

# Entrepreneurial Benefits Through Business Simulation

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## Introduction

- Through the Capstone course (BUS J401) students learn the significance and challenges of running their own business using the Business Strategy Game (BSG) on an international scale.
- Students must develop distribution, marketing, sales, and manufacturing plans in response to competing businesses within the market (other businesses are run by fellow classmates)
- BSG is an online exercise where Students manage athletic footwear companies and compete against other companies within their classes
- BSG's marketplace is worldwide production and sales activities can be pursued in 4 regional markets: North America, Europe-Africa, Asia-Pacific, and Latin America
- Each region has 3 segments: Internet, Wholesale, and Private-label
- Entrepreneurship poses immense challenges to an aspiring business manager in a capitalistic and competitive market

## Taking Risks

- Managing risks is a key part of the Business Strategy Game and your own personal business.
- Through the course of study, we found it beneficial to segment your business against competition early in operation as opposed to middle or in the late term.
- Segmentation makes marketing more successful and builds a brand image that can boost sales with less advertising efforts
- Allocating funds towards internet and wholesale marketing is vital to increase revenue and as a result, profit. **(See Figure 1B)**
- While loans can be helpful, taking out too many can be detrimental to your company credit rating which will raise interest rates on borrowed money, increasing the difficulty of repayment and risk of default.

## Figure 1B

<i>In Millions</i>	Y15	Y16	Y17	Y18	Y19	Y20
Internet	\$205,776	\$241,591	\$181,917	\$142,656	\$181,202	\$159,349
Wholesale	\$503,256	\$504,617	\$376,975	\$336,369	\$295,658	\$308,608
Private Label	\$58,695	\$32,670	N/A	N/A	N/A	N/A
Total	\$767,727	\$778,878	\$558,892	\$479,025	\$476,860	\$467,957

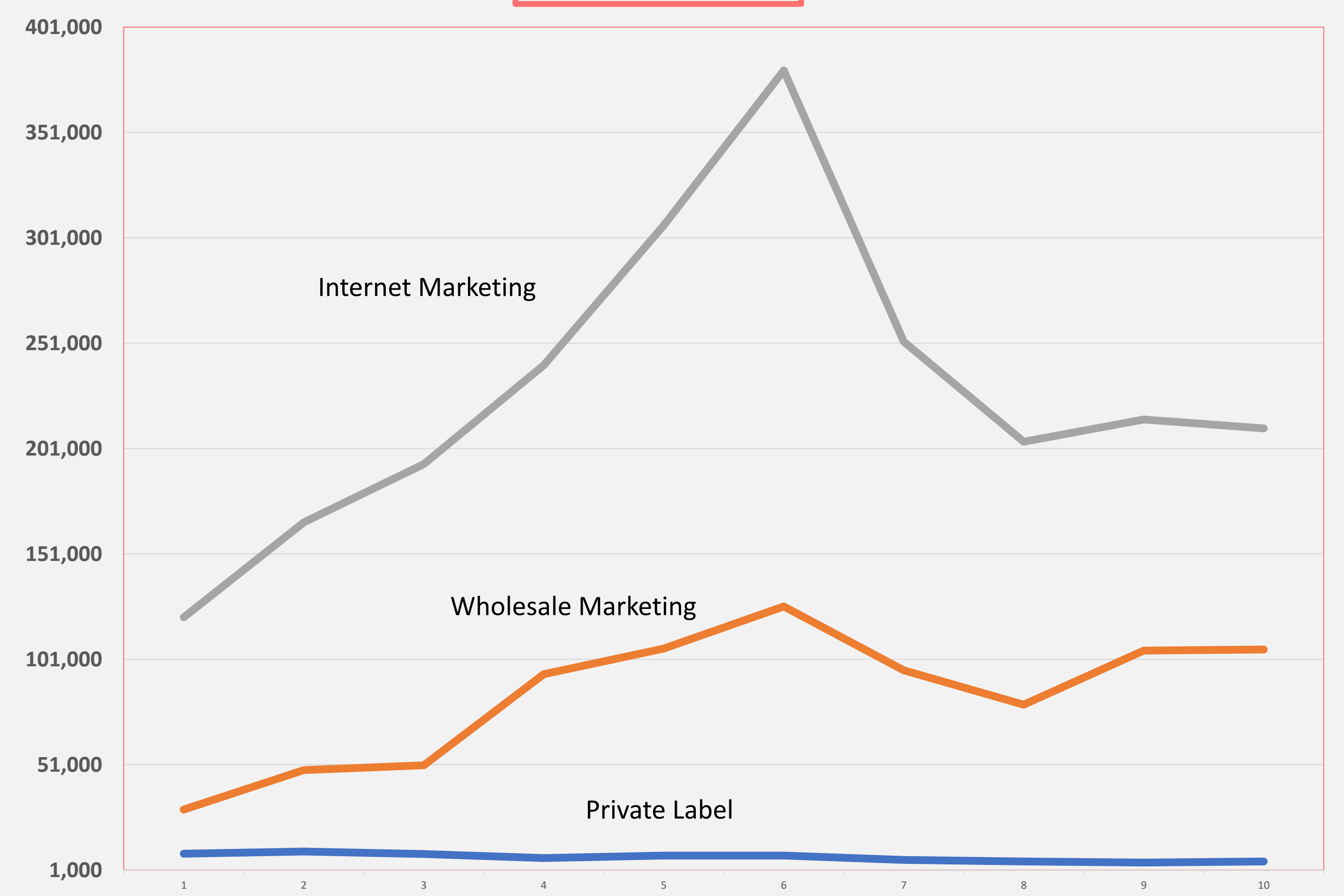
## Methodology

- The Business Strategy Game gives a myriad of insights into a variety of business metrics and realities of operations
- The BSG simulates real depreciation of equipment over 10 years, predictions of decisions made in the marketplace, global taxes affecting the import and export of goods, and even participating in corporate social responsibility.
- Internet Marketing is the focus of most advertiser's funds today, but the BSG also provides the opportunity to market to wholesale and private label retailers; showing the immense effect that both can have on your business. **(See Figure 1A)** The graphical analysis will focus on the relation between marketing expenditures and the resulting revenue.
- The BSG is played against other management teams each competing for the same consumers in shoe manufacturing giving a realistic experience of small and large businesses competing in the same marketplace. The results will vary depending on the type and size of your business as well as those of your competition.

## Conclusion

- The Business Strategy Game (BSG) simulates a real business and all the decisions that are needed to run the business.
- This allows the user to garner experience in operating a business without the risk involved with real income.
- Users get a hands-on experience and develop critical thinking skills such as: procedures, decision-making and effective communication and teamwork.
- Users can experiment with different business models of how they might run their real business in the future to assess opportunities and risks.
- The BSG provides statistical breakdowns of a variety of categories from useful metrics down to labor and overtime cost to help leaders manage their business properly.
- Business process modeling software, like BSG, are helping future managers and executives learn how to ensure that business processes are consistent and enable business execution toward achieving the overall strategy and goals of the organization
- Entrepreneurs will gain valuable business data and tactics through the use of simulations like Business Strategy Game all the while learning how to compete against rivals in their local marketplace by adjusting pricing, advertisements, Cost of Good Sold, and any other factor.

## Figure 1A



## Reference

*The Business Strategy Game - competing in a global marketplace.* The Business Strategy Game - Competing in a Global Marketplace. (n.d.). Retrieved December 16, 2022, from <https://www.bsg-online.com/>