

Flora PARK

Students' Reflections: From Game to Practice



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Reality Show – Tell Ugly Truth

- Game recap
- Florists & importers
 - Most compelling insight
 - Collaboration & competition
 - Strategic thinking
 - Negotiation
 - Teamwork
- How did you collaborate with your trading partner while defending your own interest?
- What would you do differently next time?
- What suggestions do you have for your trading partner?



Game Recap

	M/V Why, what, when	Strategies What to do to reach vision. Main thrusts	KPIs Key things to monitor	Metrics How to express #, %, \$
SC 1: importer, florist				
SC 2: importer, florist				
SC 3: importer, florist				
...				

Most Compelling Insight

- The best part about the FloraPark simulation was that it mirrored the real world where each participant in the supply chain has his **own interests** and yet participants need to **work together** for overall benefit.
- ... was the **conflicting motivations** between the firms in the supply chain. ... There must be a careful balance between **self-interested** actions to capture the maximum amount of value from the supply chain and **collaboration** to compete against the other supply chains. ...

Collaboration I

- “We noticed other supply chains tried to profit at the expense of their partners by raising prices. This affected their ability to collaborate as groups.”
- “We must work together as a team to input money into **OE** (importer) and **marketing** (florist) so that they can increase demand while improving our efficiencies.”
- I realized that supply chain **visibility** is very important and as we **shared** our demand forecasts with the importer, he was able to **plan better** and cater to our demand.

Collaboration II

- “I also learned that **strong communication, effective collaboration,** and **transparency** were critical. This included communication amongst the importer team members as well as communication with our retailer colleagues.”
- “The key insights we learned ... were the importance of **sharing data** in a supply chain and also how having a **common** and **consistent** strategy.”

Collaboration III

- “Part of our supply chain strategy was for the importer to carry most of the inventory risk. **Since we were carrying this risk, we were able to negotiate better x2 prices in order to be compensated for the risk.** This was beneficial for the entire supply chain as it allowed the retailer to invest more in marketing. Their investment in marketing allowed them to obtain a significant percentage of the market share and to become extremely profitable. Since our retailer was profitable, they were able to pass on some of the profitability to us for holding their inventory. **We were critical to each other’s success and our strategy would not work if both of us didn’t participate.** Our **combined strategy was greater than any individual strategies** we could have.”

Competition I

- “In today’s highly competitive and fast paced business environment, any advantage is short-lived. The Chinese electronics company **Xiaomi** was known for its marketing strategy. It wasn’t long before its competitors copied its practice and wiped out its advantage entirely.”
- “This shows the need to not only have a strategy, but to do market research and **see what your competition is doing.**”

Competition II

- “As an engineer, OE spend was my first focus with yield seeming like a huge problem. This helped greatly for a while and really made our team successful for a number of periods.”
- “The downfall was not paying enough attention to marketing and our **competitive strategy**. Due to high demand for a number of periods that could not be met, we decided to lower marketing, but this was done at the same time other teams were raising marketing.”

Strategic Thinking

- “Samsung was good at **supply chain excellence**, while Apple was good at creating value by **innovation**. Business should **plan strategies according to its mission and vision**, and those investments should have **long-term** plan and not changed abruptly.”
- “Invest money into **marketing** and **operations excellence** early on in order to reap benefits in the future.”

Negotiation

- “When we made offers to our partners, they naturally reciprocated with a counter offer. However it was strategically necessary to make educative offers and this was achieved by going to the negotiation table with our BATNA (**Best Alternative to Negotiation Agreement**) ...”
- “We looked at our Key Performance Indicators (KPI) to analyze what we really need to get (**elephants**) and what we might like to get (**ants**). During negotiations we **offered our “ants”** and in some instances our suppliers reciprocated by **offering us our “elephants”**”

Teamwork

- “Strategy also extends to team dynamics. In the beginning, our team was collectively discussing our choices and alternatives. As we formed a supply chain partnership with the importer, then there **were too many people involved to execute efficiently. ...**”
- “So we adopted a strategy of **focus and specialization** for each team member on the florist side. One person led the **collaborative forecasting and pricing discussions with the importer**. Another team member **reviewed competitive landscape** and looked for ways to drive demand and market share. Finally, the third person interfaced with the other two members to **feed historical information to them, consolidate the input, conduct holistic review and finally submit**. While any of us could have done the other’s role, as time went on, we were becoming more and more **specialized** in our respective functions because only we knew full history and intricacies of that role.”

Last Words

- If you fight your partner, your supply chain cannot win

Live as one or die as two



- Even if your supply chain wins, you may not win

**Ultimately, you must watch
out for yourself**





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