

Supply Chain Management: Driving Strategic Advantage



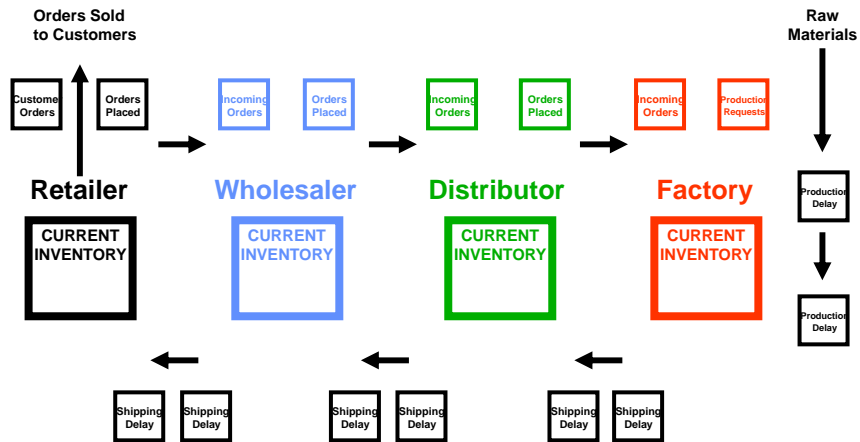
## **The Beer Distribution Game**

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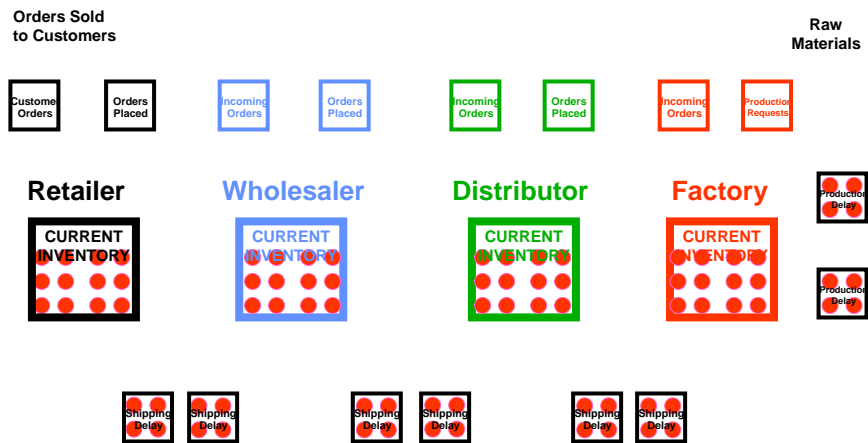
**An interactive management exercise intended to:**

- **Demonstrate common practices in supply chains**
- **Demonstrate common problems in supply chains**
- **Develop insights into better supply chain solutions**

# The Beer Game



# The Beer Game

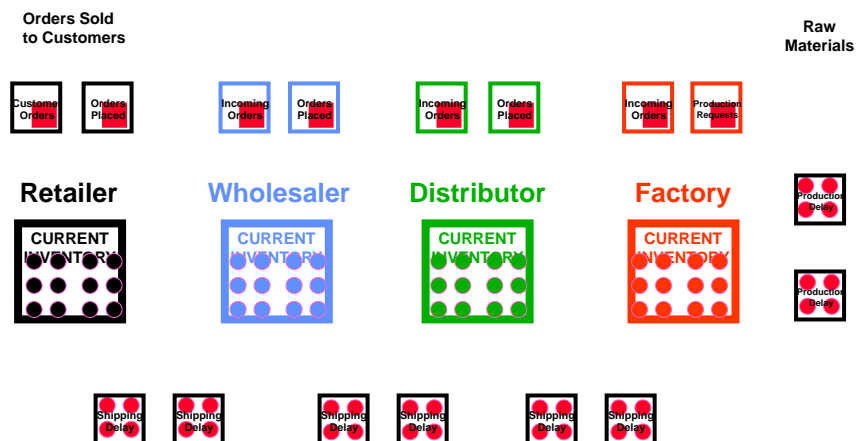


## The Initial Inventory Positions

## The Steps of the Game

1. Receive inventory. Advance shipping & production.
2. Check incoming orders and fill them.
3. Record inventory position.
4. Advance the order slips. Factory brews.
5. Place and record your new order.

## The Beer Game



**The Initial Inventory Positions:  
Color-coded for Clarity . . .**

# The Beer Game

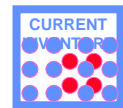
Orders Sold to Customers



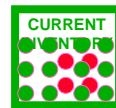
Retailer



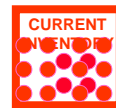
Wholesaler



Distributor



Factory



Raw Materials



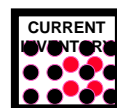
1. Receive inventory. Advance shipping & production

# The Beer Game

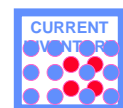
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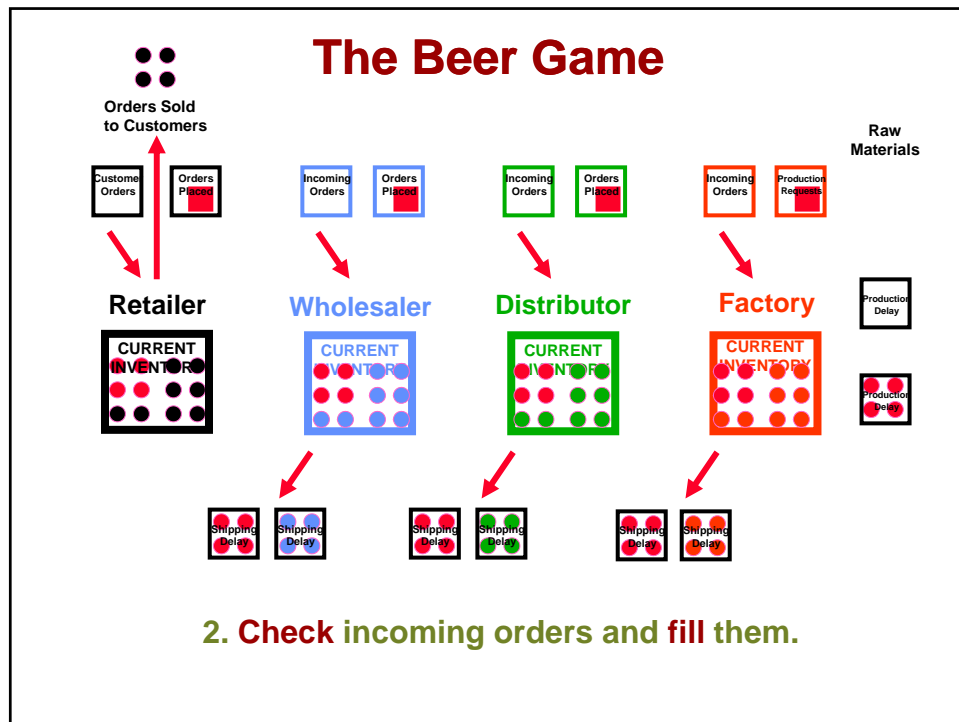
Factory



Raw Materials



1. Receive inventory. Advance shipping & production



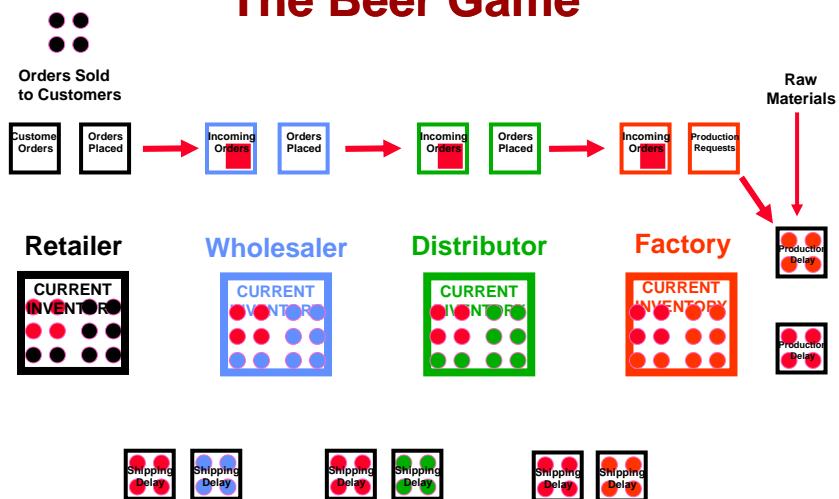
## The Steps of the Game

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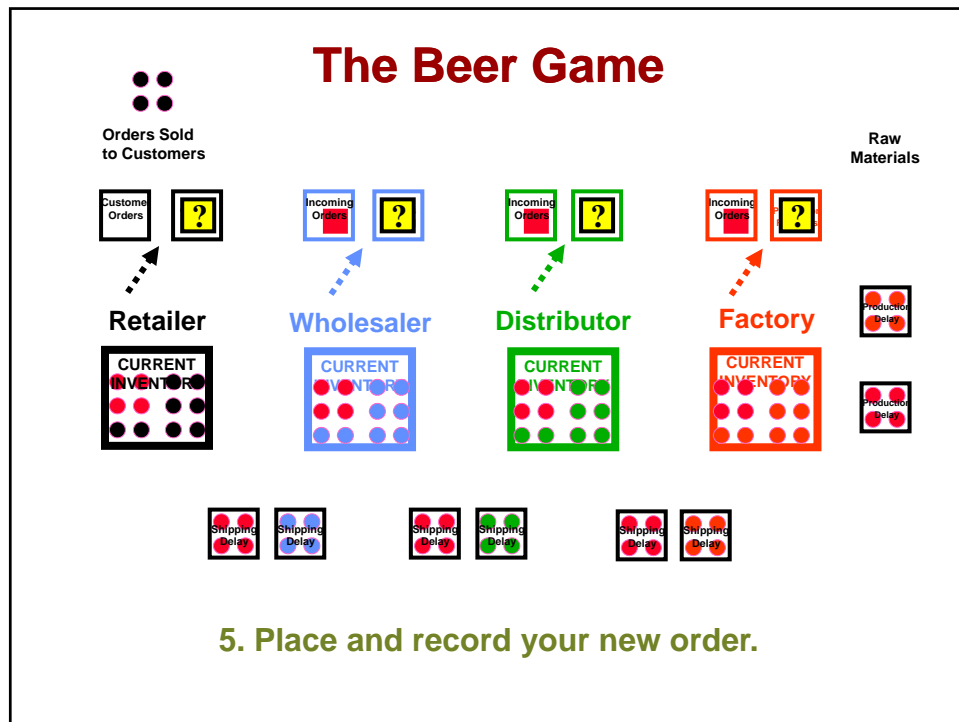
## Record Sheet

Week	Inventory	Backlog	Orders
1	12	0	4
2	15	0	9
3	...	...	...
14	0	12	12
15	5	6	?

## The Beer Game



4. Advance the order slips. Factory brews.



## “Orders to Fill”

1. “Orders to Fill” = Current Orders + Backlog
2. If you have enough inventory, ship all the “orders to fill”, and record your new inventory position.
3. If you don’t have enough inventory, ship all the inventory you do have, and record the remaining “orders to fill” as your new backlog.