

Running a Simulated Business In a Competitive Market

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Introduction

- Throughout the duration of J401, we as students aimed to increase our professional understanding of running our own business through a simulated Business Strategy Game (BSG).
- An executive team consists of 3 individuals who are selected to their respective role within the company through a team vote. The 3 positions are CEO, CFO, and CMO. The CEO (Chief Executive Officer) is the head of the company and takes the lead on all major decisions that impact the longevity of the company. The CFO (Chief Financial Officer) is focused primarily on the numbers of the business – market share, stock price, EPS, and sales. They are responsible for discovering ways to increase these numbers without forfeiting the moral compass of the company. The CMO (Chief Marketing Officer) main priority is the brand of the company and ensuring the company is providing new and unique ways to attract their target market.
- The team develops a sound business strategy to market its brand of footwear to worldwide markets and individuals buying online. The business strategy that a team develops will have to account for numerous different factors of a business, including sales, marketing, distribution, manufacturing, and more
- BSG is split up into 4 worldwide markets, all who have an Internet, Private, and Wholesale Segmen giving teams 12 different markets to compete in. One of the main factors for success within the game is to be the leader in the market share for any or all these markets.
- This simulated online experience allows the class was able to expand our knowledge and develop a deeper understanding of the ins and outs of running a business.
- Throughout this project, our mission is to strengthen ourselves as business professionals to gain the knowledge and experience necessary to contribute to the careers we choose.

Methodology

- All companies begin the simulation with an equivalent amount of volume, market share, revenue, profits, costs, product quality performance, brand recognition, etc. As the game begins, it is up to the executive team to make decisions that will impact their companies scores. The priorities of the executive team, whether it be for a sound image rating or high market share, will push forward the trajectory of the company.
- The simulation runs 10 weeks with each week representing 1 year within the game. Over the 10 years, the game simulates real life impacts that an executive team within a competitive market must account for. These impacts include how the company is viewed by the public, adjusting to competitors tapping into your target market, product operations, worker compensation and training, bids to sign celebrities., and more.
- Each decision entry changes on-screen calcuations that instantly show the projected effects that change will have on sales, revenue, earnings per share, stock price, unit costs, and other operating outcomes. These continuous decisions help simulate a real time business for the executive team where they consistently must adjust to remain relative in the simulated shoe market.

Strategic Planning

- The simulated business practice begins with two practice years. These practice years is simply a chance for the executive team to develop a sound strategy for their business, they don't affect the companies score once the real game begins.
- Strategic planning is a key factor in running a successful business, both in BSG and real life.
- Throughout our experience, we found that it is highly beneficial for a company to prioritize their target market before trying to attack the rest of the market. That will lead to a situation where the business is spread too thin to survive. We learned how to adapt to a situation like this and found success through retaining focus on the target market we were trying to reach.

Conclusion

- The Business Strategy Game simulates real life business. Throughout the duration of this course, our executive team developed a deeper understanding for all the decisions that are needed to run a successful business.
- BSG users experience an accurate portrayal of the level of critical thinking that is required with running a business. Each decision made in the game has several impacts that have potential to take your company to new heights.
- BSG prepares all its users for their future professional pursuits. The game is a real life demonstration of how to run a company and push it towards success. BSG prepared us to be consistent, precise, and thoughtful in a professional manner.

Earnings Per Share

Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20
\$2.73	\$2.58	\$-0.65	\$2.59	\$3.17	\$1.10	\$0.70	\$-1.90	\$1.53	\$1.69

Return On Equity

Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20
23.1%	17.9%	-4.3%	16%	16.7%	5.2%	3.2%	-8.9%	7.2%	7.8%

Stock Price

Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20
\$19.63	\$22.18	\$9.29	\$17.80	\$23.91	\$9.71	\$5.63	\$4.96	\$8.24	\$8.59