Virtual Word Task Assignment: Ordering Kentucky Hooch Brew

To: You

From: Danny Wilco <[dwilco@ebbd.com](mailto:dwilco@ebbd.com)>

Subject: Re: Ordering product for EBBD from the Kentucky Hooch and Beer Company

Now that you have become familiar with EBBD and how we do things here, I think it’s time to put you to work. We’ve been informed that KHBC is going to begin a new promo and advertising campaign sometime during the next month – this will put Kentucky Swamp Brew in the mind of every college student in the Midwest. We currently supply this beer to most of our retail customers. And we think we can expect an increase in orders from them in a few weeks when the ad campaign hits.

If this happens, and there is no reason to believe that it won’t, given the habits of college students, then we need to carefully consider how much we want to order from the KHBC brewery. We expect you to do the ordering for this product over the next 20 to 25 weeks, before, during, and after the KHBC ad campaign for Kentucky Swamp Brew.

At the end of this period, we want you to give us a report on what happened. We are interested in knowing how our retailers responded with their orders, what we did in response, i.e. how much we ordered, and what kind of backlogs there were, if any, in the order levels for the retailers, and for us. And finally, what did our inventory and stocking levels look like? Did we overstock?

Let me know if you have any questions.

~DW, VP LogOps.

Learning Wizard: Learning Assignment & Assistance

**Running the simulation:** Go the simulation at <http://forio.com/simulate/jelson/excellentbeerdistrib>

You should have already experimented with this simulation as indicated on the Background page.

1. Read the scenario on Page 1 and go to Page 2. On Page 2, choose the **KHBC Ad Campaign Scenario-2**. Based on the weekly orders from your Retail Customers, you need to determine the weekly amount to order from KHBC. Enter the order and Advance (1 week). You can review the running status of orders and inventory in the table provided. **Your goal is to minimize your backlog and your Retail Customers backlog, as well keep your inventories at a minimum. And avoid the Bull-whip effect. You may want to experiment a bit with your ordering strategy.**During the simulation (the one that you are going to use in your report), you should keep track of the highest levels of Customer Backlogs, EBBD Order Backlog, and levels of EBBD inventory.
2. When the simulation run has ended, copy the data from the Graph to Excel.
   1. First, download this Excel file. [EBBD-Case 1 Results Graph](https://tlc.trident.edu/d2l/common/dialogs/quickLink/quickLink.d2l?ou=77468&type=content&rCode=TUI-84221). **Note: You should be sure to watch the two videos in YouTube that are provided on the Background page.**
   2. How To COPY DATA from the Simulation. After running the simulation, while you are in the simulation, select the **Graph** tab. Then with the mouse right-click on the graph and select **copy data**. Then paste it into the Excel Worksheet (*put the cursor in the designated cell, and do a paste*), and save it. You will see that the Graph is done for you automatically. You will also see a copy of the graph in the background reading authored by Padmanabhan & Whang (entitled “The Bullwhip Effect In Supply Chains”). **Note there is a 2nd tab that shows additional data such as Backlog Levels and Inventory Levels.**

**Assignment Part 1:** Analyze the data you saved in the Excel file. Write your report about the situation and explain the results, including the levels of order backlogs and EBBD inventory. Also explain your ordering strategy and logic.

**Assignment Part 2:** After you have completed your report to Management at EBBD, you need to add a section to articulate your learning and knowledge gained. You should identify the causes of the Bull-whip Effect. Discuss your results and how they compare with the historical Bull Whip affect. Compare your graph of your decisions to the graph of the historical bull whip. Explain your strategy and how you determined it. Explain why your results are the same or different from the historical bull whip results. Were you able to avoid the Bull-whip Effect? Why or Why not?

***Upload the Report and the Excel file with the data and graph to the Case 1 Dropbox.***

**Assignment Expectations**

The report should thoroughly address these aspects in depth and breadth; be sure to use Headings to label both parts, as Part 1 and Part 2.

**Part 1: Report to your boss, Danny Wilco (be sure to write this part as a report addressed to Mr. Wilco).**

* Background: elucidate the current situation and context - tell about the campaign and what it was supposed to do and why you were assigned.
* Strategy: articulate the details of your strategy for ordering and avoiding the bull whip effect; explain how you developed your strategy, e.g. why you are ordering the specific amounts. What is the logic?
* Results: explain your results.
  + What happened in terms of the Customer Order Backlog, EBBD order backlog, and EBBD inventory levels?
  + What was your ordering pattern as shown in the Excel file
  + Show data in the form of graphs and tables.
  + Provide clear references to the data.
* Conclusions: explain your conclusions to your boss about the success of the campaign at EBBD.

**Part 2: Explain what you learned about the Bull-whip Effect (write this part to your professor.)**

* What are the causes of the Bull-whip Effect?
* Comparison to historical bull whip:
  + Include bull whip graphs.
  + Articulate the analysis of the difference between your performance and the historical performance.
  + Elucidate how your ordering strategy caused your ordering performance in comparison to the historical
  + Did you avoid the bull-whip? Why or why not?

Please cite References.