

# Developments In Business Simulation & Experiential Exercises, Volume 22, 1995

## JACKET FACTORY

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### ABSTRACT

Jacket Factory is a board game designed to introduce High School students to the practice of Management Accounting. Using dice and game pieces, students manage the manufacture of different kinds of jackets using different kinds of manufacturing processes. Risks are represented by rolls of the dice and also by Risk Cards. Costs, including Occupancy, capacity, Materials, Conversion and loans, and also revenues are tracked by means of Cost Management Sheets. The relationship to the real world of business is stressed at all times. Winning may mean staying in the game as well as making the most money.

### GAME DESCRIPTION

The Jacket Factory is a board game originally designed for High School students, but which has also achieved some success with second year university Accounting students. The idea of the game is to introduce and familiarize students with cost management principles and practices. It is played on a game board consisting of three separate leaves with squares arranged around their rims and a central selling area. Teams of two or three players, who may have differentiated roles, are asked to manage the manufacturing of three different kinds of jackets: nylon, denim or leather, each of which incurs different levels of cost, and sells for different prices. There are two different types of manufacturing process available, manual or automated of which automated is the most expensive. In addition, teams may choose to outsource production, which is the least expensive kind of manufacturing, but which incurs penalties in that selling of finished goods may be delayed.

The costs which teams must manage include: Occupancy, Capacity, Materials and Conversion. These costs are represented by blocks of different colors, which are stacked upon each other in a limited number of configurations. When a particular configuration is completed, it represents a certain number of finished goods. The costs are further described as Period or Product Costs. Risk is represented in the game, by the rolling of three dice, which govern the movement of the stacks of blocks

around the game board, and by Risk Cards, which describe various liabilities and benefits which may be incurred. Each team begins with \$2,000,000 and may borrow additional funds in \$1,000,000 amounts at various rates of interest. Teams must keep track of all costs and revenues, and record them on the Cost Management Sheet provided.

### DISCUSSION

Jacket factory is essentially a strategy game, but one in which no one strategy will always succeed. This is because the decisions that each team makes will always be influenced by the decisions that other teams make, as well as by the roll of the dice. Each stack of blocks, except for the Outsourced stacks, must be assembled in order, Occupancy, Capacity, Materials and Conversion Costs. The rules of the game and the layout of the board make it quite difficult to do so. One underlying principle of the design was that the game should reflect as far as possible the real world. In so far as things are not easy in the real world of business, so are they in the game.

One of the most interesting aspects of the game has been the way in which the players, after only a few times playing the game, come to accept the realism of the game. A noted Management Accountant attended one of the game sessions and challenged one of the young players on his choice of Manual production of leather jackets and suggested that he would be better off going in to Automated production. The young man gave him a withering glance and said, "You don't know what you're talking about. The period costs would kill you." We think of this as an example of learning from the inside. Initially, the players are absorbed in learning how to play and win, and have little concern for what any of the pieces on the board actually represent. There comes a time, however, usually at a point of frustration, that is when a particular strategy proves unsuccessful, when players begin to realize and accept, that the game has a reality of its own and that that reality in some measure represents the reality of the real world of business. It is then that the players become more like students and begin trying to understand the terminology, the principles and the strategies

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embodied in the game.

Although it is quite possible to determine a winner in the game simply by counting the dollars each team possesses at the end of the game, there is also an important message being communicated to the effect that all players who do become bankrupt can be said in some measure to be also winners. Merely staying in business is a measure of success and we believe it is important for students to learn that being number one, or the only winner, is not the only way to determine success in the field of business.

The next step in the development of the game is to further test it with teams from about forty High Schools and subsequently to distribute it widely among High School throughout the Province of Ontario. The original impetus for the game came from the Society of Management Accountants of Ontario who wished to find ways to attract more students in to business, in to university Business Schools and eventually in to management accounting. The game had to be interesting and exciting and fun to play. In these regards our beta testing tells us we have succeeded admirably. Our next step it to pay more attention to its possible uses in university courses, where the potential seems to be quite high.