Points of differentiation from a traditional simulation

Advantexe's ability to create a 100% custom simulation for GO is the reason they were selected as a partner for this project.

Advantexe's simulation platform allows for the creation of a custom simulation model, in this case to mirror the grocery store industry in general, as well as to incorporate unique elements related to Grocery Outlet's business model.



Advantexe was also able to create and incorporate custom decision sets and reports to highlight key information and decisions that GO Operators must consider and manage, as well as custom images to make the simulation look and feel close to, but not exactly like, Grocery Outlet.

Screenshots of the simulation, along with descriptions of the differentiators can be found below.

Food Castle Simulation	Typical Enterprise Business Simulation
Has 52 rounds simulating 52 calendar	Consists of three or four rounds, with a
weeks.	"round" representing a fiscal quarter or
	year.
In order for the Food Castle simulation	Participants play every round of a
experience to be most impactful and still fit	simulation.
within the timing of the overall AOT	
program, it was built to include multiple	
automated rounds.	
 AOTs use the simulation during 7 	
sessions of the 16-session AOT training	
program. During each session they	
complete 1 month (4 weeks/4 rounds)	
of simulation play.	
 The months that the AOTs play were 	
selected because of their characteristics	
and impact on the grocery industry and	
the Food Castle Store (e.g., August was	
selected for back-to-school and because	
of the possibility it is a 3 pay-period	
month, December was selected because	
of year-end holidays).	
 The simulation itself completes the 	
other 5 months based on the AOTs'	

 prior performance. These are "ghost months." Following each of the 5 "ghost" months, AOTs resume play and must respond to the outputs of the "ghost" month. This had the added benefit of prompting teams to think short-term and long-term at the same time. 	
Has eight departments and thousands of individual product SKUs to order and merchandise.	Is built with three or four products to sell.
The Food Castle simulation decision sets include some high-level strategic decisions combined with myriad granular decisions needed to effectively run a store day-to-day and week by week.	A round of play consists of only a series of high-level decision sets.
In order to bring the simulation to life, the Food Castle simulation includes a total of 48 unplanned situations ("wobblers") that the users must respond to in addition to making the strategic and operational decisions associated with running the store.	Contains two to nine unplanned situations/wobblers.
For AOTs to effectively plan, especially with regard to their ordering decisions, they needed to see historical data for the same week the previous year. As a result, the simulation provides 52 weeks of prior performance data, resulting in five times as much code as contained in a typical simulation.	Provides users with three years of historical data at a very high level.
During the first simulation session (Month 1: January), the AOTs set their annual strategy and make their annual decisions. Next they make decisions specifically related to the month of January, and finally they make their decisions for each week of the month. In the next session, they come back to make monthly and weekly decisions for the simulated month of February. Each time the AOTs return to the simulation, they make	Participants make decisions for one time period only commonly a quarter or a year.

multiple sets of decisions on both a monthly and weekly basis.	
The Food Castle simulation provides the AOTs with multiple reports on their weekly, monthly, and annual performance, often by department or category.	The simulation provides participants with reports on their annual performance.
Had teams of two (the partners who will co- run a GO store) so these participants are more involved in every single decision, they cannot sit back and let someone else drive.	Involves a team of 4-5 people making decisions together.

Examples of Informational Screens

 Current Situation – Each month begins with a different write-up about what is happening in the store. In this way the simulation shows the cyclical nature of the business and the different base conditions/starting points as needed to make the Food Castle world realistic for the user.



 Financial Data – To build financial acumen, the simulation presents detailed, week over week performance data that teams need to interpret in order to know how to make smart operational decisions. They started the sim unsure of how to analyze the data and after a few weeks were much more comfortable and confident, making the link between the numbers on these statements and their business outcomes.

ancial Data				Ja	n - Week
ere you will see the previous weeks' P&L, Balance Sheet, Cash F lecisions. P&L Balance Sheet Cash Flow Gross Margin	ow and Gross Margin Report. These vital tools provide clear insight	into the overall financial health o	of your store. Use this section to eva	luate past weeks' performance and to make and adjust your wee	kly operating
P&L (Dec - Week 4)					
	Dec - Week 4	Dec - Week 3	% of Sales	Week Over Week % Change	
Sales					
Grocery Sales	\$32,198	\$36,292	34.54%	-11.28%	
Deli Sales	\$15,905	\$16,900	16.16%	-5.89%	
Fresh Meat Sales	\$4,916	\$5,405	5.27%	-9.04%	
Frozen Sales	\$10,126	\$10,749	10.73%	-5.79%	
Produce Sales	\$13,887	\$15,173	14.35%	-8.48%	
General Merch. Sales	\$6,072	\$6,513	6.59%	-6.76%	
Health & Beauty Sales	\$5,418	\$5,781	6.05%	-6.27%	
Beer & Wine Sales	\$6,205	\$6,787	6.31%	-8.58%	
Total Sales	\$94,728	\$103,600	100%	-8.56%	
COGS					
Inventory COGS	\$63,353	\$69,132	66.91%	-8.36%	
Order Margin (\$)	\$31,375	\$34,468	33.09%	-8.97%	

Examples of Input Screens

• **Social Media** – The simulation showcases modern marketing elements such as social media, which is a new but extremely important aspect of running the business for some AOTs.

Marketing										Jan - Week 1		
Email Social	Email Soci											
Social media marketing is a post and how many of those	powerful tool for conne e posts are sponsored, i	ecting with customers and building relation and the appropriate platform. As you plan	nships. Many shoppers will and implement your strate	develop opinions and change ber gy, consider the additional costs a	haviors based on recom and the potential added	mendations and time it will take	insights from their social network to create posts.	. In this decision, prior	itize the focus of y	your social posts, the frequency with which you		
Social Media Mark												
Last Week Priority:	Weekly Priority:		Post Frequen	or:		Sponsored Po	ist Frequency:		Platforms:			
1	~	Event	۰	0 times per week		٠	0 times per week		0	Facebook		
2	~	Product	0	1 time per week			1 time per week		0	Instagram		
3	~	Seasonal Special	0	2 times per week			2 times per week			Both		
4	~	Random Acts Of Kindness	0	3 times per week			3 times per week					
Please select a different pri	iority for each		0	4 times per week			4 times per week					
Monetary Cost: \$0			0	5 times per week			5 times per week					
			0	6 times per week			6 times per week					
			0	7 times per week			7 times per week					
			0									

• **Merchandising** – Each week teams must select which items from those listed they want to merchandise in the store. In choosing they need to take into account the inventory level, expiration days, and margin, among other factors, to make the strongest selection. The items chosen in the list then appear in the slots at the top of the screen.

Merchandising					Jan -	- Week 1
Effective merchandising can have a big effect on sales. With this decision you have the opportunity to select four priority items	to display in-store this week to drive more sales. In making your selection, pay attention	to the type of display case you are filling (it varies by week) and th	e factors listed about each available product in the tab	le below.		
Meat Spot Box						
Refrigerated Slot 1	Refrigerated Slot 2	Non-Refrigera Slot 3	ted	Nor	n-Refrigerated Slot 4	
Available Products						
Item	Inventory	Expiration Days	Margin	SUT%	Slot #	
AIRHEADS XTREMES, PARADISE, GUMMES	High	12	44.8%	60.2%	1 🗸	
SWEET BABY RAY'S BBQ SAUCE	Med	22	35.7%	28.1%	0 🗸	
(R) FRESH STUFFED SALMON (FARMED)	Low	6	20.1%	23.1%	0 🕶	
(R) POLISH SMOKED SAUSAGE	High	18	56.4%	50.1%	3 🗸	
(R) COUNTRY STYLE PORK RIES	Med	11	42.7%	9.7%	0 🕶	
RICE A-RONI SPANISH RICE (10-PACK)	High	33	36.5%	43.1%	0 🕶	
BUSH'S ORGANIC BAKED BEANS	Med	20	28.6%	18.5%	0 🕶	
(R) SLICED CHICKEN BREAST	Med	7	29.7%	37.5%	2 🕶	
CELESTIAL SLEEPYTIME HERBAL TEA	High	20	72.3%	47%	0 🕶	
KRAFT MACARONI & CHEESE	High	41	32.5%	29.7%	0 🗸	

Ordering – Managing inventory is key to running a successful store. Each week they had to
order inventory for all departments using a variety slider to control the assortment of items
and the on-hand slider to determine quantity, and allocate a certain percentage of ordered
product for each department to the high margin, cross-department category called NOSH
(which stands for natural, organic, specialty and healthy foods).

5						
r weekly ordering is an essential p partment. Next is the On-hand slid	art of running a profitable Food Castle ler, use this to determine the amount (e location. On this screen you will have to of product you would like to have on-ha	wo to three inputs depe nd for the week (a lower	ing on the selected department. The Variety slider allows you the ability to control the amou umber implies less product on-hand). Lastly determine how much of your ordered product fo	nt of variety you would like within ea or each department is NOSH (an 11 i	ach mplies voi
er a NOSH option for all available	products within the department).	,,		······································		
rocery Deli Fresh Mez	at Frozen Produce	General Merch. Health & Beauty	Beer & Wine			
nventory Status - Gro	cery		Order Characteristics - Grocery			
	Jan - Week 1 Forecast	Dec - Week 4	% CHG		Forecast	DSM
Department Sales (\$)	\$34,308	\$32,198	6.55%	Variety (SKU)	725	2134
On-hand Inventory (\$)	\$211,183	\$211,183	0%	NOSH %	25%	23.8%
Ordered Inventory (\$)	\$32,198	\$32,198	0%	Ordered Margin %	33.61%	
Total Inventory (\$)	\$243,381	\$242,710	0.28%			
Turns	7	7	6.26%			
Total SKUs	2,008	2,005	0.15%			
Blended NOSH (%)	25%	25%	0%			
Blended Margin (%)	33.16%	32.97%	0.58%			
Department Shrink (%)	2.45%	1.89%	29.42%			

• Scenarios / Wobblers – As mentioned above, there are 48 unplanned events occurring throughout the simulated calendar year in order to more accurately simulate the day-to-day challenges and opportunities of a real grocery store owner.



Examples of Results Screens

• **Monthly Results** – The simulation provides teams with monthly reports on how they performed in certain key metrics. This is an example of the year over year comparison for sales by department and monthly financials.



onthly Results - I	Financial	S				Jan - Week
Here you will see the previous 2 represent February and 2 Monti	2 months' P&L, E hs Ago will repre	Balance Sheet, Cash Flow and esent January. These vital too	d Gross Margin Report. The two columns will re ols provide clear insight into the overall financi	present the respective month in relation to al health of your store. Use this section to e	o the month being presented in the top right of the page. evaluate past performance and to make and adjust your o	For example, if the top right shows March, Last Month will serating decisions.
P&L Balance Sheet	Cash Flow	Gross Margin Report				
P&L						
			Last Mon	th Last Month La	ast Year % of Sales	s % Change
Sales						
Grocery Sales			\$171,442	\$138,602	37.22%	23.69%
Deli Sales			\$68,921	\$64,559	14.96%	6.76%
Fresh Meat Sales			\$25,591	\$21,187	5.56%	20.79%
Frozen Sales			\$42,842	\$41,340	9.30%	3.64%
Produce Sales			\$60,289	\$58,191	13.09%	3.61%
General Merch. Sales			\$31,368	\$25,794	6.81%	21.61%
Health & Beauty Sales			\$28,021	\$22,803	6.08%	22.88%
Beer & Wine Sales			\$32,148	\$26,293	6.98%	22.27%
Total Sales			\$460,621	\$395,768	100%	16.39%
COGS						
Inventory COGS			\$293,732	\$265,956	63.77%	10.44%
Order Margin (\$)			\$166,890	\$129,812	36.23%	28.56%

• Leaderboard – The leaderboard allows teams to assess their performance vs. one another. The Learning Coach used this screen to conduct debriefs and encourage teams to share how they had achieved their results. In this way the teams quickly saw the strengths they each brought to different aspects of running the business and began to share best practices.

Decembe	er									Jan - Week
Click the tabl	lick the table headers to sort the table accordingly:									
Week 1	Scenario 1	Scenario 2	Week 2 Scenario 1	Scenario 2 Week 3 Scenario 1	Scenario 2 Week 4	Full Month				
Full Mo	onth Com	parative H	lighlights							
Userna	me	Store Sales (\$)	Comp Sales (%)	Anticipated Margin (%)	Net Income (\$)	Customer Sat	Employee Sat	Ring	Customer Count	SPLH
team	3	\$461,488	15.73%	34.65%	\$39,591	90.14	86.33	28.60	16136	230.31
team	6	\$452,819	13.55%	34.38%	\$30,394	89.19	85.90	28.45	15918	211.88
team	5	\$472,576	18.51%	33.05%	\$30,857	91.23	86.15	28.83	16392	219.09
team	2	\$476,613	19.52%	34.62%	\$37,005	84.65	86.25	28.65	16634	233.45
team	1	\$460,621	15.51%	34.15%	\$30,305	78.69	85.60	26.70	17253	215.89
team	4	\$503,038	26.15%	29.65%	\$16,970	85.00	84.46	28.51	17641	238.55

• **Cumulative Dashboard** – Each team is represented by a colored line in these three charts that focus on the most important metrics to store owners: sales, margin, and customer count.

