

## Eight Tips for Successfully Using The Business Strategy Game

Based on our experiences and what we have learned from adopters, there are several things that contribute greatly to conducting the BSG simulation in an effective and successful fashion:

1. **Schedule 2 practice rounds** (barring time constraints) to deepen class member familiarity with the how the software works, the decision entry screens, and the information and outcomes provided after each decision round. Two practice rounds also give company co-managers a chance to try out different strategy/decision combinations and see what happens.
2. **During the Course Setup Procedure, create an extra company for you to operate throughout the practice rounds** (and maybe for several additional decision rounds)—**do this especially if you are a first-time user or if you want to learn more about what operating a company is all about. The company you manage can easily be deleted later.**
  - Running a company yourself is the quickest and most productive way to familiarize yourself with “how things work”, explore all the various decision entries, view the reports showing the results of each decision round, and experience what the simulation experience for students is all about.
  - Operating a company will equip you to (1) see the value of the information that you and your students are furnished after each decision round, (2) provide the class with your perspectives about the competitive battle that is taking place and call attention to particularly interesting outcomes, and (3) be wise in assigning grades and otherwise conducting the simulation.
  - The knowledge and understanding gained will also enable you to answer student questions about this or that aspect of the simulation (which sometimes occurs) and, if you wish, to provide advice and counsel to companies that may be floundering and need some guidance.

If you opt to run your own company, inform the class which company you are running, tell them it will be a temporary thing (and that your company will be deleted later), indicate that you will exercise care in making “competition friendly decisions” that are not aimed at stealing sales and market share from other companies, and make it clear that you have no intention of trying to outcompete the companies they are running or otherwise demonstrate your prowess. **What class members need to understand is that your purpose in running a company during the practice rounds is to become as familiar as possible with what is involved in making decisions, managing company operations, and comprehending the information in the various reports available to all companies.**

Once the practice rounds are completed, there is an item on the Administration Menu for the industry that enables you to quickly and easily delete the company you are running from the competition. (Note: No company can be deleted until the practice rounds are completed.)

Also, bear in mind that the built-in Collaboration and Voice-Chat capabilities allow you to join an online meeting of the co-managers of any company—either as an observer or as an advisor/consultant. If you have run a company yourself for several decision rounds, you will be better prepared to take on this role, answer student questions about this or that aspect of the simulation (which sometimes occurs) and, if you wish, to provide advice and counsel to companies that may be in need some guidance.

3. **Stress to class members the importance and value of using the Video Tutorials and the detailed Help sections to find answers to any questions they have.**
  - **The short 2-3 minute Video Tutorials are particularly helpful during the practice rounds** when students first encounter the software menus and the information on the screens and are wondering what to do next.

- Whenever class members want more in-depth explanations and details than contained in a Video Tutorial (or the Player's Guide), all they have to do is click on the Help button at the top of a decision screen or report page.
- The Help sections for decision screens provide information about each decision entry, full explanations of cause-effect relationships, **and tips/suggestions about what to do and not do.**
- **The Help sections for any page of the Company Reports, the Footwear Industry Report, and the Competitive Intelligence Reports explain what the numbers mean, how they are calculated, and how to use the information to good advantage.**
- We have gone to considerable lengths to make the Help pages incredibly valuable and useful to company co-managers in understanding how things work and in wisely and successfully managing their companies. **If you insist that class members make full use of the video tutorials and consult the Help pages any time that questions or issues arise (and not lean on you for answers that they can discover for themselves), you will find (as have we and other BSG users) they will be able to figure things out nicely for themselves.**

*Here, it is well worth taking a few minutes of class time to explain to company co-managers that they can be never too well-informed about all the various aspects of their company's operations or about the cause-effect relationships built-into the simulation, but that it is exceptionally risky and dangerous to be very poorly informed and have little command of what is going on. Company managers never put their company's performance at risk by "knowing too much" about their company's operations and "how things work", but they very definitely put their company's performance at risk when they "know too little." In the real world, managers get fired and ruin their careers when they act like "loose cannons" and make seat-of-the pants decisions rather than making thoughtful, informed, analysis-based decisions.*

4. **Urge company co-managers to have a printout of the latest Competitive Intelligence Report in front of them and consult its content** before entering any upcoming decisions relating to pricing, advertising, S/Q rating, number of models, delivery time to footwear retailers, and all the other decision entry variables that determine their company's competitiveness vis-à-vis rivals. Tell them that if they don't consider how their company's competitive effort compared to rivals and to the industry average effort in each geographic region in the prior year (as displayed on the pages of the Competitive Intelligence Report), then they will be flying blind into competitive battle with no clue as to whether their competitive strategy and marketing effort is likely to succeed or be an utter disaster.
5. **Urge company co-managers to pay special attention to the benchmarking data** provided on page 6 of the Footwear Industry Report that accompanies the results of each decision round. Studying the numbers on this page is critical if company co-managers are to stay abreast of how well their company's costs compare with those of other companies in the industry.
6. **Warn company co-managers against trying strategies and making decisions that are imprudent, highly risky, or un-businesslike** (things that also would get a manager fired in a real company). The whole *Business Strategy Game* experience is about having class members assume the role of a business professional who is trying to achieve the best possible company performance using managerially prudent and responsible business approaches and endeavoring to make "wise" decisions in operating the company and fashioning a successful strategy.

*The Business Strategy Game exercise is intended to "test" a co-manager's knowledge and skills in running a profitable and successful company—which means acting in the best interests of shareholders and not driving their company to the brink of bankruptcy. Overzealous students who put their company's performance at risk with extreme prices or marketing tactics or who wander off on a tangent and endeavor to "game the system" almost always shoot themselves in the foot by driving down company performance. **Little of value comes from students approaching the BSG exercise like a daring adventurer out to win some variant of a videogame with whatever "off-the-wall" or un-businesslike decisions they***

**can enter on the screens.** When class members know you will hold them accountable for bad or foolish decisions that cause their company to bleed red ink while other companies are prospering, they will be less likely to make “wild” decisions or pursue irrational or “bound-to-fail” strategies.

7. **Stay abreast of the results of each decision round.** It will take about 10-20 minutes for you to explore the results of each decision round. First click on the industry you have created for your class that appears on the upper right of your instructor Center screen. Then, on the Administrative Menu on the left side of the screen, click on the link that says BSG Reports for Industry \_\_, where you will see five report options. Check out the first three menu selections (Footwear Industry Report, Competitor Intelligence Reports, and Administrator’s Report) and spend as much time as you wish exploring the information. All company co-managers get the first two reports, but the Administrator’s Report’s Report is only for the instructor and contains a lot of interesting cross-company comparison information—this information is not provided to class members because of its competitively sensitive and proprietary nature. Usually, you have no compelling need to examine the Company Operating Reports, except to satisfy your curiosity about their contents—these are used mainly when issues regarding a particular company arise that you need to look into more deeply. The Decision History report is rarely of much interest until perhaps midway through the simulation, at which point you may wish to check out the decision histories of the best performing companies and compare them to the worst performing companies to see what’s working well and what is not. The Decision History report is also useful for counseling poorly-performing companies on ways they can improve.

Once you have become familiar with the contents of the Footwear Industry Report and the Competitive Intelligence Reports, you’ll be able to zero in quickly on what’s of particular interest and economize on the time it takes to monitor the outcomes.

8. **Use 10-15 minutes of class time to “debrief” the teams on the results of early decision rounds.** In our class, it is standard to have a debriefing to go over the results of the first practice round. We provide each class member a copy of the Footwear Industry Report and the Competitive Intelligence Report and then walk them through these reports page-by-page so they will be up to speed on all the information at their fingertips following each decision round. In this initial debriefing, pay particular attention to the information in the Competitive Intelligence Report showing the actions of all the companies in the marketplace (their prices, advertising, styling/quality ratings, rebates, and so on) and their positioning on the industry strategic group map. If you wish, you can have debriefings for the second practice round, maybe the first couple of scored decision rounds, and on those occasions when something of significance occurs that you want to talk about. These give you an opportunity to:

- Call attention to particularly interesting outcomes and results, especially those in the Competitive Intelligence Report and the benchmarking data on page 6 of the Footwear Industry Report.
- Comment on any outcomes or conditions that company co-managers should take think about.
- Convince class members of the merits of digesting and diagnosing the results of each decision round before rushing into making decision entries for the upcoming year.
- Connect events in the simulation to your lectures on the chapters or to similar situations in some of the assigned cases you’ve discussed.

From to time-to-time, you’ll discover revealing tidbits of information in the Administrator’s Report (cost details, operating statistics, and profit margins) that you can summarize and share orally with class members—but take care not to single out or identify any company in these remarks and “give away its secrets.” You can just say “there’s one company that ...” or “one company had unit labor costs as low as \$\_\_\_” or “one company spent \$\_\_\_ on TQM/Six Sigma programs at one of its plants” or one company reported an industry-high profit margin of \$\_\_\_ on each branded pair sold in Latin America, while one company lost \$\_\_\_ on its branded pairs sold in that same region.”

## Four Other Suggestions of an Administrative Nature

1. **Use the Class Presentation PowerPoint slides** that we have created to describe The Business Strategy Game to your class and explain some of the mechanics. To access the slides, click on the Class Presentation link in the Instructor Support box on the left side of the Instructor Center screen.
2. **Require class members to take Quiz 1 and Quiz 2;** set the deadline for completing Quiz 1 to correspond with the deadline for the first practice decision and the deadline for completing Quiz 2 to match the deadline for the Year 13 or Year 14 decision round.
3. **Require company managers to do peer evaluations of their co-managers, as well as an evaluation of their own performance.** Class members can see the content of the 12-question peer evaluation form by clicking on the Peer Evaluations link in their “Corporate Lobby” but they are not given access to completing the form until the availability date/time that you set in your decision schedule. **To counteract the tendency of less motivated and less industrious co-managers to contribute little and “ride the coattails” of more industrious co-managers, it is wise to emphasize to the class early on that the results of the peer evaluations will be taken seriously** and that failure to be a contributing team member will negatively impact their grade. While there’s a strong propensity for teams to strike a deal whereby everyone gives their peers a good evaluation, it is often the case that team members will be sufficiently disenchanted with a non-contributor’s performance that they will give that person a weak evaluation—low peer evaluation scores are thus a fairly reliable sign of a problem!
4. **Be wary of counting each class member’s simulation grade less than 15-20% of their overall course grade.** Having the simulation exercise (and especially the overall company performance score) count only a small percentage greatly weakens the effort students put into running their company and thus causes many of the potential learning benefits to go unrealized.