



## Simulation Event ITC Call for Arms



(Phase 2)

**Round Duration:** 20 minutes | **Submit response by:** 2320 hours or (11:20 PM)

**Google response sheet link:** <https://goo.gl/forms/oHSPMe66j1mz97nD2>

Congratulations on taking the first steps towards the writing success story for NutriNow Fresh Food Limited!

Post phase 1, the bids for investments have been considered and processed by the FMCG Industrial Authority of India (FIAI).

Now that the capacities have been realized, NutriNow has extended contracts to the 'Distributors' to move up the value chain and run the production process for its two brands of products, as mentioned below:

1. **Quickies Premium:** A unique and never-seen-before vanilla cream filled biscuit that assure taste, without compromising on the health factor.
2. **Quickies Munchies:** The economical range of easy to digest nutritious biscuits that act as the perfect respite to those short munches between meals.

**Your task is to allocate your realized capacities after Round 1, in the production of these two biscuit ranges.**

The following tables will help you make your decision

**Table 1**

Particulars	Premium	Munchies
Retail Price	₹40 per packet	₹12 per packet
Biscuit Units Required (Per Packet)	2.5	1
Vanilla Extract Productivity	40	-
Price of Vanilla Extract (Per Unit)	₹1200	-
Nutritious Elements Productivity	1	1
Price of Nutritious Elements (Per Unit)	₹8	₹8

- **Retail Price:** The Price at which a Packet of Premium/Gold biscuits is sold in the market
- **Biscuit Units Required:**  
Post Phase 1, you received a Capacity in Biscuit Units (CBU) for the factories you were allocated.

For Example: If you received 50,000 (CBU) post Phase 1 for factory C, you can at max, produce  $50,000/2.5 = 20,000$  Premium Packets

- **Vanilla Extract Productivity:** The amount of Biscuit Units, each unit of Vanilla Extract can complement.
- **Nutritious Elements Productivity:** The amount of Biscuit Units, each unit of Nutritious Elements can complement.

**Table 2**

The Regional Competition Administration of the Industrial Space Area have created quota for the maximum permissible CBU that can be used over the two segments, as follows

Industrial Space	Premium	Munchies
A	70%	30%
B	60%	40%
C	50%	50%
D	40%	60%
E	30%	70%

**For Example:** If received CBU post phase 1 is 50,000 for a Factory in Industrial Space C, then it can allocate 25,000 Biscuit Units towards production of Premium Biscuits at Maximum.

#### **Other Developments:**

While the prices for the two inputs that have been mentioned in Table 1 have been estimated as per past trends, some recent developments must be considered to peg the probable current prices; across regions. Note, the set of news only have a bearing on the input prices, which have been observed to change with a volatility of maximum 20% in the past.

1. The native competitors in **Industrial Space D**, announced that a syndicate will soon be launched, to monitor input prices and seek benefits. All suppliers in the region, fearing the developments, are expected to make inputs favorable to syndicate, ensuring profits from other players.
2. The FIAI inspections in **Industrial Space A** found that Vanilla Extracts being circulated in the region are below acceptable standards. As a result, the market leaders in the Vanilla Extract Market have been severely penalized, allowing a few followers to cater to the large market.
3. As highlighted in the monthly industry report, the Government for **Industrial Space E**, realizing the demography of the region and in light of the upcoming International Health Summit, is learnt to be focusing on making the environment favorable for entry of more manufacturing players.

4. **Industrial Space B** being part of a landlocked-mountainous region, is dependent on a rigorous network of roadways to transport the Nutritious Elements, post importing them from sea. The area, has faced significant volatility due to presence of natural exogenous factors, like landslides, the most severe of which hit the region last week.
5. Like NutriNow, another Nordic company and NutriNow's long standing partner for its nutritious elements, Spices&Me has planned to enter region **A**, for its abundance of factories. However, competitive agreements have contained their entry to this region only, not allowing NutriNow benefits in other regions. Further, due to the development, the native input suppliers who had signed cross-selling contracts (across inputs) with NutriNow, are backing out of contracts, leaving NutriNow in a precarious situation for sourcing Vanilla.

### Resource Planning:

NutriNow company guidelines have strict bearings on the planned production levels by its distributors.

- Besides resource allocation, all Distributors have to mandatorily provide their Planned Packets that wish to produce.
- If the actual realized produce falls short of the Planned Allocation, the remaining resources that are purchased, **bear no value to the firm, and are instantly scrapped.**
- However, if you choose, not to allocate all your CBU, the Unallocated CBU is **realized at 50% value**, in final revenue calculations.
- All realized (into final production) CBU, are evaluated at selling price of the brand for which they are allocated.
- Input Price fluctuations according to the previous section determine, the inputs that are finally allocated, thereby leading to the CBU that is actually realized.

### Rules

1. You have been assigned ₹50 Cr extra for this round. Your remaining amounts after round 1 will be carried forward and added to the revenues figures of this round.
2. With this context in mind, you are required to submit your bids for Vanilla and Nutritious Elements, and planned utilization of CBU in the following Google Form  
<https://goo.gl/forms/oHSPMe66j1mz97nD2>
3. The link for submission will be deactivated at 0005 Hrs, 3<sup>rd</sup> November, sharp. Any responses received beyond that shall be deemed null and void.
4. The decision of the event moderators shall be final and binding on all participants.
5. The final result for the qualified teams is evaluated by giving weightage to both the rounds.
6. Only the teams that qualify for the on-campus rounds or are wait-listed, shall be notified about the results.