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THE DELIVERY, ADMINISTRATION, AND EVALUATION OF AN
EXECUTIVE DEVELOPMENT PROGRAM USING A TOTAL ENTERPRISE BUSINESS GAME

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## ABSTRACT

This paper will include a review of a system of training for executives utilizing a simulation which has been developed with several corporations. After the presentation of the paper, several respondents will reply to the paper by suggesting modifications they may have used to this approach.

## ORGANIZING THE SIMULATION EXPERIENCE

The approach used in the system is given below. (l) A total enterprise simulation such as The Executive Simulation (2) is handed out to the participants approximately two weeks prior to start of game play. (3) The participants are instructed to read the game materials and be prepared to enter into a decision-set or exercise on the specified date. On that particular date, teams are given their assignments, organized Into groups of four to five people each, with each team including a good balance of various disciplines within the group.

The administrator then reviews the basic variables of the simulation utilizing overhead projections of the decision sheet and the financial statements to be printed out by the computer. In the first session of approximately 90 minutes, teams are required to make a trial decision-set. The decision-set is reviewed at the next session and the teams are then allowed to start over at zero position and complete the first real decision-set.

The above process continues running on a weekly basis until at least two full years (eight real decisions) are completed. During each participant meeting, general feedback about the team performance is provided, hints are given about ways to improve certain ratios, and decision areas and lecturettes are prepared from the readings provided in The Executive Simulation.

At the end of year 1, more complete information is provided about team standings. At the end of year 2, two of the better performing teams are chosen and a management audit is performed on their results. This process avoids embarrassment for Losing teams and focuses teams on learning rather than defense of poor results. The audit includes an analysis of their liquidity ratios, leverage ratios, and activity ratios in the financial areas. They are compared on marketing ratios such as marketing expense, selling, advertising, and R & D relative to sales. Their profitability ratios are also compared. A summary of all of these ratios is presented on overhead projections for both teams, ratio by ratio, and compared with industry averages for national manufacturing ratio percentages.

## ENCOURAGING LEARNING THROUGH FEEDBACK

Several different approaches have been used to encourage reflective learning while teams are engaged in a simulation. For example, teams are often required to write their overall objectives before coming to the first session and to review and rewrite these at the end of year 1.

What using The Executive Simulation teams are required to complete the planning sheets included in the game manual: a policy and strategy worksheet, a sales forecasting sheet, a production schedule work sheet, a budgeting or proforma work sheet, and a funds flow forecasting work sheet. Teams are encouraged to continue their assignment of completing each work sheet and to do all the work possible on these sheets prior to the joint session.

## PROVIDING KNOWLEDGE OF NEW CONCEPTS

One of the clients with whom I have worked has now implemented tape recordings of mini-lectures in which they review various corporate activities and explain the way to complete each of the planning sheets. This allows various team members to "gear up' early for proficiency in different functional areas simultaneously. Prior to this, lectures had to be spaced throughout the game play. The team members the rotate the assignments of the simulation so that each one learns how to complete all the planning sheets and listens to the other mini-lectures. It should be noted that the planning set sequence used is the complete sequence of corporate planning at the policy level.

Various time frames have been utilized with the different client groups over the past ten years. The most typical one is to have teams meet once per week at that corporate headquarters for a decision-set and lecture. The printouts are then returned during the week. Although this facilitates scoring and evaluation, it is difficult to keep class interest and momentum going for such a long period of time. When executives can be released for a week of intensive game play, learning is accelerated but game administration is demanding. The taped mini-courses facilitate the administrator's work and allow intelligent game play while various team members are learning.

The paper presentation will include illustrations of lecture materials and end-of-game evaluations.

## REFERENCES

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(2)     Keys, Bernard and Howard Leftwich, The Executive Simulation, (Dubuque, Iowa: Kendall/Hunt Publishing Co., 1977).

(3)     For a review of total enterprise games, see, J. Bernard Keys, "A Review of Total Enterprise Business Games," The Guide to Simulation/Games, Fourth Edition, Robert E. Horn (Editor), Didactic Systems,

Inc., 1979. For an international version used by some of the respondents, see Edge, Alfred G., Bernard Keys, and William E. Remus, The Multi- national Management Game, (Dallas, Texas; Business Publications Inc., 1980)