

5 Critical Elements of an Effective Business Simulation

Realistic Metrics of Performance

When action is taken in a rich and sophisticated business simulation, the simulation reflects new conditions and illustrates results based on the metrics that matter such as revenue, profit, market capitalization, EBITDA, and total shareholder return.



Support Skill Building

To ensure learning is vivid and lasting, a business simulation should integrate learning content in the areas of strategy, financial management, marketing, and the creation of shareholder value. The content can be virtual, eLearning based, or part of a classroom experience to help teach participants to make better business decisions.



Systems Dynamic Demand Model

At the heart of a business simulation is a systems dynamic business model. The model represents a series of interconnected algorithms designed to frame, bond, and illustrate the inter-related challenges and opportunities of a business ecosystem. This helps participants understand the systems of business and how companies make money.



Short-term vs. Long-term Effects

A simulation should eliminate the downside implications of making mistakes. Participants are able to experience, risk-free, the impact of their decisions in both the short- and long-term so that they can apply learning to real decision making.



Understand Strategy Execution

To hone the strategic thinking process, learners are able to set and execute a clear strategy across the enterprise through a variety of day-to-day operational decisions.



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