

Global Bike Go: Explore Sales (Beta)

This document is intended to support the instructors managing Global Bike Go: Explore Sales. For this purpose, game parameters, results and mechanics will be discussed in particular.

Product

SAP S/4HANA 2022 Global Bike

Fiori 3.0

Level

Instructor

Focus

Sales

Author

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Version

4.2

Last Update

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MOTIVATION

The learning objective of this business game is to understand simple market mechanisms such as demand and supply as well as pricing. Gamification elements are used to improve user engagement and learning success.

The main objective of this document is to support instructors managing Global Bike Go: Explore Sales. For this purpose, game parameters and round results are explained in particular. Additionally, some information about game mechanics is given.

NOTES

Global Bike Go (Beta) is only available for the Global Bike data set, which has exclusively been created for SAP UA global curricula.





Create Game: Set Game Parameters

Note The following steps have to be performed in order to create a new Explore Sales game.

Create Explore Sales Game

After adding any course as described in the **General Instruction**, you can use the button + Create Game to create an Explore Sales game for it. You will be redirected to the following screen to set the game parameters.

Create Explore Sales Game	
Number of Companies: Market volume without seasonal effects (per month) (100 pc 100,000 pc.):	600

Set game parameters

The number of companies is inherited from the course and cannot be changed. However, you can set the **market volume without seasonal effects*** using the slider. Alternatively, you can also enter the value via keyboard by using the mouseover function.

* The implemented seasonal effects automatically create high and low market demand during the different rounds.

It is advised to use the following calculation to define the market volume:

$$Market\ volume = Number\ of\ players*200.$$

The recommended default value is automatically added to the field based on the number of competing companies. However, it can be defined manually as well.

In the background, further parameters are defined by the following calculation rules.

$$Initial\ Stock = \frac{Markt\ volume}{Number\ of\ players}$$

*Initial cash in hand = Initial Stock * Purchasing costs*

This ratio between market volume and stock was found to be optimal during tests. Therefore, the two parameters initial stock and initial cash in hand cannot be defined directly.

As soon as all parameters are setup, the game will be started by pressing the
button Create Explore Sales Game. You will be redirected to the details screen of the
created game.

Admin User Interface (Game View)

Note The admin interface (game view) displays all game data. Three tabs separate the view. In addition to the "Information" tab (contains the game parameters) and the "Company" tab (already described in the **General Instruction**), the "Results" tab is now introduced.

"Results" tab

This tab shows - if available - the results of all companies grouped by rounds. The following information is displayed:

- Company ID of the respective company
- Sales Price Price which was set by the company for the selected round
- Monthly Sales Sales this round
- Monthly Revenue Revenue this round
- Monthly Profit/Loss Profit/loss this round
- Backorders Open demand from previous period, which could not be met by the company
- Total Sales Total sales over all rounds
- Total Revenue Cumulative sales for all rounds (up to and including the previous period)
- Total Profit/Loss Cumulative profit/loss for all rounds (up to and including the previous period)



Player User Interface - Set Input Values

Note This section describes the procedure for players to set the input values in more detail.

Open "Global Bike Go – Explore Sales" app		
After successfully logging into the SAP system (Fiori Launchpad) as described in the General Instruction , the players can open the "Global Bike Go - Explore Sales" app. They will see the following screen.		
Sales Price for Next Month		
Next Month:	May	
Sales Price (100€ - 4000€):	2500.00	
	Confirm Price	
Set input values		
After entering and saving a price, the conditions within the system will be set. This price is the main factor for the sales simulation.		
Before simulating the first round, make sure, that all players have set their prices. Else the suggested value of 2,500€ will be used as starting condition. More about reviewing the prices follows below.		

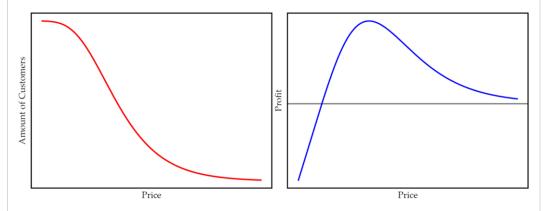


Information regarding game mechanics – Tips for the lecturers concerning round analysis

Note The following section contains information concerning game mechanics. In order to enhance the insights and the procedure of round analysis, influencing factors and possible indicators as well as their implications are described.

Influencing factors and optimal price

The market model is based on two simplified functions: a demand function (maps amount of sales to the selling price) and a price difference function (maps market share to price differences). The combination of both factors leads to the optimal price. This is illustrated in the schematic figures below.



The demand curve (left figure) is a monotonically decreasing function. That means, the higher the price the lower the demand. If this function is multiplied with the profit per piece (selling price less production costs), you can see the graph of the potential profit (right figure).

The second function has a unique global maximum. Therefore, the optimal price for the single player game is in the range of 2,000€ and 2,500€. Upon switching to multiplayer mode, the optimal price will shift depending on the set prices (difference function).

Seasonal effects, like public holidays or weather conditions of different seasons, influence the demand. Therefore, they have also to be considered.

Possible indicators and their implications

For the first round, the only indicator is the customer survey with a recommended price of 2,500€ imbedded into the scenario. The pricing by means of this rather weak key figure does not influence the final result highly (while playing enough rounds). As long as the players recognize the indications and draw the right conclusions for the following rounds, they will compensate possible disadvantages of the first round. The long-term success counts.

In general, it is recommended to monitor and analyze price changes and the resulting sales changes. The same price over two rounds can provide information about the market and the competitors. Whereas widely varying prices over several rounds allow just a few or even no conclusions.

Setting the price too low (=dumping) causes open demand. When maximum stock level is reached, potential customers will buy their bikes at one of the competitors in the same round. As a result, dumping is "punished" twice: firstly, bikes are sold far away from the optimal profit and secondly, the competitors will sell more bikes at a (probably) better price. The only logical conclusion for the dumping company is, to raise the selling price.



Customer: 1003064

Material Price Grp:

Material: DXTR1SIM

[OPTIONAL] View Selling Prices of the Companies

Note This optional step in the SAP system (SAP GUI) is used to check whether all players have set their sales prices.

to:

to:

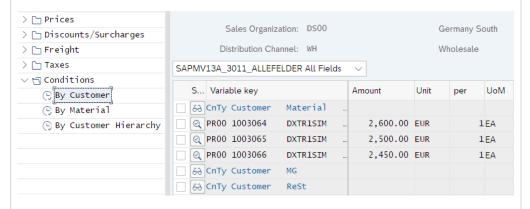
to: 1003067

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Execute transaction VK33 Execute the transaction VK33 in the SAP system (SAP GUI). Afterwards, open the folder Conditions and double-click on By Customer. Enter as Sales Organization **DS00**, as Distribution Channel **WH**, as Material **DXTR1SIM** as well as the current date. As Customers, please enter the number range of the generated debtors ("Company" tab within the Fiori Launchpad app). □ Save as Variant... m More ∨ Sales Organization: DS00 ♂ ♂ Distribution Channel: WH

Choose Execute to display the conditions. Conditions for all chosen customers should be visible. If any company is missing, the price wasn't set properly.



With the help of transaction VK32, you are also able to change the values. Please be aware that you need to exit the transaction when finished. Otherwise, price setting functionality is blocked for the players.