ERPsim provides a hands-on, realistic method for learning ERP software.
Show how ERP systems support business strategies.
Experience tangible benefits of enterprise integration firsthand.
Develop technical skills in making decisions using an enterprise information system.
A simulation game to learn ERP related concepts

Teams of 3-4 participants operate a make-to-stock manufacturing plant that has to interact with suppliers and customers by sending and receiving orders, delivering their products, and completing the whole cash-to-cash cycle.

Using standard reports, participants have to make business decisions to ensure the profitability of their operation.

Roles to be managed

Ultimately each team will have to fulfill planning, purchasing, production, sales, and accounting functions.

Week 1: focus is on planning and execution of sales function.
Run a make-to-stock company

Before ERP systems
With an integrated enterprise system...

Interacting through SAP transactions
Tonight's Scenario

I have capitalized each company, purchased raw materials, and produced 125,000 boxes of each cereal in quarter 1. There have been no sales. Some raw materials remain in inventory.

We will run quarter 2—55 days—with each team setting and adjusting prices to maximize profitability. The quarter will last approximately 1 hour (~1 minute = 1 day)

No fixed costs will be applied (i.e. only COGS--raw material costs from manufacturing).
**Companies, Location, and Competition**

Each company in a distinct location (p. 1-2)  
May ultimately find that affects sales and product demand (p. 1-12, 1-13)  
Competition is with domestic and foreign competitors (importers).  
Demand changes over time, emulating shifting customer preferences—it is not random. (p. 1-14)

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**Your ingredients and BOM components**

Wheat  
Nuts  
Blueberries  
+ Plastic bag  
+ Cardboard box  
1.0 KG  
Oats  
Dried raisin  
Strawberries
Your 6 starting products

1. **Z01S-01**
   - 40% Wheat
   - 40% Oat
   - 20% Nut
   - 1 Box
   - 1 Bag

2. **Z01S-02**
   - 40% Wheat
   - 40% Oat
   - 20% Blueberries
   - 1 Box
   - 1 Bag

3. **Z01S-03**
   - 40% Wheat
   - 40% Oat
   - 20% Strawberries
   - 1 Box
   - 1 Bag

4. **Z01S-04**
   - 40% Wheat
   - 40% Oat
   - 20% Raisin
   - 1 Box
   - 1 Bag

5. **Z01S-05**
   - 50% Wheat
   - 50% Oat
   - 1 Box
   - 1 Bag

6. **Z01S-06**
   - 35% Wheat
   - 35% Oat
   - 10% Raisin
   - 10% Nut
   - 5% Blueberries
   - 5% Strawberries
   - 1 Box
   - 1 Bag

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Viewing Bill of Material

[Image of Bill of Material interface]
German Sales Regions

You sell to the distribution channels 10 and 12 only based on current inventory (p. 1-10, 1-11)

Tonight's Activity
Change Prices and sell available stock

You need to decide what should be the price of your 6 products and adjust accordingly.

Maximize overall profitability. Maximize sales revenue.

Challenge: Sell all finished goods inventory by end of quarter. Don't sell too soon/too low.
Important Simulation Items

Do not 'sit' on the price change screen. Enter price changes and leave screen. Re-enter as needed. Sitting on price change screen can (on rare occasions) lock up the simulator.

You should not attempt production this week or do anything other than price related decision making and maintenance.

During the simulation I will display an overall report on the projector.

Your Mission
### ZVA05

**ERPsim: Sales Order Report as of Qtr 2 Day 01**

<table>
<thead>
<tr>
<th>Qty</th>
<th>Item</th>
<th>Description</th>
<th>Unit</th>
<th>Price</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>46</td>
<td>10</td>
<td>SOUTH Blueberry Muesli 1 kg</td>
<td>80007</td>
<td>5.00</td>
<td>37,840</td>
</tr>
<tr>
<td>45</td>
<td>8</td>
<td>SOUTH Blueberry Muesli 1 kg</td>
<td>80001</td>
<td>4.00</td>
<td>4,792</td>
</tr>
<tr>
<td>11</td>
<td>6</td>
<td>SOUTH Blueberry Muesli 1 kg</td>
<td>80011</td>
<td>4.00</td>
<td>4,370</td>
</tr>
<tr>
<td>12</td>
<td>5</td>
<td>SOUTH Blueberry Muesli 1 kg</td>
<td>80025</td>
<td>3.00</td>
<td>1,500</td>
</tr>
<tr>
<td>43</td>
<td>10</td>
<td>SOUTH Mixed Fruit Muesli 1 kg</td>
<td>80002</td>
<td>3.75</td>
<td>3,707</td>
</tr>
<tr>
<td>42</td>
<td>12</td>
<td>WEST Strawberry Muesli 1 kg</td>
<td>80061</td>
<td>5.00</td>
<td>29,355</td>
</tr>
<tr>
<td>41</td>
<td>10</td>
<td>NORTH Blueberry Muesli 1 kg</td>
<td>80000</td>
<td>4.00</td>
<td>32,000</td>
</tr>
<tr>
<td>37</td>
<td>5</td>
<td>SOUTH Mixed Fruit Muesli 1 kg</td>
<td>80048</td>
<td>3.25</td>
<td>12,625</td>
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<tr>
<td>36</td>
<td>4</td>
<td>NORTH Blueberry Muesli 1 kg</td>
<td>80014</td>
<td>3.75</td>
<td>15,375</td>
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<tr>
<td>33</td>
<td>10</td>
<td>WEST Mixed Fruit Muesli 1 kg</td>
<td>80000</td>
<td>3.25</td>
<td>31,960</td>
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</tbody>
</table>

### ZVC2

**ERPsim: Summary Sales Report as of Quarter 2 Day 01**

<table>
<thead>
<tr>
<th>Qty</th>
<th>Item</th>
<th>Description</th>
<th>Orders</th>
<th>Qty</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>1</td>
<td>Blueberry Muesli 1 kg</td>
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<td>25,280</td>
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<td>37</td>
<td>1</td>
<td>Mixed Fruit Muesli 1 kg</td>
<td>1</td>
<td>2,124</td>
<td>4,248</td>
</tr>
<tr>
<td>36</td>
<td>1</td>
<td>Blueberry Muesli 1 kg</td>
<td>1</td>
<td>2,124</td>
<td>4,248</td>
</tr>
<tr>
<td>33</td>
<td>1</td>
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<td>1</td>
<td>3,010</td>
<td>9,030</td>
</tr>
<tr>
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<td>1,495</td>
<td>4,600</td>
</tr>
<tr>
<td>28</td>
<td>1</td>
<td>Mixed Fruit Muesli 1 kg</td>
<td>1</td>
<td>2,124</td>
<td>4,248</td>
</tr>
<tr>
<td>26</td>
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<tr>
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<td>11,098</td>
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<tr>
<td>17</td>
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<td>5,511</td>
<td>11,098</td>
</tr>
<tr>
<td>16</td>
<td>1</td>
<td>Strawberry Muesli 1 kg</td>
<td>1</td>
<td>5,511</td>
<td>11,098</td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>Mixed Fruit Muesli 1 kg</td>
<td>1</td>
<td>5,511</td>
<td>11,098</td>
</tr>
<tr>
<td>11</td>
<td>1</td>
<td>Strawberry Muesli 1 kg</td>
<td>1</td>
<td>5,511</td>
<td>11,098</td>
</tr>
</tbody>
</table>
ZMARKET

Team Layout in Lab

A
B
C
D
E
F
G
H
ERPsim has been developed by the ERPsim Lab based at HEC Montreal.
Various graphics represented in this presentation are reproduced from ERPsim training materials.