

# Walmart group supply chain game



**ASSIGN  
BUSTER**

This time, the game was more complicated. We need to plan and control production capacity, shipment method and further distribution to different areas. Our performance was not as good as last time. The distribution network of the company consists of a single factory and a single warehouse, both in Calopeia. We can build extra factories and warehouses in other places. Actually at first, our goal was increasing the manufacturing capability and warehousing capability, meanwhile, reducing the cost and turnover rate.

We didn't know that we can build new factories and warehouses in other locations. The moment we realized it, it was too late to build new factories and warehouses. If we continued to build new factories or warehouses, our manufacturing cost will increase dramatically. The remaining days on the second game is hard to recovering the constructing costs and hard to get enough profit before the game was finished. for the new factories or warehouses. So we decided not to take any action on construction.

First of all, we changed the order quantity to 2000 based on the observation of the figure on demand. The result of the action is decreased our revenue dramatically at one time. The next we began to discuss what's wrong with our order quantity setting number. After the arguing, we decided to change the order quantity and keep adjusting the number of the order quantity. We keep tracking the revenue earned after we changed the order quantity. Actually, the final number of the order quantity is about even to 2000.

We think the problem we get at first is the manufacturing costs dramatically increase at the beginning of the action which directly cause the revenue dropped rapidly. In conclusion, our performance was not as good as last

time. We were so careful that we didn't build up new factories or warehouses in other places, which limited our whole capability. The conservation strategy made us lost a great number of opportunities in the future markets and potential orders in the future markets.

Meanwhile, we need to learn more about how to balance the safety inventory of the warehouses. We found the holding inventory is a large proportion in our balance sheet, so we should reconsider a better strategy to decrease the holding cost for our company. Also, we should try to decrease the shipping fee as much as possible because the portion of shipping fee is about 22% of the revenue. We believe we can do better next time.