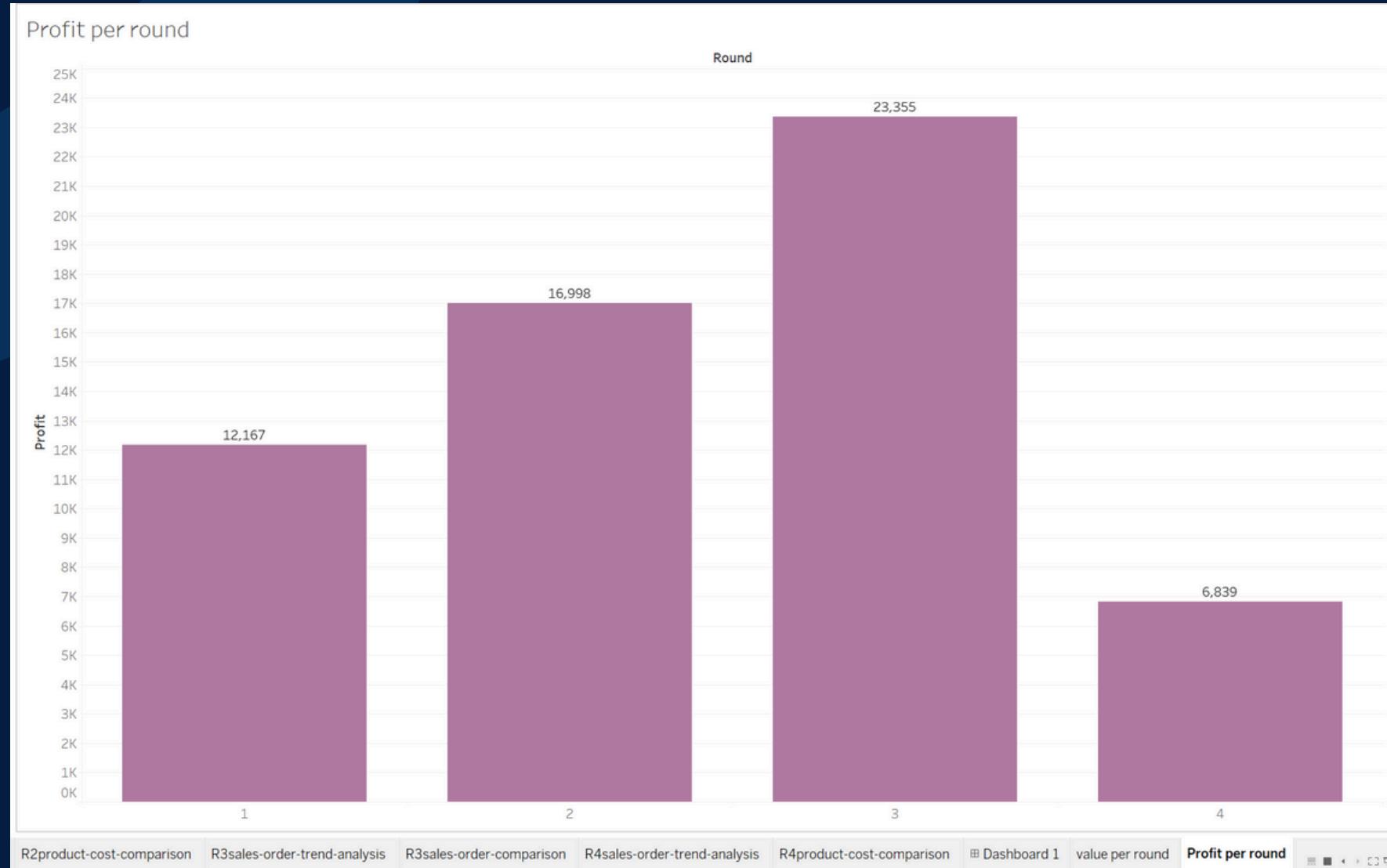
# 5 KEY MISTAKES



1) Our biggest mistake was to order too much supplies from the beginning of the simulation. We wrongly anticipated the delay the supply needed to arrive into our inventory so we kept buying some, until we had way too much for too little capacity, which had led to massive expenses and decreasing profit.

2) We didn't manage to make our company valuable during the whole simulation. The major reason is our bad inventory management, which is a shame because we had a good pricing strategy as well as a good marketing strategy.

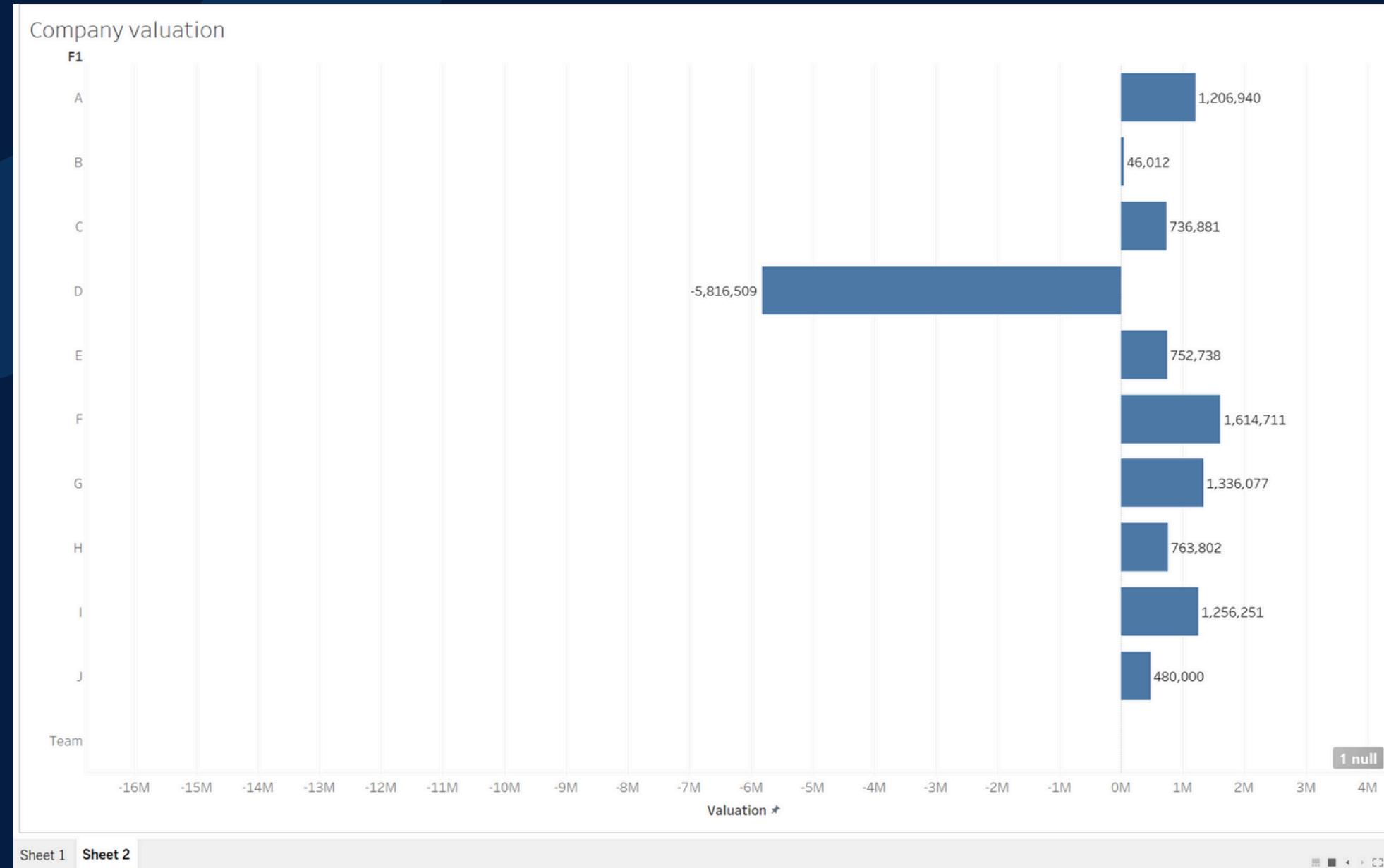
# 5 KEY MISTAKES



3) We ended the simulation with a very negative profit, due to bad inventory management, which couldn't be counterbalanced by our good sales. This massive decrease of profit has provoked our last rank in the class ranking.

4) We ended the simulation with no available product for product Very Dark Grade Maple Sirup while it was one of our best sellers. But because we had spent too much because of our over-capacity of inventory, we chose not to buy other products. We lost sales on this product.

# 5 KEY MISTAKES



**5) Finally, we haven't controlled the costs efficiently.**  
Indeed, by accumulating lots of supply, we had to pay many expenses for our warehouse capacity, transportation,, storage,...It impacted very negatively our profit.

## Impact on Company Valuation

The negative valuation of the company reflects the adverse consequences of challenges encountered, notably in holding costs and over-procurement. Despite achieving commendable total sales figures, these operational setbacks resulted in a downturn in company valuation, underscoring the critical importance of effective cost management and strategic inventory control.

## Performance Discrepancy

While the company demonstrated strong sales performance relative to competitors, the inability to mitigate losses stemming from holding costs and over-procurement hindered overall financial health. This performance gap underscores the significance of aligning operational efficiency with revenue generation to ensure sustainable growth and profitability.

# 5 KEY LESSONS

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## INVENTORY MANAGEMENT

Inventory management is crucial for the success of a business. We have learned that a specific attention has to be placed on the order of supply, as well as the delay it needs to arrive.



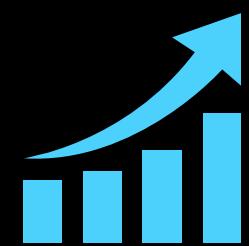
## MARKETING EXPENSES

Marketing expenses, when well placed, can really play a key part in the success of a business. We have learnt that, when the right products are well advertised, they can really make a difference in a company's profit.



## ADAPTATION TO THE MARKET

We have learnt that it is crucial to adapt to the market and its changes and evolution. SAP ERP enabled us to keep an eye on the market's preferences.



## SALES STRATEGY

We have learnt that it is primordial for a company to observe closely the preferences of its clients, especially according to their regions for example. Indeed, it is very useful to adapt one's marketing and sales strategies according to the territories' differences.



## BENEFITS OF AN ERP SYSTEM

Thanks to this simulation, we really have discovered the benefits of having an ERP in a company. It is a huge tool to manage inventory, sales, marketing expenses and to have really concrete results, easier to analyse with the help of Tableau.