

# LECTURE 00: BEER GAME

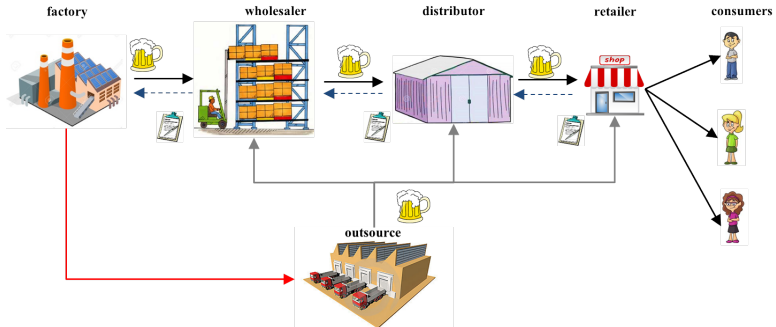
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# WHAT IS BEER GAME?

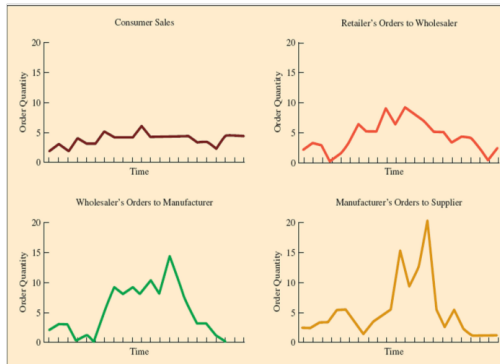
- **Parties:** retailer, distributor, wholesaler, and factory
- **Time horizon:** 20 weeks
- **Inventory policy:** backlog allowed
- **Online version:** <http://http://www.ie.chula.ac.th/~oran/beergame>



## PARAMETERS IN BEER GAME

	retailer	distributor	wholesaler	factory
Ordering (USD/unit)	10	8	5	3
Lead time (week)	5	2	1	1
Outsource (USD /unit)	25	20	15	10
Handling (USD / unit-week)	20	15	10	5
Backlog (USD / unit-week)	2	2	2	3
Init. Inv. (unit)	20	40	60	100

# THINKING POINTS



source: Chase and Jacob. 2011.

- What are causes of this fluctuation? how often this occur?
- Based on cost structure, any idea of how to 'beat' this supply chain?
- What are important information/process/activity to prevent this fluctuation