SECTION 2

Using a Strategy Simulation in Your Course

What's Involved, the Compelling Benefits, and How to Proceed

Since 2005, impressive numbers of strategy instructors at business schools worldwide have transitioned from a purely text-cases course structure to what we contend is a more robust and energizing text-cases-simulation course structure. Incorporating a competition-based strategy simulation has the strong appeal of providing class members with *an immediate and engaging **hands-on** opportunity to apply the concepts and analytical tools covered in the chapters and personally assume responsibility for crafting and executing a strategy for a virtual company they have been assigned to manage*.

Two of the world's most widely-used and pedagogically effective online strategy simulations, *The Business Strategy Game* and *GLO-BUS*, are optional companions for this text.

- *The Business Strategy Game* is the world's most popular strategy simulation, having been used by over 3,600 different instructors for courses involving close to 1 million students at 1,315+ university campuses in 76 countries. A freshly-updated and much-enhanced version of *The Business Strategy Game* was introduced in August 2018. In 2020, this latest version of BSG was used by some 48,000 students in courses on 500+ campuses.
- *GLO-BUS*, a somewhat simpler strategy simulation first introduced in 2004 and freshly revamped in 2017 has been used by close to 2,000 different instructors for courses involving about 375,000 students at 800+ university campuses in 52 countries. In 2020, this latest version of *GLO-BUS* was used by over 31,000 students in courses on 350+ campuses.

Arthur A. Thompson, a senior author of this text and the lead co-author of both *The Business Strategy Game* and *GLO-BUS*, designed both simulations to provide instructors with an appealing and proven means of:

- Getting class members personally engaged in thinking strategically and applying the chapter content.
- Giving students valuable practice in synthesizing a variety of functional and operating decisions into an overall strategy and competitive approach that produces good financial and strategic results.

The remainder of this section provides you with information about the two strategy simulations and offers suggestions for successfully using either *BSG* or *GLO-BUS* in your course. Here is a quick reference guide to the contents of this section:

HOW THE STRATEGY SIMULATIONS WORK

In both *The Business Strategy Game (BSG) and GLO-BUS*, 1 to 5 class members are assigned to run a company that competes head-to-head against companies run by other class members.

- In *BSG*, team members run athletic footwear companies that produce and market both branded and private-label footwear in a global market arena with four distinct geographic regions—Europe-Africa, North America, Asia-Pacific, and Latin America.
- In *GLO-BUS*, team members operate companies that design, assemble, and market professional quality action-capture video cameras and unmanned camera-equipped copter drones in a global market arena that also consists of four distinct geographic regions—Europe-Africa, North America, Asia-Pacific, and Latin America.

In both simulations, each management team is called upon to craft a strategy for their company and make decisions relating to production capacity, plant operations, workforce compensation, pricing and marketing, social responsibility/citizenship, and finance.

Company co-managers are held accountable for their decision-making. A balanced scorecard approach is used to evaluate each company's performance on the basis of earnings per share, return on equity investment, stock price, credit rating, and image rating. Rankings of company performance, along with a wealth of industry and company statistics, are available to company co-managers after each decision round to use in making strategy adjustments and entering decisions for the next competitive round. You can be certain that the market environment, strategic issues, and operating challenges that company co-managers must contend with in running their simulation company are very tightly linked to the concepts, analytical tools, and strategy options they encounter in the text chapters for the 23rd edition.

We suggest that you schedule 1 or 2 practice rounds and anywhere from 6 to 10 regular (scored) decision rounds (6 to 10 rounds are better than 3–5 rounds because requiring class members to run their companies for a greater number of decision rounds prompt them to consider the longer-term impact of their decisions and strategies rather than to focus on short-term decision-making and immediate outcomes/financial results. Each decision round represents a year of company operations and will entail roughly two hours of time for company co-managers to complete. ***Decision rounds can be scheduled weekly, bi-weekly, or at whatever intervals instructors wish.*** Sample schedules for courses of varying length and numbers of class meetings are provided.

When the instructor-specified deadline for a decision round arrives, the simulation server automatically accesses the saved decision entries of each company, determines the competitiveness and buyer appeal of each company's product offering relative to the offerings of rival companies, and then allocates sales and market shares, geographic region by geographic region. The unit sales volumes awarded to each company *are totally governed by:*

- How a company's prices compare against the prices of rival brands.
- How its product quality compares against the quality of rival brands.
- How its product line breadth and selection compare.

- How its advertising effort compares ***to rivals' advertising, and so on for a total of 11 competitive factors that determine a company's unit sales and market shares in each of the four geographic regions***.

The competitiveness and overall buyer appeal of each company's product offering *in comparison to the product offerings of rival companies* is all-decisive—this algorithmic feature is what make *BSG* and *GLO-BUS* "competition-based" strategy simulations. Once each company's sales and market shares are awarded based on the competitiveness and buyer appeal of its overall product offering vis-à-vis the offerings of rival companies, the various company and industry reports detailing the outcomes of the decision round are then generated. Company co-managers and course instructors can access the results of the decision round 15–20 minutes after the decision deadline.

Rest assured that both simulations were meticulously designed to be instructor-friendly. You'll be pleasantly surprised—and we think quite pleased—at how little time it takes to gear up for and to administer an automated online simulation like *The Business Strategy Game* or *GLO-BUS*.

> **Special Note**: ***Both simulations work especially well for online classes or in distance-learning situations where students are not on-campus***. This is because ***team members running the same company who are logged-in simultaneously on different computers at different locations can easily have an online meeting by using two tremendously valuable built-in capabilities:***
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> 1. ***They can click a button to work collaboratively in viewing reports and making decision entries.*** When in "Collaboration Mode," each team member sees the same screen at the same time as all other team members who are logged-in and have joined Collaboration Mode. If one team member chooses to view a particular decision screen, that same screen appears on the monitors for all team members engaged in collaboration. Each team member controls their own color-coded mouse pointer (with their first-name appearing in a color-coded box linked to their mouse pointer) and can make a decision entry or move the mouse to point to particular on-screen items.
>
> 2. ***They can click a second button to talk to one another (using the built-in real time VOIP audio chat feature).*** Chat capability among team members working in Collaboration Mode enables team members to debate and discuss the merits of alternative decision entries and strategies. In effect, they can have an online meeting to conveniently and effectively collaborate in running their simulation company (as opposed to meeting face-to-face and gathering around a single computer).
>
>   ***Moreover, instructors have capability to use their own computers to join any company's online meeting.*** They can not only talk online to the managers of a company but also utilize the Collaboration feature that enables all attendees to view the same screen. When in Collaboration Mode instructors have their own red-colored mouse pointer linked to a red box labeled Instructor. This instructor-friendly feature curtails having to schedule meetings with team members in your office should something arise that requires your participation.
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>   ***Even if you are teaching an in-person class rather than an online course, you will find that a big majority of class members will opt to take advantage of the built-in collaboration and voice chat features because the members of many company***

teams will like the convenience of having an online meeting to prepare their decision entries as opposed to having face-to-face meetings and gathering around a single computer either in the computer lab or at some other location of their choosing.

A BIRDS-EYE VIEW OF *THE BUSINESS STRATEGY GAME*

The Business Strategy Game (*BSG*) is modeled to mirror the global athletic footwear industry (where the longtime industry leaders are Nike and Adidas-Reebok). Athletic footwear makes an excellent setting for a simulation because it is a product that students are intimately familiar with and the workings of the industry can easily be grasped by students—conditions which greatly enhance the effectiveness of a simulation from a teaching/learning perspective. The global athletic footwear industry is particularly suitable for a strategy simulation because the product is used worldwide, there's competition among companies from several continents, production is concentrated in low-cost locations, and the real-world marketplace is populated with companies employing a variety of competitive approaches and business strategies.

Using a strategy simulation with a global industry setting is especially desirable because globalization of the marketplace is an ever-widening reality and global strategy issues are a standard part of the strategic management course. Plus, of course, *accreditation standards for business school programs routinely require that the core curriculum include international business topics and the managerial challenges of operating in a globally competitive marketplace.*

Company Operations

Companies begin the simulation producing branded and private-label footwear in two production facilities, one in North America and one in Asia. Both facilities can be operated at overtime to boost annual capacity by 20%. Management has the option to establish production facilities in Latin America and Europe-Africa as the simulation proceeds. At management's direction, a company's design staff can come up with more footwear models, new features, and stylish new designs to keep the company's branded product line fresh and in keeping with the latest fashion. Private-label footwear must be produced to the specifications of chain footwear retailers with private label brands.

Each company markets its brand of athletic footwear to footwear retailers worldwide and to individuals buying online at the company's web site. If a company has more production capacity than is needed to meet the demand for its branded footwear, it can enter into competitive bidding for contracts to produce footwear sold under the private-label brands of large chain retailers. Company co-managers exercise control over production costs based on the styling and quality they opt to manufacture, plant location (wages, incentive compensation, and import tariffs vary from region to region), the use of best practices and six sigma programs to reduce the production of defective footwear and to boost worker productivity, and compensation practices.

All newly-produced footwear is shipped in bulk containers to one of four regional distribution centers (North America, Latin America, Asia-Pacific, and Europe-Africa). All incoming orders from internet customers and retailers in a geographic region are filled from footwear inventories in that same regional distribution center. Since internet and retailer orders cannot be filled from inventories in a distribution center in another region (because of prohibitively high shipping and distribution costs), company co-managers have to be careful to match shipments from production facilities to the expected internet and retailer demand in each geographic region. Costs at the four regional distribution centers are a function of inventory storage costs, packing and shipping fees, import tariffs paid on incoming pairs shipped from foreign plants, and exchange rate impacts.

Many countries have import tariffs on footwear produced at plants outside their geographic region; at the start of the simulation, import tariffs average $4 per pair in North America, $6 in Europe-Africa, $10 per pair in Latin America, and $8 in the Asia-Pacific region. Instructors have the option to alter tariffs as the game progresses.

In running their footwear companies, the challenge for each management team is to craft and execute a competitive strategy that results in a respected brand image, keeps their company in contention for global market leadership, and produces good financial performance as measured by earnings per share, return on equity investment, stock price appreciation, and credit rating.

All companies begin the exercise with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. Global demand for athletic footwear grows at the rate of 7–9% annually for the first five years and 5–7% annually for the second five years. However, market growth rates vary by geographic region, and growth rates are also affected by the aggressiveness with which companies go after additional sales by making their product offerings more appealing.

The Decisions That Company Managers Have to Make

In *BSG*, company co-managers make up to 57 types of decisions each period, spread across the functional spectrum as follows:

- Production operations (up to 11 decisions for each plant, with a maximum of 4 plants)
- The addition of facility space, equipment, and production improvement options (up to 6 decisions per plant)
- Worker compensation, supervision, and training (up to 6 decisions per plant)
- Shipping and distribution center operations (5 decisions per geographic region)
- Pricing and marketing (up to 9 decisions in each of 4 geographic regions)
- Bids to sign celebrities (2 decision entries per bid)
- Corporate social responsibility and citizenship (up to 8 decision entries)
- Financing of company operations (up to 8 decision entries)

Plus, there are 10 entries for each region pertaining to assumptions about the upcoming-year actions and competitive efforts of rival companies that factor directly into the forecasts of a company's unit sales, revenues, and market share in each of the four geographic regions. ***Experience***

confirms that having such a "large" number of decisions is right on the money—enough to keep company co-managers engaged and challenged but not too many to confuse and overwhelm.

On-Screen Support Calculations

Each time co-managers make a decision entry, an assortment of on-screen calculations instantly shows the projected effects on unit sales, revenues, market shares, total profit, earnings per share, ROE, unit costs, and other operating outcomes. All of these on-screen calculations help co-managers evaluate the relative merits of one decision entry versus another. Company managers can try out as many different decision combinations as they wish in stitching the separate decisions into a cohesive whole that is projected to produce good company performance.

If company co-managers want additional help/assistance in making decision entries, they can watch the ***2–4 minute video tutorials for each decision screen*** and/or consult the ***comprehensive Help sections*** that explain cause-effect relationships, provide tips and suggestions, explain how the numbers in the company and industry reports are calculated, and otherwise inform company co-managers how things work.

The Quest for a Winning Strategy

All companies begin the exercise with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. Global demand for athletic footwear grows at the rate of 7–9% annually for the first five years and 5–7% annually for the second five years. However, market growth rates vary by geographic region, and growth rates are also affected by the aggressiveness with which companies go after additional sales by making their product offerings more appealing.

Each company typically seeks to enhance its performance and build competitive advantage based on some combination of selling its footwear at more attractive prices, offering a bigger selection of footwear styles and models, having more appealing footwear styling and quality, outspending rivals on advertising, offering bigger mail-in rebates, outbidding rivals in signing celebrities to endorse its brand, and so on for each of the various determinants of competitiveness. providing more merchandising and promotional support to retailers, shorter shipping and delivery times, and more aggressive promotion of online purchases at its website.

Competition among rival athletic footwear manufacturers centers around 13 factors that affect each company's branded footwear sales volumes and market shares in each of the four geographic market regions. Five of the 13 factors affect both wholesale sales to footwear retailers and online sales at company websites, five of the factors affect only wholesale sales, and three of the factors affect only internet (or online) sales:

- The five competition-related factors that affect both branded wholesale sales to footwear retailers and branded online sales at company websites pertain to footwear styling and quality, number of models/styles offered, expenditures for brand advertising, appeal of celebrity endorsers, and brand image/reputation.

- The five competition related factors that pertain exclusively to wholesale sales of branded footwear to footwear retailers in each region are the average wholesale prices at which companies sell their branded footwear to retailers in each region, the size of the mail-in rebates companies offer to buyers of their branded footwear in each region, the number of retailers in each region carrying each company's brand of footwear, the number of weeks each company chooses to take to deliver orders for branded footwear to footwear retailers in each region, and the comparative amounts of merchandising and promotional support that companies provide to the retailers stocking their brand in each region.

- The three competition-related factors that govern each company's website sales to online shoppers in each region are the average online price per model offered, comparative expenditures for search engine advertising, and whether a company's offers free shipping or requires customer-paid shipping.

Any and all competitive strategy options—low-cost leadership, differentiation, best-cost provider, focused low-cost, and focused differentiation—***are viable choices for pursuing better company performance and competitive advantage in the branded footwear segment. There's no built-in bias favoring any one strategy and no "secret set of strategic moves or decision combinations" that are sure to result in a company becoming the industry leader.*** A company can try to gain an edge over rivals in the branded footwear segment with a lower average wholesale price\, or bigger expenditures on brand advertising or a wider selection of models or more appealing styling/quality or bigger mail-in rebates or securing more appealing celebrity endorsements, and so on. It can focus sales efforts on one or two geographic regions or strive to build strong market positions in all four geographic regions. It can pursue essentially the same branded strategy worldwide or craft slightly or very different strategies for each of the four geographic regions. It can put more or less emphasis on selling branded shoes to footwear retailers as opposed to selling to individual consumers at the company's website. ***Most any well-conceived, well-executed competitive approach in branded footwear is capable of succeeding, <u>provided it is not overpowered by the opposing strategies of competitors or defeated by the presence of too many copycat strategies that dilute its effectiveness.</u>***

However, vigorous price competition prevails in the private-label segment. For obvious reasons, chain retailers prefer to source their requirements for private-label footwear from companies offering the best (lowest) prices. Companies desirous of winning a contract to supply private-label footwear to chain retailers across the world must first agree to produce shoes that meet globally-set buyer specifications for quality and variety of models/styles. Then they must be successful in bidding against rival companies for contracts. Companies offering to supply specified quantities of private-label footwear with lower price bids are awarded contracts over companies that bid higher prices. A low-cost, low-price strategy is thus mandatory in the private-label segment if a company expects to be profitable (but this does not require pursuing this same strategy/competitive approach in the branded athletic footwear segment).

How the Outcomes Are Determined

Instructors specify a deadline (date and time) for company co-managers to complete for each decision round and other related assignments. Instructors have the flexibility to change the deadlines at any time for any reason. Decision rounds can be scheduled once per week, twice per week, daily, or even twice daily, depending on how you want to conduct the exercise. You will be able to peruse sample decision schedules when you are settling on the times and dates for the deadlines.

When the instructor-specified deadline for a decision round arrives, the *BSG* algorithms allocate sales and market shares to the competing companies, region by region. How many branded pairs a company sells in each geographic region is governed by:

- how its branded footwear price compares against the prices of rival brands,
- how its branded footwear styling and quality compares against the styling/quality of rival brands,
- how its expenditures for brand advertising match up against the brand advertising expenditures of its rivals, and so on for each of the other competitively relevant factors listed above.

For instance, a company's branded footwear price in a region is determined to be more competitive the further it is below the average price in that region charged by all companies and less competitive the further it is above the regional average. A company's styling/quality is determined to be more competitive the further its styling/quality rating is above the average styling/quality rating of all companies competing in the region and less competitive the further its rating is below the industry average in the region. ***The overall competitiveness of a company's product offering in a region is a function of the combined strength of its competitive efforts on all 13 competitive factors affecting sales of branded footwear versus the strength of the competitive efforts exerted by rival companies in that region.*** For example, a company can offset the adverse impact of an above average price with above-average styling/quality, and/or above-average brand advertising expenditures. The greater the differences in the overall competitiveness of the branded product offerings of rival companies, the bigger the differences in their resulting sales volumes and market shares. Conversely, the smaller the overall competitive differences in the offerings of rival companies, the smaller the differences in sales volumes and market shares. This algorithmic approach is what makes *BSG* a "competition-based" strategy simulation and why ***the sales and market share outcomes for each decision round are always unique to the particular strategies and decision combinations employed by the competing companies***.

Once branded sales volumes and market shares are awarded based on the strength or weakness of each company's overall competitive effort and the outcomes of the bidding to supply private-label footwear are determined, then each company's performance is calculated and all the various company and industry reports are generated.

The scoring of each company's performance is based on a balanced scorecard that includes brand image, earnings per share (EPS), return on equity investment (ROE), stock price appreciation, and credit rating.

The results of the decision round are available to class members and the instructor about 15-20 minutes after the deadline passes.

Special Note: The cause-effect relationships and underlying algorithms in *The Business Strategy Game* are based on sound business and economic principles and are closely matched to the real-world athletic footwear market. The "real-world" character of the competitive environment and company operations that have been designed into *The Business Strategy Game* allows company co-managers to think rationally and logically as they go about the tasks of diagnosing and responding to the competitive moves of rival companies, making strategy choices and adjustments, and deciding how to manage their athletic footwear company. *The Business Strategy Game* is predicated on the principle that the more *BSG* mirrors real-world market conditions and real-world managerial decision-making, the more pedagogical value it has. Why? Because tight linkages between the functioning of *BSG* and "the real world" provide class members with an ***authentic*** learning experience, a ***bona fide*** means of building their skills in analyzing markets and the actions of competitors, and a ***true-to-life*** way to practice making business-like decisions and applying the knowledge they have gained in business school.

Time Requirements for Company Co-Managers

Data from our servers indicates that ***each company team spends an average of about 2.5 hours working on each decision round***. The first couple of decision rounds take longer not only because co-managers have to explore the menus, familiarize themselves with the information on the screens, and absorb the relevance of the calculations shown whenever new decisions are entered but also because it takes time for them to establish a working relationship with one another and debate what sort of long-term direction and strategy to pursue.

The total workload for each team of students/participants ends up between 20 and 30 hours, given an average of 2.5 hours per decision round, 9 to 12 decision rounds (including practice rounds), and the time needed to complete optional assignments (quizzes, strategic plans, company presentation, and peer evaluations). As discussed earlier, you can offset the hours students spend on the simulation by trimming the number of case assignments, eliminating a written case assignment (which can take students 10–15 hours to prepare), and perhaps allocating one or more regularly-scheduled class periods to having class members meet in teams (in or outside of the classroom) to work on their decisions or a 3-Year Strategic Plan assignment.

It will consume part of a class period to introduce class members to the simulation and get things under way. Thereafter, the simulation becomes an ***out-of-class group exercise*** where co-managers spend most of their time working as a team on a PC (in a computer lab or at a co-manager's place of residence or other location of their choosing) or in collaboration mode on their own individual PCs.

All activity for *The Business Strategy Game* takes place at **www.bsg-online.com**.

A BIRDS-EYE VIEW OF *GLO-BUS*

In *GLO-BUS*, class members run companies that are in a neck-and-neck race for global market leadership in two product categories: (1) wearable video cameras smaller than a teacup that deliver stunning video quality and have powerful photo capture capabilities (comparable to those designed and marketed by global industry leader GoPro) and (2) sophisticated camera-equipped copter drones that incorporate a company designed and assembled action-capture camera and that are sold to commercial enterprises for prices in the $850 to $2,000+ range. Global market demand for action cameras grows at the rate of 6–8% annually for the first five years and 4–6% annually for the second five years. Global market demand for commercial drones grows briskly at rates averaging 18% for the first two years, then gradually slowing down over the next 8 years to a rate close to 5%.

Company Operations

Companies assemble action cameras and drones of varying designs and performance capabilities at a Taiwan facility and ship finished goods directly to buyers in North America, Asia-Pacific, Europe-Africa, and Latin America. Both products are assembled usually within two weeks of being received and are then shipped to buyers no later than 2–3 days after assembly. Companies maintain no finished goods inventories and all parts and components are delivered by suppliers on a just-in-time basis (which eliminates the need to track inventories and simplifies the accounting for plant operations and costs).

Company co-managers determine the quality and performance features of the cameras and drones being assembled. They impact production costs by raising/lowering specifications for parts/components and expenditures for product R&D, adjusting work force compensation, spending more/less on worker training and productivity improvement, lengthening/shortening warranties offered (which affects warranty costs), and how cost-efficiently they manage assembly operations. They have options to manage/control selling and certain other costs as well.

To capitalize on ongoing technological advances and the pipeline of product enhancement capabilities flowing from the company's expenditures for new product R&D, the company typically introduces new and/or improved models each year, changes the specs for important components, adds/modifies performance features, upgrades the internal software, makes other design-related changes, and strives to price and market its brand of cameras and drones in ways that management believes will improve buyer appeal for its camera/drone models and enhance the company's ability to compete more effectively with the offerings of rival companies.

The Decisions That Company Managers Have to Make

Each decision round, company co-managers make some 50 types of decisions relating to the design and performance of the company's two products (21 decisions, 10 for cameras and 11 for drones), assembly operations and workforce compensation (up to 8 decision entries for each product), pricing and marketing (7 decisions for cameras and 5 for drones), corporate social responsibility and citizenship (up to 6 decisions), and the financing of company operations (up to 8 decisions). In addition, there are 10 entries for cameras and 7 entries for drones involving assumptions about the competitive actions of rivals; these entries help company co-managers to make more accurate forecasts of their company's unit sales (so they have a good idea of how many cameras and drones will need to be assembled each year to fill customer orders). Plus, company managers have accounting and cost data to examine, import duties and exchange rate fluctuations to consider, and shareholder expectations to satisfy.

On-Screen Support Calculations

Each time co-managers make a decision entry, an assortment of on-screen calculations instantly shows the projected effects on unit sales, revenues, market shares, total profit, earnings per share, ROE, costs, and other operating outcomes. All of these on-screen calculations help co-managers evaluate the relative merits of one decision entry versus another. Company managers can try out as many different decision combinations as they wish in stitching the separate decision entries into a cohesive whole that is projected to produce good company performance.

Just as with *The Business Strategy Game*, there are video tutorials and comprehensive Help sections.

The Quest for a Winning Strategy

All companies begin the *GLO-BUS* exercise on the same footing from a global perspective—with equal sales volume, global market share, revenues, profits, costs, product quality and performance, brand recognition, and so on. Competition in action cameras revolves around 11 factors that determine each company's unit sales/market share:

1. How each company's average wholesale price to retailers compares against the all-company average wholesale prices being charged in each geographic region.
2. How each company's camera performance and quality compares against industry-wide camera performance/quality.
3. How the number of week-long sales promotion campaigns a company has in each region compares against the regional average number of weekly promotions.
4. How the size of each company's discounts off the regular wholesale prices during sales promotion campaigns compares against the regional average promotional discount.
5. How each company's annual advertising expenditures compare against regional average advertising expenditures.
6. How the number of models in each company's camera line compares against the industry-wide average number of models.
7. The number of retailers stocking and merchandising a company's brand in each region.
8. Annual expenditures to support the merchandising efforts of retailers stocking a company's brand in each region.
9. The amount by which a company's expenditures for ongoing improvement and updating of its company's website in a region is above/below the all-company regional average expenditure.

10. How the length of each company's camera warranties compare against the warranty periods of rival companies.
11. How well a company's brand image/reputation compares against the brand images/reputations of rival companies.

Competition among rival makers of commercial copter drones is more narrowly focused on just 9 sales-determining factors:

1. How a company's average retail price for drones at the company's website in each region compares against the all-company regional average website price.
2. How each company's drone performance and quality compares against the all-company average drone performance/quality.
3. How the number of models in each company's drone line compares against the industry-wide average number of models.
4. How each company's annual expenditures to recruit/support 3rd-party online electronics retailers in merchandising its brand of drones in each region compares against the regional average.
5. The amount by which a company's price discount to third-party online retailers is above/below the regional average discounted price.
6. How well a company's expenditures for search engine advertising in a region compares against the regional average.
7. How well a company's expenditures for ongoing improvement and updating of its website in a region compares against the regional average.
8. How the length of each company's drone warranties in a region compares against the regional average warranty period.
9. How well a company's brand image/reputation compares against the brand images/reputations of rival companies.

Each company typically seeks to enhance its performance and build competitive advantage via its own custom-tailored competitive strategy based on more attractive pricing, greater advertising, a wider selection of models, more appealing performance/quality, longer warranties, a better image/reputation, and so on. As with BSG, ***all the various generic competitive strategy options***—low-cost leadership, differentiation, best-cost provider, focused low-cost, and focused differentiation—***are viable choices for pursuing competitive advantage and good company performance***. A company can have a strategy aimed at being the clear market leader in either action cameras or UAV drones or both. It can focus on one or two geographic regions or strive to build strong market positions in all four geographic regions. It can pursue essentially the same strategy worldwide or craft customized strategies for the Europe-Africa, Asia-Pacific, Latin America, and North America markets. Just as with *The Business Strategy Game*, ***most any well-conceived, well-executed competitive approach is capable of succeeding, provided it is not overpowered by the strategies of competitors or defeated by the presence of too many copycat strategies that dilute its effectiveness.***

How the Outcomes Are Determined

When the instructor-specified deadline for a decision round arrives, the *GLO-BUS* algorithms allocate sales and market shares in the action-camera and UAV drone segments to the competing companies, region by region. The factors governing how many units a company sells in each geographic region are based on the competitiveness and overall buyer appeal of its product offering vis-à-vis the product offerings of rivals for each of the 11 competitive factors for cameras and the 9 competitive factors for drones.

For instance, a company's price in a region is determined to be more competitive the further it is *below* the average price in that region charged by all companies and less competitive the further it is *above* the regional average. A company's product performance and quality is determined to be more competitive the further its performance/quality rating is above the average performance/quality rating of all companies competing in the region and less competitive the further its rating is below the regional average. ***The overall competitiveness of a company's product offering in a region is a function of its combined competitive standing across all competitive factors for that product.*** For example, a company can offset the adverse impact of an above average price with above-average performance and quality, more advertising, longer warranties, and so on.

The greater the differences in the overall competitiveness of the product offerings of rival companies, the bigger the differences in their resulting sales volumes and market shares. Conversely, the smaller the overall competitive differences in the product offerings of rival companies, the smaller the differences in sales volumes and market shares. This algorithmic approach is what makes *GLO-BUS* a "competition-based" strategy simulation and accounts for why ***the sales and market share outcomes for each decision round are always unique to the particular strategies and decision combinations employed by the competing companies***.

Once sales and market shares are awarded, the company and industry reports are then generated and all ***the results become available 15–20 minutes after the decision deadline passes.***

Company performance is judged on five criteria: earnings per share, return on equity investment (ROE), stock price, credit rating and brand image.

All activity for *GLO-BUS* occurs at **www.glo-bus.com.**

> **Special Note:** The time required of company co-managers to complete each decision round in *GLO-BUS* is typically about 15- to 30-minutes less than for *The Business Strategy Game* because
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> (a) there are only 8 market segments (versus 12 in *BSG*),
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> (b) co-managers have only one plant to operate (versus as many as 4 in *BSG*), and
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> (c) newly-assembled cameras and drones are shipped directly to buyers, eliminating the need to manage finished goods inventories and operate distribution centers.
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> Guidance about which simulation might be best for your course is provided later in this section.

SPECIAL *BSG/GLO-BUS* FEATURES AND NOTEWORTHY EXTRAS

The Internet delivery and user-friendly designs of both *BSG* and *GLO-BUS* make them incredibly easy to administer, even for first-time users. And ***the menus and controls for BSG and GLO-BUS are so similar that you can readily switch between the two simulations or use one in your undergraduate class and the other in an MBA class.*** If you have not yet used either of the two simulations (or any other strategy simulation), you may find the following of particular interest:

- ***Each simulation has a video tour that introduces students to the simulation, takes them through the website, and helps them to a successful start. For instructors, there are two video tours that introduce instructors to the each of the simulation websites—one of the student site and one of the instructor site; these will help you in previewing the what the simulation involves for students and the many features and options available to instructors in conducting the simulation and monitoring the results.***

- ***Instructors who are considering use of either simulation can attend any of the 30 or so author-conducted webinars/demos scheduled throughout each year—these run 60 to 75-minutes, allow ample time for Q&A, and provide essentially all of the "training" you need. Our Instructor Support team is always readily available to assist you throughout the term, should you have questions or need assistance of any kind.***

- ***In the course of running their company (making decision entries and viewing reports), class members have one-click access to <u>2–5 minute video tutorials</u> for <u>each</u> decision screen and <u>each</u> page of each report.*** In addition, they have one-click access to "Help" sections containing detailed explanations of (a) the information on each decision entry screen and all relevant cause-effect relationships, (b) the information on each page of the Industry Reports, and (c) the numbers presented in the Company Reports. The Help pages for each decision entry screen also contain tips and suggestions for making wise decision entries. The video tutorials and full-blown Help page discussions allow company co-managers to figure things out for themselves, thereby relieving instructors of having to answer questions about "how things work."

- ***It is quick and easy to set up either simulation for your course.*** Setting up the simulation for your course is done online and takes about 30-minutes the first time you do it and about 15–20 minutes thereafter. There is on-screen guidance for each of step of the straightforward/easy-to-understand Course Setup Procedure; should you encounter any issues or have questions, you can easily call Tech Support for hands-on assistance in completing the Course Setup procedure, getting answers to questions, or resolving any problems you are having.

- ***Sample course outlines for integrating BSG or GLO-BUS into your strategy course can be found in Section 4 of this Instructor's Manual and also online at the simulation Web sites.*** There are sample outlines for semester-long courses, 10-week or quarter-long courses, and 5-week courses; each course outline consists of suggested activities and assignments for each and every class meeting. These provide useful guidance on incorporating use of the simulation and preparing a syllabus in your course.

- ***There's also a 3-page, author-prepared document titled "Instructor Best Practices for Successfully Using the Simulation" written especially for first-time users.*** Plus there is a 37-page Instructor's Manual that provides comprehensive explanations and guidance, and the author team for the two simulation is always available via e-mail or telephone to provide whatever assistance you need.

- ***An online Instructor Center serves as your hub for conducting all administrative activities and monitoring the results of the company decisions.*** The Instructor Center is the screen you are sent to when you enter your user name and password to log-in. ***Every function and feature that you need for using the simulation in your course is on the Instructor Center page or accessible from it. Online grade books provide you with scores indicating each company's and each participant's performance on each phase of the simulation.*** Once you enter percentage weights to put on each performance measure, overall scores are automatically calculated (which you can scale or not as you see fit). No other administrative actions on your part are required beyond that of moving participants to a different team (should the need arise), keeping tabs on the outcomes of the decision rounds and how well the companies are doing (to whatever extent desired), and using the automatically calculated numerical averages in the online grade book to determine the overall grades to assign class members on the entire simulation exercise.

- Both participants and instructors conduct all activities online (at **www.bsg-online.com** for *The Business Strategy Game* and at **www.glo-bus.com** for *GLO-BUS*). ***All materials are delivered digitally to class members and instructors.***

    - Students gain full access to everything needed during the course of the simulation, including the Participant's Guide, immediately upon registering—students can read the Participant's Guide and other accompanying content on their monitors or make print outs, as they prefer.

    - ***Likewise, instructors gain full access to all menus and materials on the website immediately upon creating an Instructor Account at the website home-page.***

- ***Both simulations offer integrated text chat, audio chat, and collaboration features for team members (students) who are logged-on simultaneously to facilitate online team meeting and collaboration among company co-managers.***

    - Use of the built-in audio-chat capability requires that each team member work from a computer with a built-in microphone (if they want to be heard by the rest of the team) and speakers (so that they may hear their teammates) or else have a headset with a microphone. A headset is recommended for best results, but most laptops now are equipped with a built-in microphone and speakers that will support full use of the voice-chat capability.

    - When in "Collaboration Mode," each team member sees the same screen at the same time as all other team members who are logged-in and have joined Collaboration Mode. If one team member chooses to view a particular decision screen, that same screen appears on the monitors for all team members engaged in collaboration.

- Each team member controls a color-coded mouse pointer (with their first-name appearing in a color-coded box linked to their mouse pointer) and can make a decision entry or move the mouse to point to particular on-screen items.
- A decision entry change made by one team member is seen by all, in real time, and all team members can immediately view the on-screen calculations that result from the new decision entry.
- If one team member wishes to view a report page and clicks on the menu link to the desired report, that same report page will immediately appear for the other team members engaged in collaboration.

▪ ***Instructors have built-in capability to join the online meetings of any company directly from their own computers.*** Instructors who wish not only to talk but also enter Collaboration (highly recommended because all attendees are then viewing the same screen) have a red-colored mouse pointer linked to a red box labeled Instructor. The ability of instructors and company co-managers to have an online meeting at a mutually agreeable time is often more convenient than scheduling face-to-face meetings during an instructor's office hours.

▪ ***The audio and collaboration features make the simulations highly suitable for use in distance-learning or online courses*** (and are currently being used in many such courses).

▪ ***The deadlines for each decision round and other related assignments are set and totally controlled by the instructor (and can be changed at any time for any reason).*** Decision rounds can be scheduled once per week, twice per week, daily, or even twice daily, depending on how you want to conduct the exercise.

▪ ***The management teams for each company can range from 1 to 5 co-managers, and the number of companies competing head-to-head in a single market group or "industry" can range from 4 to 12.*** If you have a large class and need more than 12 companies, the Course Setup procedure makes it simple to create two or more industries for your class. In a small class, there can be no fewer than 4 company teams—two-person teams will work just fine. (For classes with fewer than 8 students, please call us at 205-722-9149 or e-mail techsupport@glo-bus.com to discuss how best to proceed.)

▪ ***The decision entries that co-managers make are saved directly to the simulation server when a student-user clicks the Save button.*** When a decision round deadline passes, the decision entries of all companies are then "processed" automatically. ***Complete results are available to company co-managers and the instructor 15–20 minutes after the decision deadline.***

  - ***Participants and instructors are immediately notified via e-mail as soon as the decision outcomes are ready.*** Company co-managers learn the details of "what happened" in a 7-page Industry Report, a Competitive Intelligence report for each geographic region, and a set of Company Reports (consisting of assorted sales, cost, and operating statistics and a set of financial statements—income statement, balance sheet, and cash flow statement).

- ***A "scoreboard of company performance" incorporates two performance measures***: (1) how well each company meets "investor expectations" on earnings per share, return on shareholders' equity (ROE), stock price appreciation, credit rating, and image rating and (2) how well each company stacks up against the "best-in-industry performer" on each of these same 5 measures.

- You have ***the option to assign two "open-book" multiple choice tests of 20 questions***. Quiz 1 covers the contents of the *Participant's Guide*. Quiz 2 measures understanding of key aspects of company operations and student command of ways to improve company performance. The self-scoring quizzes are taken online by each student individually, with scores reported instantaneously to participants and recorded in your online grade book. Requiring completion of both quizzes is very highly recommended.

- There is ***a built-in 3-year strategic plan feature*** that entails having each company's management team (1) articulate a strategic vision for their company (in a few sentences), (2) set performance targets for EPS, ROE, stock price appreciation, credit rating, and image rating for each of the next three years, (3) state the competitive strategy the company will pursue, (4) cite data showing that the chosen strategy either is currently on track or requires further managerial actions, and (5) develop a projected income statement for the each of the next three years based upon expected unit sales, revenues, costs, and profits. ***Each company's strategic plan is automatically graded on a scale of 1 to 100***, with points being earned for meeting or beating the performance targets that were established. The scores are recorded in your online grade book. ***Assigning completion of 3-year strategic plans is entirely optional—you can have company managers complete no plan, 1 plan, or 2 plans***.

- ***At the conclusion of the simulation, you can choose to have each company management team prepare a slide presentation reviewing their company's performance and strategy.*** A Company Presentation link in each co-manager's Corporate Lobby provides explicit slide-by slide suggestions of what to cover in the presentation. Company co-managers may easily download and insert any of the graphs/charts appearing in the reports.

- There is ***a comprehensive 12-question peer evaluation form*** that co-managers can complete midway through the exercise and/or at the end of the exercise to help you gauge the caliber of effort each co-manager has put into the exercise. ***Peer evaluations are automatically scored on a scale of 1 to 100***, and the scores are recorded in your online grade book.

- ***There is an Activity Log that provides an informative summary of each co-manager's use of various parts of the website***—the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed each decision round. The combined information from the peer evaluations and the Activity Log provide good evidence about whether a co-manager was a strong or weak contributor.

- ***An end-of-simulation Learning Assurance Report (LAR) provides you with solid empirical data concerning how well your students performed versus students playing the***

simulation at all schools/campuses worldwide over the past 12 months. The report measures 9 areas of student proficiency, business know-how, and decision-making skill, and provides potent benchmark evidence valid for gauging the extent to which your school's academic curriculum is delivering the desired degree of student learning as concerns accreditation standards. The LAR is useful in two very important respects.

- It provides you with a clear overview of how well your students rank relative to students at other schools worldwide who have gone through this same competition-based simulation exercise over the past 12 months.
- Because the report provides highly credible evidence regarding the caliber of business proficiency and decision-making prowess of your students, it can be used to help assess whether your school's academic curriculum in business is providing students with the desired degree of business understanding and decision-making acumen.

  Professors, department chairs, and deans at many business schools worldwide are engaged in developing ongoing evidence of whether their academic programs meet the Assurance of Learning Standards now being applied by the Association to Advance Collegiate Schools of Business (AACSB); a prime goal of this Learning Assurance Report is to contribute significantly to this effort.

- There is ***a weekly ranking of the best-performing companies <u>worldwide</u>*** posted on the homepage—all co-managers and instructors whose companies appear in the rankings are automatically notified by e-mail. You can browse through the latest rankings by clicking on the Global Top Performers icon on the left-center of the homepage.
- ***At the conclusion of the simulation, the co-managers of the overall best-performing company in your class are automatically e-mailed an "Industry Champion" certificate suitable for framing.*** This certificate serves to document an award or achievement that each co-manager of a champion company can put on their résumé.
- ***The co-managers of each industry-winning company playing the two simulations across the world are invited to participate in the "Best Strategy Invitational."*** The BSIs for GLO-BUS and The Business Strategy Game are held three times each year—in late April/early May, in August, and in late November/early December. Those teams that accept the invitation to participate are divided into industries of 11–12 companies and compete for a period of 10 decision rounds for "Global Industry Championships." All participants who complete the competition receive frame-able certificates and the industry winners get a "Grand Champion" certificate. Receipt of these certificates also merits a line on a student's résumé.

Comprehensive support, question-answering, and problem-solving is provided to all adopters of the two simulations by co-authors Greg Stappenbeck and Art Thompson— just use the tech support link in the Instructor Center to send an e-mail, call us at 205-722-9149, or send an e-mail to **athompso@cba.ua.edu** to learn more about either simulation. We will be glad to provide you with a personal tour of either or both of the websites (while you are on your PC) and walk you through the many features that are built into the simulations. If there are multiple instructors at your school who teach the course, we will be happy to set up a special webinar for you and your colleagues, give you a guided tour of the website, and answer whatever questions you may have.

Alternatively, you can go to **www.bsg-online.com** and/or **www.glo-bus.com**, register as an Instructor, and gain full access to the websites and all of the materials you will need to conduct the simulation. Once you register (there's no obligation), you'll be able to access the videos tours of the website, the *Instructor's Guide* and the *Participant's Guide* for the simulations, explore the Instructor Center menus on your own, and complete the Course Setup procedure (which is necessary in order to get everything ready for students to register, should you decide to use the simulation in an upcoming course).

We are more than happy to give personal assistance to new and ongoing users any time questions or problems arise.

For those who are worried about "bugs" or flaws, we are long past the stage where software "glitches" and system malfunctions are still being ironed out. There is a staff that monitors and maintains the functioning of the two websites 24/7/365—if a user can get connection to the Internet, then the chances of the system being "down" are virtually nil.

Adopters of the 23nd edition of Crafting and Executing Strategy who also want to incorporate use of one of the two simulation supplements can either have students register at the simulation website via a credit card or you can instruct your bookstores to order the "book-simulation package"—the publisher has a special ISBN number for new copies of the 23rd Edition that contain a special card shrink-wrapped with each copy; printed on the enclosed card is a pre-paid access code that student can use to register for either simulation and gain full access to the student portion of the website. Please consult with your McGraw-Hill sales representative for details about the bundled book-simulation package. However, be aware that ***bookstore markups on the book-simulation package often result in a $10–$15 higher student cost for the simulation than will registering via credit card at the website.***

THE COMPELLING BENEFITS OF INCORPORATING USE OF A STRATEGY SIMULATION IN YOUR COURSE

There are ***three exceptionally important teaching/learning benefits*** associated with using a competition-based simulation in strategy courses taken by seniors and MBA students:

1. ***A three-pronged text-case-simulation course model delivers significantly more teaching-learning power than the traditional text-case model.*** Using *both* cases and a strategy simulation to drill students in thinking strategically and applying what they read in the text chapters is a stronger, more effective means of helping them connect theory with practice and develop better business judgment. What cases do that a simulation cannot is give class members broad exposure to a variety of companies and industry situations and insight into the kinds of strategy-related problems managers face. But what a competition-based strategy simulation does far better than case analysis is thrust class members squarely into *an active, hands-on managerial role* where they are totally responsible for assessing market conditions, determining how to respond to the actions of competitors,

forging a long-term direction and strategy for their company, and making all kinds of operating decisions. Because they are held fully accountable for their decisions and their company's performance, *co-managers are strongly motivated* to dig deeply into company operations, probe for ways to be more cost-efficient and competitive, and ferret out strategic moves and decisions calculated to boost company performance. *Consequently, incorporating both case assignments and a strategy simulation to develop the skills of class members in thinking strategically and applying the concepts and tools of strategic analysis turns out to be more pedagogically powerful than relying solely on case assignments—there's stronger retention of the lessons learned and better achievement of course learning objectives.*

To provide you with quantitative evidence of the learning that occurs with using *The Business Strategy Game* or *GLO-BUS*, there is a built-in Learning Assurance Report showing how well each class member performs on nine skills/learning measures versus tens of thousands of students worldwide who have completed the simulation in the past 12 months.

2. ***The competitive nature of a strategy simulation arouses positive energy and steps up the whole tempo of the course by a notch or two.*** Nothing sparks class excitement quicker or better than the concerted efforts on the part of class members at each decision round to achieve a high industry ranking and avoid the perilous consequences of being outcompeted by other class members. Students really enjoy taking on the role of a manager, running their own company, crafting strategies, making all kinds of operating decisions, trying to outcompete rival companies, and getting immediate feedback on the resulting company performance. Lots of back-and-forth chatter occurs when the results of the latest simulation round become available and co-managers renew their quest for strategic moves and actions that will strengthen company performance. Co-managers become *emotionally invested* in running their company and figuring out what strategic moves to make to boost their company's performance. Interest levels climb. All this stimulates learning and causes students to see the practical relevance of the subject matter and the benefits of taking your course.

   As soon as your students start to say "Wow! Not only is this fun but I am learning a lot," *which they will*, you have won the battle of engaging students in the subject matter and moved the value of taking your course to a much higher plateau in the business school curriculum. This translates into *a livelier, richer learning experience from a student perspective and better instructor-course evaluations.*

3. ***Use of a fully automated online simulation reduces the time instructors spend on course preparation, course administration, and grading.*** Since the simulation exercise involves a 20- to 30-hour workload for student teams (roughly 2 hours per decision round times 10 to 12 rounds, plus optional assignments), simulation adopters often compensate by trimming the number of assigned cases from, say, 10 to 12 to perhaps 4 to 6. This significantly reduces the time instructors spend reading cases, studying teaching notes, and otherwise getting ready to lead class discussion of a case or grade oral team presentations. Course preparation time is further cut because you can use several class days to have students meet in the computer lab to work on upcoming decision rounds or a three-year strategic plan (in lieu of lecturing on a chapter or covering an additional assigned

case). Not only does use of a simulation permit assigning fewer cases, but it also permits you to eliminate at least one assignment that entails considerable grading on your part. Grading one less written case or essay exam or other written assignment saves enormous time. With *BSG* and *GLO-BUS*, grading is effortless and takes only minutes; once you enter percentage weights for each assignment in your online grade book, a suggested overall grade is calculated for you. You'll be pleasantly surprised—and quite pleased—at how little time it takes to gear up for and administer *The Business Strategy Game* or *GLO-BUS.*

In sum, incorporating use of a strategy simulation turns out to be ***a win–win proposition for both students and instructors.*** Moreover, a very convincing argument can be made that a competition-based strategy simulation is ***the single most effective teaching/learning tool that instructors can employ to teach the discipline of business and competitive strategy, to make learning more enjoyable, and to promote better achievement of course learning objectives.***

Instructors who have used state-of-the-art simulations in their strategy courses quickly become enthusiastic converts because the added spark to the course and student excitement surfaces rapidly and the resulting teaching/learning benefits are undeniable. Moreover, the value and effectiveness of using a top-notch strategy simulation in senior-level and MBA courses in strategic management seems to be spreading throughout the community of instructors teaching these courses.

HOW MUCH TIME WILL IT TAKE TO LEARN ABOUT AND CONDUCT A SIMULATION FOR YOUR COURSE?

One of the biggest factors probably weighing on your mind if you are contemplating being a first-time user is "how much time will it take me to learn about *The Business Strategy Game* or *GLO-BUS*, conduct the simulation exercise for my course, and assign grades on the simulation exercise?" Here are some honest estimates of what you can expect:

- You should probably spend 30 minutes viewing two orientation videos: (1) the introductory tour of the student portion of the website (which is also readily available to all class members) and (2) the introductory tour of the instructor portion of the website. These are both accessible directly by clicking on the Instructor Essentials menu item on the left side of your Instructor Center screen.

- You should read the first 20 pages of the Instructor's Guide (written expressly for first-time users) to get a solid overview of the simulation and learn how things work in the most time-efficient manner. You should also skim through the *Participant's Guide* to familiarize yourself with what running a company is all about from a student perspective—but this can be deferred until later if you wish.

- To launch either one of the simulations for your course and prepare everything for students to register and gain access to the website and the simulation materials they will be using, ***you must complete the Course Setup procedure*** that entails deciding what size management teams you want (anywhere between 1 and 5 persons), specifying the number of companies you want to create (which is a function of expected class size and how many people you want to co-manage each company), selecting dates/times for each decision round to be completed, indicating which optional assignments you want company co-managers to complete (the quizzes, strategic plans, peer evaluations, and company presentation exercise), and distributing company registration codes and/or registration procedures to class members. Recommendations for handling each of the options are provided in the Course Setup procedure. It will take you 30–40 minutes or so to complete the Course Setup procedure the first time you do it and 10-5 minutes each time thereafter.

- It will take you 15–20 minutes to familiarize yourself with the Class Presentation PowerPoint slides that can be used to introduce the features and mechanics of the simulation to class members (no more than 20–30-minutes of class time is needed to cover these slides adequately, but it will take a few more minutes of class time to assign class members to the various companies).

- You will find there's little need to spend much class time on introducing class members to all the mechanics and features of the simulation or to field questions from class members about "how things work." Why?

  - Because there is a 17-minute introductory video that provides students with an overview of the simulation and a quick tour of the student side of the website.

  - Because navigation of the student side of the website is straightforward and students can readily figure it out.

  - Because incorporating two practice rounds in your decision round schedule is the very best way to acquaint class members with how the simulation software works and what running their company is all about.

  - Because all class members should be required to read the *Participant's Guide* that covers what company co-managers need to know about the simulation, the industry, and the company they are running to get ready to begin work on the first practice decision round.

  - Because there are brief ***Video Tutorials for every decision screen and there are more video tutorials explaining every page of every report*** provided to all class members (and the instructor) after each decision round—these videos run 2–5 minutes each and, in total, amount to 80+ minutes of video tutorials.

  - Because whenever company co-managers are puzzled about something or want to know more about some aspect of company operations than is contained in the video tutorial, they can get the answers by clicking on the Help button and reading the ***Help pages that accompany every decision screen and every page of every report.*** The Help sections provide

    (a) ***detailed explanations*** of the information on each decision entry screen and all relevant cause-effect relationships,
    (b) ***detailed explanations*** of the information on each page of the Industry Reports,

(c) ***detailed explanations*** of the numbers presented in the Company Reports, and
(d) analytical guidance and decision-making tips.

If a few of your students seem to be full of questions, it's because they are coming to you for hand-holding and not taking the time to watch the video tutorials and/or to read and absorb the comprehensive information in the Help sections. (**Note:** You have one-click access to all these same Help pages and all the video tutorials directly from the menu on the left side of your Instructor Center screen—just click on the menu item labeled "Video Tutorials and Help.")

- ***Once you complete the Course Setup Procedure, class members are registered, and the decision rounds are underway, everything occurs automatically based on the schedule and deadline times you specified during the Course Setup Procedure. While the simulation is underway, it's your call on how much time to spend in monitoring what is going on***—you can simply be an interested observer or play a more active, hands-on role. Expect to spend no more than 10–20 minutes per decision round if you just want to provide encouragement, review the scoreboard of company performances on your Instructor Center web page, solicit feedback from co-managers about the experience they are having, and deal with special problems—like moving co-managers to another team if there's conflict among team members or adjusting the dates for decision deadlines for whatever reason.

  If you want to follow the competition among the rival companies more closely, you can spend 15–20 minutes after each decision round browsing the industry report (which shows the details of each company's performance and provides assorted financial and operating statistics), the Comparative Competitive Efforts of Rival Companies section of the Competitive Intelligence Report (which shows what competitive efforts the various rival companies undertook to win sales and market share in each geographic region), and the special Administrator's Report (which provides a quick, convenient summary of select decisions and outcomes for each company that will keep you abreast of "what's happening").

  Should you opt to be even more proactive and intimately involved, then after each decision round you can hold a 5- to 10-minute "in-class debriefing" on what's happening in the industry (using information you've gleaned from the industry report, portions of the Competitive Intelligence Reports, and the Administrator's Report). Because there is tight connection between the issues that co-managers face in running their companies and the chapter content in this text (and most every other mainstream strategy text), there is ample opportunity—if you are so inclined—to use the happenings and managerial challenges class members encounter in the simulation as examples for your lectures. You can also opt to issue special news flashes altering certain costs or import tariffs, and you may wish to offer to coach the co-managers of troubled companies on how to achieve better company performance.

- When all the decision rounds are completed, you will have to spend perhaps 30 minutes assigning grades (maybe longer if your class has 40+ students and you elect to peruse each class member's peer evaluations and/or activity log). Your online grade book automatically records and reports performance scores for all companies for all decision rounds and also contains each co-manager's scores for all assignments (quizzes, strategic plans, and peer evaluations). Once you enter weights for each of the assignments, final scores for each class member are automatically calculated. You will have to decide whether to scale the scores or not. If you want to examine data pertaining to each co-manager's use of the simulation website as part of the grade assignment process, there's an activity log that reports the frequency and length of log-ons, how many times decision entries were saved to the server each decision round, and how many times each set of reports was viewed each decision round.

WHICH SIMULATION MAKES THE MOST SENSE FOR YOUR COURSE?

Both *The Business Strategy Game* and *GLO-BUS* are suitable for either senior-level or MBA-level courses. Whether to use *The Business Strategy Game* or go with *GLO-BUS* is really a matter of preference, how much time you are comfortable with having class members spend working on the simulation exercise, and the degree to which the faculty believe that there should be a clear distinction between the content and rigor of a senior-level course in strategy and the MBA-level course in strategy.

The time that class members will spend on *GLO-BUS* typically works out to be a bit less than for *The Business Strategy Game*. With *GLO-BUS*, you can expect that class members will spend an average of 1½–2 hours per decision. With BSG, it will take company co-managers about 2–2¼ hours per decision. Company co-managers can speed through their *GLO-BUS* decision-making a bit quicker than in *BSG* because all production/assembly of cameras and camera-equipped drones takes place at a single location (Taiwan) and there are no finished goods inventories to manage or regional distribution centers to operate (newly-assembled products are built-to-order and shipped directly to buyers).

The Business Strategy Game is a bit more robust because:

- Company co-managers have the option to build and operate up to four plants (one in each geographic region of the world). In *GLO-BUS*, companies only have one plant to manage.
- Each company management team must operate four distribution centers (1 in each geographic region) and manage the finished goods inventories in these centers. In *GLO-BUS*, there are no finished goods inventories or distribution centers to operate—all units produced are immediately shipped to buyers.
- Companies compete in 12 market segments (versus 8 in *GLO-BUS*).

  Both simulations have 2 built-in quizzes, strategic plan assignments, company presentation capabilities, and peer evaluations (each of which can be required or skipped as you see fit). See Table 1 for comparisons of the two simulations.

TABLE 1 A Comparison of *GLO-BUS* versus *The Business Strategy Game*

	GLO-BUS	*The Business Strategy Game*
Industry setting	Companies that design, assemble, and market action cameras and camera-equipped drones	Athletic footwear industry
Market scope	**Worldwide.** Production occurs at a single location and sales are made to buyers in 4 major geographic regions North America Latin America Europe-Africa Asia Pacific	**Worldwide.** Both production and sales activities can be pursued in any or all of 4 major geographic segments North America Latin America Europe-Africa Asia Pacific
Number of market segments	8 • sales of action cameras to retailers in each of the four major geographic regions • sales of unmanned aerial view drones to buyers in each of the four major geographic regions	12 • 4 segments for branded footwear sales to retailers in each geographic region • 4 segments for online sales of footwear direct to consumers in each geographic region • 4 segments for private-label footwear sales to chain retailers in each region
Number of decision variables	• Design and performance of and drones (up to 10 decision entries for cameras and 11 entries for drones) • Assembly operations and workforce compensation (up to 8 decision entries for each product) • Camera pricing and marketing (up to 7 decision entries in each of the 4 geographic regions) • Drone pricing and marketing (up to 6 decision entries in each of the 4 geographic regions) • Financing of company operations (up to 8 decision entries) • Social responsibility and citizenship (as many as 6 decision entries)	• Production (up to 13 decision entries for each plant, with a maximum of 4 plants) • HR/compensation (up to 3 decisions each plant) • Shipping (up to 8 decisions each plant) • Pricing and marketing (up to 10 decision entries in each of the 4 regions) • Internet marketing (up to 3 decision entries in each of the 4 regions) • Financing of company operations (up to 8 decision entries) • Social responsibility and citizenship (as many as 6 decision entries)
Competitive variables used to determine market share	• Price • Number of camera/drone models • Performance/quality rating • Number of weekly sales promotions • Promotional discounts • Advertising • Size of retailer network • Warranty period • Retailer support • Brand image/reputation All sales and market share differences are the direct result of differing competitive efforts among rival companies	• Price • Number of models/styles • Styling/quality rating • Advertising • Size of retail dealer network • Celebrity endorsements • Delivery time • Retailer support • Mail-in rebates • Shipping charges (Internet sales only) All sales and market share differences are the direct result of differing competitive efforts among rival companies

	GLO-BUS	*The Business Strategy Game*
Time frame of decisions	One year	One year
Measures on which company performance is judged (all company scores are automatically recorded in instructor's online grade book for each decision period)	• Earnings per share • Return on shareholders' equity • Stock price • Credit rating • Image rating	• Earnings per share • Return on shareholders' equity • Stock price • Credit rating • Image rating
Scoring standards	Choice of • Investor Expectations (benchmarked against industry growth) • Best-in-Industry • A combination of both, with instructors determining the weights for each (50-50 is recommended)	Choice of • Investor Expectations (benchmarked against industry growth) • Best-in-Industry • A combination of both, with instructors determining the weights for each (50-50 is recommended)
Degree of complexity	Moderate Less complex than BSG because all production is in a single plant and there are no finished goods inventories to manage or regional distribution centers to operate (newly-assembled products are built-to-order and shipped directly to buyers)	More robust/"complex" than GLO-BUS because • Companies can operate up to four plants (one in each geographic area) and plant operations are a bit more involved • Shipments are made to company distribution centers in each region and there are finished goods inventories to manage • There are 12 market segments instead of 8
Time required to make a complete decision	About 1.75 to 2.0 hours per decision (once players gain familiarity with software and reports)	2.0 to 2.5 hours per decision (once players gain familiarity with software and reports)
Industry reports (automatically provided to all participants at website within 15 minutes following each decision deadline)	A 6-page report that includes • Complete scoreboard of company performances on all five performance measures (3 pages) • Selected industry statistics • Financial statistics for each company • Benchmarking statistics A 1-page competitive intelligence report for each geographic region that shows • Each company's publicly visible competitive effort (prices, advertising, warranties, etc.) • Strategic group maps of the positioning of competitors in both the camera and drone segments	A 7-page report that includes • Complete scoreboard of company performances on all five performance measures (3 pages) • Selected industry statistics • Financial statistics for each company • Benchmarking statistics • Status of celebrity endorsements A 1-page competitive intelligence report for each geographic region that shows • Each company's publicly visible competitive effort (prices, models, advertising, rebates, etc.) • Strategic group maps of the positioning of competitors in the branded footwear segment

	GLO-BUS	*The Business Strategy Game*
Company reports (automatically provided to all participants at website within 15 minutes following each decision deadline)	A 6-page report that includes • Performance highlights • An income statement • A balance sheet • A cash flow statement • Assembly operations • Market segment statistics—Cameras • Market segment statistics—Drones	A 5-page report that includes • An income statement • A balance sheet • A cash flow statement • Plant operations statistics • Distribution and warehousing statistics • Branded and private-label sales statistics • Detailed marketing and administrative costs
Participant's manual (delivered online)	36 pages	36 pages

Usage data confirms that you can have a successful experience with either simulation in both senior and MBA courses. Students are turned on by managing a company that sells action cameras and drones, and they are equally excited about competing in global athletic footwear—a product category they are personally familiar with and can easily understand. We have adopters who are using *GLO-BUS* on an ongoing basis for undergraduate courses and for graduate courses. Likewise, we have adopters who are using *BSG* on an ongoing basis for undergraduate courses and for graduate courses. Here are our thoughts about which simulation to use:

- If you want the simulation to count no more than 20% of the course grade and to keep the simulation workload down to a "minimum," then *GLO-BUS* is perhaps the better choice.
- *GLO-BUS* is definitely the better choice for courses below the senior-level.
- If you want the simulation to be a truly major part of the course (and count 25–30% of the course grade), then our recommendation would be to use *The Business Strategy Game*.
- We see little reason for you to be concerned that the slightly longer decision times for *BSG* mean that it is "too much" for or "above the heads" of senior-level undergraduates. During the past 5 years, *BSG* has been used for undergraduate courses at well over 700 campuses worldwide. You can peruse the schools of the best-performing companies worldwide by clicking on the Global Top Performers icons in the bottom left side of the homepages for the two simulations (**www.bsg-online.com** and **www.glo-bus.com**)—these listings will let you confirm for yourself that the best-performing companies involve a wide diversity of schools/campuses.
- *The Business Strategy Game* is definitely the better choice for an MBA-level class. (Our data indicates that *BSG* is used for graduate-level courses far more frequently than is *GLO-BUS*.)
- If many of your school's undergraduate students also go on to be part of your school's MBA program (thus making it desirable to provide them with a differentiated strategy simulation experience in the undergraduate versus the graduate courses), then we definitely recommend using *GLO-BUS* for the undergraduate strategy class and *BSG* for the

MBA strategy class. This is especially true if it is school policy is to maintain a clear-cut distinction between the content and rigor of the senior-level course and the MBA-level course.

- Since ***the instructor-related aspects of conducting the two simulations are virtually identical*** (in the sense that the course setup procedures, features and menu options, and administrative tasks are virtually mirror images of one another), you will have no problem in using both simulations at the same time if you teach both the undergraduate course and MBA course in the same term. We made a point of designing the Instructor Centers for *BSG* and *GLO-BUS* to be as much alike as possible—moreover, the quiz features, the scoring of company performance, the strategic plan feature and scoring, the company presentation feature, and the peer evaluation form are also very close to identical.

- Either simulation can be used for executive courses; participants will definitely be able to make a complete decision in half a day—one in the morning and one in the afternoon. But if the time available for decisions is constrained to less than half a day (say, 2½ hours or maybe less), then we recommend use of *GLO-BUS.*

THE 4-STEP COURSE SETUP PROCEDURE

Setting up either of the two simulations for your course entails:

1. Specifying a Course/Section ID and indicating the whether the participants will be primarily undergraduates, graduate students, corporate trainees, or "other."

2. Specifying the number of companies you want to create for your class members to run—a minimum of 4 companies and a maximum of 12 companies can compete head-to-head in a single group or "industry." You can assign 1 to 5 class members to run each company (assigning 3–4 persons to manage each company is recommended). If you need more than one industry for your course (because you want to divide the class into more than 12 company teams), you have the option to do so.

3. Using the built-in calendar to specify deadlines for the practice and regular (scored) decision rounds—you can have either 1 or 2 practice rounds and anywhere from 4 to 10 decision rounds that are scored and used in calculating individual grades for the simulation exercise. You will also need to indicate whether you want to have students (a) complete either or both of the two optional quizzes, (b) do one or two 3-year strategic plans for their company, (c) prepare a PowerPoint presentation about their company's performance and operations at the conclusion of the simulation exercise, and (d) complete Peer Evaluations of their co-managers. ***You <u>always have the option to come back</u> to this screen for scheduling decision rounds and other assignments <u>later</u> and <u>make changes</u> in the assignments and/or the deadline dates.*** Our recommendations for handling these optional assignments are presented inside the Course Setup procedure

4. Generating and printing the company registration codes that you will need to give each class member to use in registering for the simulation. ***You must give each class member on each team/company the appropriate company registration code <u>prior</u> to having them register because this code is used to (1) enroll the student in your class, (2) des-***

ignate the student as a co-manager of the assigned company, (3) restrict a co-manager's access to only the industry and company you assigned them, and (4) enter the student's name in your online grade book. When students register, they will be asked to enter the company registration code you provide them—***class members cannot register without the registration code for their particular industry and company***.

That's all there is to it. You'll find that you can complete the Course Setup routine in no more than 30 minutes the first time you use the simulation. Once you have used been through the Course Setup routine and become comfortable with how you want to administer the exercise, it should take no more than 15 minutes in succeeding terms to have everything ready to go.

You'll need to remember to take a printout of the company registration codes to class and make sure each student is given the appropriate code for their assigned company. A good procedure is to give each class member a copy of the printout of the company registration codes and have them circle the code for the company they have been assigned to manage. Each different company goes by a letter of the alphabet (A, B, C, etc.). Each co-manager of Company A will need the registration code ending in the letter A to complete the registration process; each co-manager of Company B will need the code ending in B, and so on. If you have 6 companies, then the corresponding company letters appearing at the each of each code number will be A, B, C, D, E, and F. Once co-managers register, they can create a name for their company that begins with their corresponding company letter.

HOW DO CLASS MEMBERS REGISTER AND GAIN FULL ACCESS TO THE SIMULATION WEBSITE?

When class members complete the registration process at either **www.bsg-online.com** or **www.glo-bus.com**, they gain instant access to the website, ability to view/print the *Participant's Guide*, and full navigation privileges to everything needed to run their company and complete the various optional assignments***. For co-managers to register, you will first have to provide them with their Company Registration Code in the manner just discussed in the prior section.*** Registration is accomplished in one of three ways:

1. ***Credit Card Registration***—When a student creates a user account, the registration fee plus applicable sales taxes can be paid online by credit card (Visa, MasterCard, or American Express) during the registration process. (Credit card payment is currently used by about 75% of all registrants.) ***Rest assured that the website for credit card payment is fully secured; credit card registrants will receive a receipt confirming their payment.***

2. ***Prepaid Access***—If you adopt a McGraw-Hill text or create a custom McGraw-Hill text for your course, you have the option of "packaging" prepaid use of *The Business Strategy Game* or *GLO-BUS* with your text. A bundled text-simulation package is ordered through your local book store using a special ISBN code provided by McGraw-Hill. When your book store places an order for the text-simulation bundle, McGraw-Hill will shrink-wrap a Prepaid Access Code card for the simulation with the new or custom text and ship it to your book store where class members purchase the text-simulation package in the normal manner. Class members then register online using the Prepaid Access Code printed on the

card. However, you should be aware that aggressive bookstore markups often result in class members paying the book store as much as $10–$15 more for the simulation in a combination text-simulation package than they would pay via credit card at the website. About 20 percent of all registrants use a prepaid access code. To obtain the special ISBN for the text-simulation package and place a bookstore order, please contact your local McGraw-Hill account representative for details, call the instructor support number (205-722-9149), or send an e-mail to athompso@cba.ua.edu.

3. ***Direct-Billing***—If your college/university includes the cost of text books and other course materials in the tuition fee for the course (and a McGraw-Hill text-simulation package has not been ordered for your course), then you or an appropriate school official can obtain Prepaid Access Codes for student registration (one for each class member) and your department/college/university can be direct-billed, with payment by credit card, check, or wire transfer as preferred. For your convenience, we can supply you or your school with the desired number of Prepaid Access Codes within minutes of receiving a request. For more information on this direct-billing option, please call simulation co-author Greg Stappenbeck at (205) 722-9149 or send an e-mail to Greg at greg@glo-bus.com.

   If some of your students do not have a credit card or a Prepaid Access Code, the easiest way for them to register is to arrange to use a friend's or co-manager's credit card and reimburse them directly with cash or a check.

The Corporate Lobby Web Page for Company Co-Managers. Upon completing the registration process, company co-managers are immediately transferred to their company's "Corporate Lobby" page. Each time they log-on at the simulation home page (by entering their e-mail address and password), they are also sent directly to their Corporate Lobby page. The Corporate Lobby is the gateway or hub that co-managers use to ***access all needed information and work on all assigned tasks.***

HOW MUCH SHOULD A SIMULATION EXERCISE COUNT IN THE TOTAL COURSE GRADE?

Whether class members take the simulation exercise seriously hinges in large part on whether you make their performance count enough in the overall course grade to get their attention. As a general rule, we recommend having performance on the simulation count *at least* 20% of the overall course grade and probably no more than 40% of the total grade. If it counts less than 20%, then class member effort is weakened to an undesirable extent (because their performance on the simulation has a "small" impact on their grade in the course) and some of the learning potential slips through the cracks. If it counts more than 40%, then the simulation exercise may take something away from the emphasis you want to give to other aspects of the course.

However, growing numbers of users are making an online strategy simulation the *dominant centerpiece* of their courses (particularly in online and distance learning courses where case analysis is difficult to use effectively). When the simulation functions as the primary part of the course (aside from the content of the chapters in the textbook you have adopted), then counting the simulation as 50-60% (or more) of the final grade is reasonable, given that you can use the quizzes, one or two 3-year strategic plan assignments, and perhaps an end-of-simulation presentation to an invited panel of 3 or 4 persons (who act as a company board of directors) as a substitute for assigning students a larger number of cases to analyze.

HOW COMPANY PERFORMANCES ARE SCORED: A BALANCED SCORECARD APPROACH

Each company's performance is tracked annually against 5 performance measures which, taken together, constitute a "balanced scorecard" set of performance measures (the balanced scorecard concept is discussed in Chapter 2 of this text). Given the nature of growing market demand, board members and shareholders/investors expect the company's new management team to meet or beat the following performance standards:

- *Grow earnings per share at least X% annually.* (The target rate of growth in EPS is different for *BSG* versus *GLO-BUS.*)
- *Maintain a return on equity investment (ROE) of 15% or more annually.* All companies start the simulation with an ROE above 15%.
- *Maintain a B+ or higher credit rating*. All companies start the simulation with a B+ credit rating.
- *Achieve an "image rating" of 70 or higher*. All companies start the simulation with an image rating of 70. A company's image rating is a function of (1) the quality of its product offerings, (2) its market shares in each of the 4 geographic regions of the world market, and (3) the degree to which it conducts its operations in a socially responsible manner and strives to be a good corporate citizen.
- *Achieve stock price gains averaging about X% annually*. The expected stock price gains are definitely within reach if the company meets or beats the annual EPS targets and pays a rising dividend to shareholders. *Each company's stock price is a function of EPS growth, ROE, credit rating, dividend per share growth, and management's ability to consistently deliver good results (as measured by the percentage of these 5 performance targets that each company achieves over the course of the simulation exercise).*

The default weight placed on each of the five performance targets is 20%. The five 20% weights translate into 20 points out of 100 for each of the 5 performance measures, with the sum of the points adding to a total of 100 points. There is an option on your Administrative Menu for each "industry" that allows you to alter these weights however you see fit. **The scoring weights are reported to students on their scoreboard of company performance; hence, they always know what the weights are.**

Using the assigned weights (or corresponding number of points out of 100), each company's performance on the 5 measures is tracked annually and company performance scores are calculated from two different angles: the *"investor expectations" standard* and the *"best-in-industry" standard*.

1. The Investor Expectations Standard. The investor expectations standard involves calculating an *annual* "Investor Expectation Score" based on each company's success in meeting or beating the five expected performance targets each year. There is also a Game-to-Date or "all-years" Investor Expectation Score that shows each company's success in achieving or exceeding the expected performance targets over *all years* of the exercise completed so far. Meeting each expected performance target is worth some number of points based on the scoring weight selected by the instructor (the default scoring weights are 20% or 20 points for each of the five performance measures). For example, if the scoring weight for EPS is 20% or 20 points, meeting the EPS target earns a score of 20 on the EPS performance measure. Beating a target results in a bonus award of 0.5% for each 1% the annual target is exceeded (up to a maximum bonus of 20%). Thus, if achieving the EPS target is worth 20 points, a company can earn a score of 24 points by beating the annual EPS target by 40% or more. Failure to achieve a target results in a score equal to a percentage of that target's point total (based on its weight out of 100 points). For instance, if your company earns $1.33 per share of common stock at a time when the EPS target is $2.67 and achieving the $2.67 EPS target is worth 20 points, then your company's score on the EPS target would be 10 points (50% of the 20 points awarded for meeting the EPS target). Exactly meeting each of the 5 performance targets results in an Investor Expectation Score of 100. With potential point bonuses of up to 20% for exceeding each performance target, it is possible to earn an Investor Expectation Score of 120.

2. The Best-in-Industry Standard. The best-in-industry scoring standard is based on how each company's performance compares to the industry's best performer on earnings per share, return on equity (ROE), stock price, and image rating and to the ultimate credit rating of A+. After each decision round, each company's performance on EPS, ROE, Stock Price, and Image Rating is arrayed from highest to lowest. The best-in-industry performer on each of these 4 measures earns a perfect score (the full number of points for that measure as determined by the instructor-chosen weights)—provided the industry leader's performance on that measure equals or exceeds the performance target established by company Boards of Directors). Each remaining company earns a fraction of the points earned by the best-in-industry performer that is equal to its performance (on EPS, ROE, stock price, and image rating) divided by the performance of the industry-leading company (on EPS, ROE, stock price, and image rating). For instance, if ROE is given a weight of 20 points, an industry-leading ROE performance of 25% gets a score of 20 points and a company with an ROE of 20% (which is 80% as good as the leader's 25%) gets a score of 16 points (80% of 20 points). Likewise, if EPS is given a weight of 20 points, an industry-leading EPS performance of $5.00 gets a score of 20 points and a company with an EPS of $2.00 (which is 40% as good as the leader's $5.00) gets a score of 8 points (40% of 20 points). The procedure for assigning best-in-industry scores for credit rating is a bit different. Each credit rating from A+ to C− carries a certain number of points that scales down from the maximum number of points for an A+ credit rating to 1 point for a C− rating. Each company's combined point total on the five performance measures is its score on the best-in-industry standard. Each company receives an annual best-in-industry score and a best-in-industry score for all years completed. In order to receive a score of 100, a company must (1) be the best-in-industry performer on EPS, ROE, stock price, and image rating, (2) achieve the targets for EPS, ROE, stock price and image rating set by the company's Board of Directors, and (3) have an A+ credit rating.

After each decision round, you and all class members will be able to review every company's performance scores on both the investor expectations standard and the best-in-industry standard for each year completed, along with an overall "game-to-date" (G-T-D) score for each standard. Each company will also receive annual and game-to-date Overall Scores that are determined by combining the Investor Expectation Score and the Best-in-Industry Score into a single score using whatever weighting you chose (50-50 is recommended). After each decision round, all company co-managers can view or print a complete Company Scoreboard showing each company's performance on every aspect of the scoring, including all the scoring weights. The Help sections for each page of the 3-page Company Scoreboard provide detailed, easy-to-understand explanations of the scoring so company co-managers should encounter no "mystery" factor about how the scoring works or where each company stands in the industry performance rankings.

Concluding Comment on How Company Performances Are Scored

Company co-managers are provided an array of information that makes it easy for them to track the performance of their company and all other companies over time. Both students and instructors always have plenty of information to gauge exactly how well every company in the industry is performing. It is always clear which companies are in the ranks of the industry leaders and which companies are being out-competed and outperformed.

One very important point about the scoring methodology warrants emphasis: ***it is a company's overall score that matters*** (how close a company's score is to 100–120 in the case of the Investor Expectations Standard and how close it is to 100 in the case of the Best-in-Industry Standard), not whether a company is in first or third or fifth or tenth place. ***Some company must necessarily be in last place, but what is truly telling is whether it is in last place with a score of 85 (which clearly signals a strong performance and a deservedly good grade) or in last place with a score of 17 (which clearly signals an abysmal performance and possibly a very disappointing grade).*** The scoring method for the two simulations has the considerable advantage of ***not*** "requiring" that some companies always receive low scores. Scores are based entirely on (1) whether companies achieve the benchmark performances that investors expect for EPS, ROE, credit rating, stock price appreciation, and image and (2) whether the race to be the market leader is very close from the first-place company to the last place company or whether there is quite a wide disparity in the caliber of performances (with the bottom-performing companies turning in truly bad results).

As a general rule, we think that companies with an overall performance score of 90 or above should get an A. Companies with an overall performance score of 80-89 should get a B (or better if there are no companies with scores of 90 or more). Companies with an overall performance score of 70–79 above should typically get a C (or maybe better, depending on how many teams have higher scores). You may find it desirable to scale the scores if competition turns out to be so fierce or cutthroat that most all companies in the industry fail to earn good profits and meet investors' performance expectations. If one or more companies have truly low performance scores relative to the other companies, we leave it up to you to decide what sort of scale to apply and thus how much to raise their grade. You'll find that there's plenty of information provided to you in your online grade book to decide what grades to assign. In most of our classes, we end up scaling the performance scores of companies with scores below 70, but there is usually at least one company (and often more) that end up with a score above 90 and thus clearly merit a grade of A (thus there is little need for scaling the final company scores on the upper end of the spectrum).

WHAT TO DO IF YOU DECIDE TO USE EITHER OF THE COMPANION SIMULATIONS

The preceding discussion is intended to give you some detailed information about the two companion simulations, how they work, and what value they add to a first course in strategy for seniors and MBA students.

If you are persuaded that using either *BSG* or *GLO-BUS* in your course would make a positive contribution, then (if you have not already done so), you should go to **www.bsg-online.com** or **www.glo-bus.com** (or both) and create an instructor account. This account gives you full access to the all the materials and information needed to run the simulations in your class. Once you have created an account, we recommend that you do three things:

1. ***Click on the Video Tutorials and Help menu item on the left side of your Instructor Center screen and watch the video tour of the Instructor site and the video tour of the student site.***

   OR

   Sign up for one of our upcoming webinars for faculty that involve author-conducted tours of the website, explanations of how things work, and Q&A. These tours, which involve about an hour, are conducted by one (sometimes two) of the simulation co-authors.

   - If you are located in the U.S. or Canada, you can view the schedule of future web conferences and sign up by going to the homepage for either simulation and clicking on the "Signup for Webinar/Demo" link in the white box for Instructors—this will take you directly to the schedule of upcoming webinars., and then clicking on the button on the right side of the screen labeled "Signup for Webinar/Demo". If attending one of these web conferences proves problematic or inconvenient for you, then by all means please call Art Thompson or Greg Stappenbeck at 205-722-9149 or e-mail us at **athompso@cba.ua.edu** or **greg@glo-bus.com** and we will arrange a personal web conference or Zoom meeting at a time that works best for you.

   - If you are located outside the U.S. or Canada, we can also schedule a special webex or Zoom meeting for you and other faculty teaching the—this online conferencing approach enables us to conduct essentially the very same kind of webinar and provide you with a personalized tour of the website, explain how things work, and answer any questions or address any concerns you might have. Just send an e-mail to **greg@glo-bus.com** if you would like to set up a special webinar for you and other interested faculty.

1. ***Click on the Instructor Resources menu item on the left side of your Instructor Center screen and read/skim the first 23 pages of the Instructor's Guide.***
2. ***Click on the Instructor Essentials menu item on the left side of your Instructor Center screen and read/skim the 3-page "Instructor Best Practices for Successfully Using the Simulation in Your Course."***

Moreover, ***you can rest assured that the simulation co-authors will be only a phone call or e-mail away throughout the term, as you conduct the simulation. Do not hesitate to contact us at any time.*** Greg Stappenbeck, who is a co-creator of both simulations, is also the lead support person for instructors. The simplest way to reach us is to click on the green Instructor Support box on the bottom left of the Instructor Center page. It provides a telephone number and an e-mail message system. We reply to all e-mails as quickly as we possibly can—usually within a few hours. Alternatively, call us at 205-722-9149 or send an e-mail to greg@bsg-online.com or athompso@cba.ua.edu.

We will be most happy to answer whatever questions you have, provide advice and guidance, and otherwise be responsive to whatever issues and concerns you may have.