

## **SYLLABUS: MANAGERIAL GAME - (BUSINESS MANAGEMENT)**

**Teacher:** Dr Colin Hales

### **COURSE DESCRIPTION**

The overall objective of this course is to develop students' professional business skills. Through computer simulation, participants are placed into a very realistic international business setting where they are expected to run a company for two years in compressed time (eight rounds of decision-making). Each participant will work closely with a team of other students to manage a highly complex and integrated business.

This course will employ the *Marketplace* simulation as a learning environment. Students will learn what it's like to compete in the fast-paced, competitive market where customers are demanding and the competition is working hard to take away your business.

In the *Marketplace*, student groups (teams) start up and run their own company, struggling with business fundamentals and the interplay between marketing, distribution, operations, finance, and accounting. They are given control of a simulated business and must manage its operations through several decision cycles. Repeatedly, participants must analyze the situation, plan a business strategy to improve it and then execute that strategy out into the future.

### ***LEARNING OBJECTIVES***

The specific goal of the simulation exercise is to develop management skills by giving participants an integrated perspective of the entire business operation. In terms of specifics, the exercise should:

- Develop strategic planning and execution skills within a rapidly changing environment
- Crystallize the linkages between business decisions and financial performance
- Instill a bottom line focus and the simultaneous need to deliver customer value
- Internalize how important it is to use market data and competitive signals to adjust the strategic plan and more tightly focus business tactics
- Promote better decision-making by helping you see how your decisions can affect the performance of others & organization as a whole
- Facilitate learning of important business concepts, principles and ways of thinking
- Experience the challenges and rewards of the entrepreneur by starting up and running a new business venture
- Build confidence through knowledge and experience

### **ASSESSMENT**

Team Simulation Performance:

A cumulative balanced scorecard for quarters 5 through 8 will be used to judge the success of each firm. A team's grade will be determined by its relative ranking on the cumulative balanced scorecard (CBS) compared to the other firms (teams) taking part in the simulation.

### **SEQUENCE OF ACTIVITIES**

#### **Quarter 1: Organize team to do the job**

Focus on process of working as a team to achieve goals

- assess team members' skills, personalities, & work styles
- set organizational and personal goals

- organize the work
- determine how to manage the organization
- establish leadership

#### Quarter 2: Evaluate market opportunities, setup operations & prepare for test market

- Analyze market opportunities
  - evaluate segments, geographic markets & potential competition
- Select target segments
- Create customer value -- design initial brands for test market
  - match components to benefits desired (quality function deployment (QFD))
  - evaluate impact of different components on changeover costs & scale economies
- Setup manufacturing operations -- evaluate financial tradeoffs
  - compare regional cost differences of labor and distribution on plant location
  - evaluate economy & liquidity of different capacity investments
- Select test markets -- setup sales offices

#### Quarter 3: Go to market to test strategy and market assumptions

- Marketing strategy -- evaluate tactical options and choose marketing mix
  - pricing & price promotions
  - sales force management - number employed, training, incentives
  - advertising -- ad copy design, media selection, ad frequency
- Manufacturing -- plan production and inventory levels
  - forecast demand by brand
  - set 65-day production schedule
- Market research -- budget collection of information

#### Quarter 4: Evaluate test market performance and revise strategy

- Evaluate performance
  - financial performance -- financial statements, ratios, industry norms
  - market performance -- customer opinion of brand designs, prices, advertising, sales force
  - competitor tactics -- segments targeted, selection of marketing tactics
- Revise marketing and manufacturing tactics as needed and continue test marketing

#### Quarter 5: Seek external funding -- prepare business plan, negotiate equity investment

- Evaluate performance - financial, marketing, & competitive
- Present idea of a business plan to venture capitalists and negotiate equity investment
- Begin roll out of business plan

#### Quarter 6: Monitor, improve and execute

- Evaluate team - self assessment of roles played, contributions made & adjustments needed
- Evaluate performance - financial, marketing, & competitive
- Skillfully adjust strategy

#### Quarters 7 - 8: Monitor, improve and execute (continue)

- Manage strategy
  - skillfully adjust strategy to unanticipated competitive moves
  - continuously improve brand features (R&D), pricing, promotions, distribution
  - product quality, production efficiency, & asset management
  - project cash flows & adjust strategy within financial capability

#### **REQUIRED TEXTS AND SOFTWARE**

- Cadotte, Ernest R. and Harry J. Bruce; *The Management of Strategy in The Marketplace*, Innovative Learning Solutions, Knoxville, 2008.
- The simulation that will be used in this course is entitled *Business Management* (2005) by Ernest R. Cadotte. It is available through Innovative Learning Solutions, Inc.

**PREREQUISITES:**

Students must possess a good command of business management strategies and techniques for strategic management of enterprises as well as a sound knowledge of marketing and international business issues.