



Simulation Development Group, LLC

Business Training Simulations

Three basic types of business simulations used for training and development

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Education is a journey, not a destination.

Chapter 1

Introduction to Business Simulations

OVERVIEW



A diverse array of business simulations is available for learning and development. The sheer variety of training solutions on offer can be confusing to an organization trying to choose the best fit for its situation. To simplify things, we'll place the simulations into three primary categories: Branching Stories, Computer-Based Strategic Sims, and Business Games. Each category has pros and cons. None fits every need. There is no magic bullet; nor is there a one-size-fits-all solution. The goal of this ebook is to introduce the differences, potential uses, and advantages and disadvantages of each solution.

It is important for us to note that by no means, is this designed to be a highly in depth dissection of business simulations. By nature, simulations are exceptionally complex. This ebook is designed as a very high level overview of the most common types of simulations used within corporate development today. By design, there are various types that are excluded from this introduction for one of three reasons.

First, they are still experimental and the barriers to entry are simply either too expensive, or will take up too much of your time. A great example of this is virtual world simulations. They are very sexy to demonstrate, but we have yet to see these easily utilized and still highly engaging. We consider this an edge case (aka: very expensive).

Second, it is used very seldom. Again, the goal of this ebook is to be a free and very accessible guide to the basics. If a solution is very seldom used, we excluded it.

Third, a solution is exceptionally complex and requires an army to maintain. We have seen these monster solutions. We have seen them succeed. But they require an huge commitment of money and people. For the sake of time and simplicity, we excluded them.

Thus, we view this as a a free general consumption overview. It was not designed to be utilized within education and you don't need a PhD to understand it. Just 10 minutes or so of your time. Basically: Brief, digestible, and to the point. Let's dive in...

Chapter 2

Branching Stories

Do you remember reading those adventure story books in which you had to choose from several options at the end of each chapter? Each choice would send you in a wildly different direction.

For example, at the end of the first chapter, you might find yourself face to face with an enraged bear. The book would give you some choices: “If you fight, go to page 8. If you run, go to page 10. If you lie down and play dead, go to page 12.” If you chose option one or two, you would most likely be the bear’s dinner. If you chose option three, the bear would lose interest and you would live to read on and choose other options.

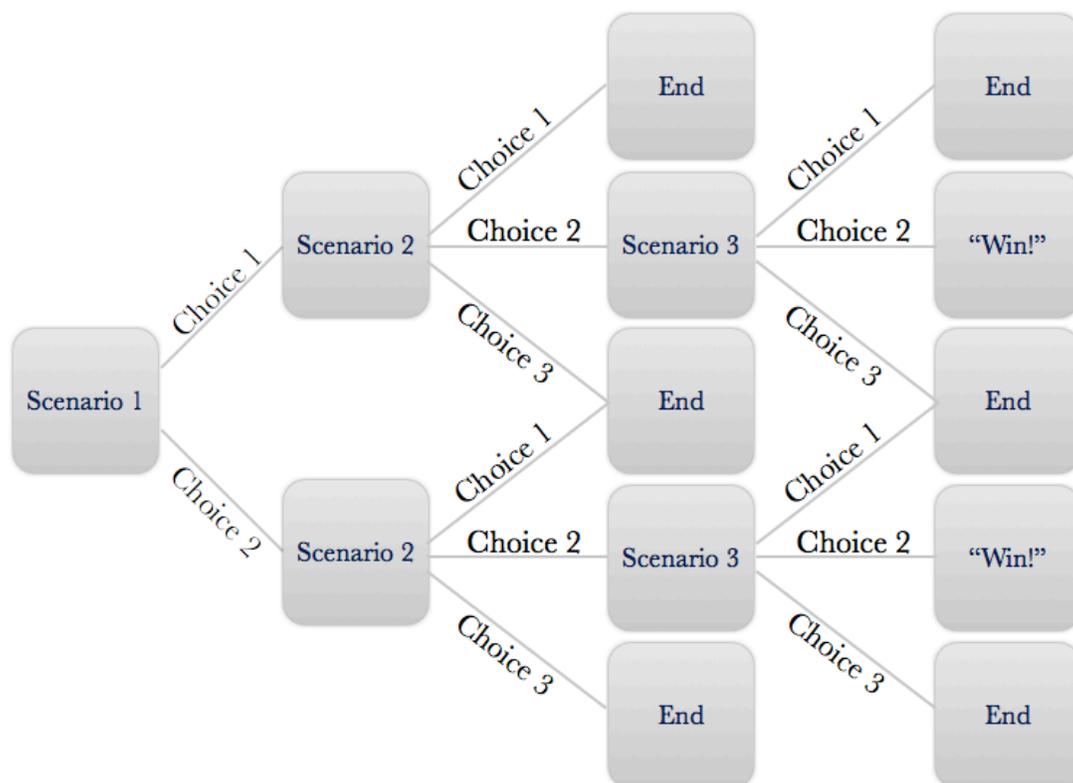


Fig 1. Example of a branching story. Some threads are “successful”; others aren’t.

The general idea here is that people learn by doing. People try, fail, learn, and try again. Branching stories are an exceptionally inexpensive and low-tech way to achieve outcome-oriented learning in an entertaining way. Team-based branching stories are recommended where possible, because participants will have to utilize teamwork skills as well as logic.

Advantages of using branching stories in business training include the following:

Branching stories are inexpensive to create and implement.

They engage people quickly, and are an excellent way to generate excitement within your training program.

However, there are a number of disadvantages to using this method:

Branching stories aren't very strategic, and tend to work better for behavioral types of training goals.

People can usually "game" the branching stories. This is because most people can figure out what outcome the training course is looking for. Thus, they know the pitfalls before they decide. This is especially true in group settings, due to the peer perception.

Sophisticated participants will potentially perceive this as a juvenile activity and may disengage. The trainer and training department could lose credibility, and it will be challenging to reengage the participants. At this point, the branching story, though it was inexpensive to create, has a very high price: lack of credibility. Word tends to travel quickly within an organization, and this is the wrong type of buzz you want to create.

Chapter 3

Computer-Based Strategic Simulations

The computer-based simulation is the 800-pound gorilla of business training simulations. It is beyond the scope of this ebook to describe in detail each type of computer-based simulation. In most cases, corporations use one of three types:

Native executable (C, Java, etc.) programming language-based simulation

Flash®-based strategic simulations

Spreadsheet-based strategic simulations

Even these three cover quite a bit of material, which is why the word “strategic” comes before “simulation.” Programming language-based simulations are traditionally used for sensitivity- or outcome-generation simulations. Spreadsheet- or Flash®-based simulations are widely used for training and development, especially when focused on leadership, executive development, or behavioral training.



Flash®-based simulations aren’t usually used for strategic, leadership, or executive development. They are more often used in behavioral or specific skill/process simulations. Flash® is not the best tool for creating strategy applications. In reality, it’s overkill, and is costly to develop and adjust. Flash® is better suited for animated simulations or off-the-shelf solutions. Flash® was originally developed, about fifteen years ago, as a vector-based animation tool. Adobe® has advanced Flash® significantly over the years, but its roots are still in animation.

Flash®-based simulations are better suited to learning a process, skill, or scenario. Here are two examples of where Flash® may fit better:

Customer service—In this type of simulation, participants might control a character who manages various customer-service-oriented scenarios. The participant will gain or lose points depending on his or her actions.

Surgical/medical procedures—A Flash®-based simulation might involve a specific procedure that a surgeon must complete to be successful. In this case, the participant must effectively apply the medical device or procedural training within the simulation. The Flash® simulation will present challenges he or she must overcome.

Flash®-based business simulations shine in the situations described above. Could you imagine using a spreadsheet to practice a medical process? We thought not.

At the other end of the spectrum are strategic simulations. Strategic simulations are usually used when a company is going through change within leadership and/or executive development. In these scenarios, it is important for the participants to learn the entire business without digging too deep. Think of it as learning to see the business from the CEO's perspective.

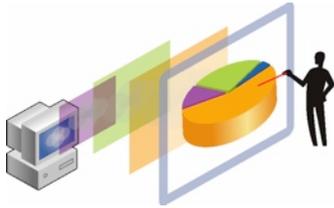
Spreadsheet-based simulations are far better suited to this type of training. This is because spreadsheet simulations can emphasize or de-emphasize specific aspects of a business. Since spreadsheets are ubiquitous tools within corporations, they provide a familiar context for participants.

Spreadsheet simulations also enable rapid development and easier adjustment. However, spreadsheets still require significant development time. A highly refined set of skills is required to take the unique strategies and goals of a company and translate them into an applicable learning tool built into a spreadsheet.

These tools can be extremely effective when used correctly and in the right situations. Best of all, they are easily understood by participants and trainers alike.

Chapter 4

Business Games



We'll warn you up front: we're not huge fans of business games for corporate training and development. Why? Because we have a hard time seeing their applicability, and think they make training and development divisions look childish and non-strategic. That said, we have seen them used effectively on occasion. We just believe that, in many instances, participants feel foolish playing a game at work that is supposed to help them learn. Consider yourself warned!

Formerly, business games were often board-based (yes, using game boards). These days, they are mostly built using Flash®, and are usually off-the-shelf solutions. An example might be: “Run the XYZ Company and learn business acumen, strategy, finance, accounting, marketing, and facilities management. It will only take two days, and you'll be the CEO when you're done!” Are you starting to see the problem with this method? This is a game based on another company: a generic company that might be somewhat like yours, but isn't. They usually try to make up for their lack of focus by expanding the scope. This usually increases costs and decreases applicability.

These games will probably have amazing charts, scenarios, characters, and sound effects. They are fun to play. But are they really teaching something specific? Will participants be able to apply your content to their daily jobs? Probably not.

Business games can teach lots of theory, but are generally not very effective.

To make matters worse, the games are often played against the computer. This can be effective if you don't want the participants to engage in competition with each other. However, in our experience, many people *disengage*, and don't apply the skills to their own jobs. They just play, have fun, and go home.

On the positive side, games can be effective at helping people understand how an entire business works (not *your* business, just *a* business). They can be engaging, and are highly mobile: they may be completed at any time in any location.

Business games can also lift feedback scores of traditional training. This is often the case when presentation slides were previously used in training sessions.

No matter the format, electronic simulations are here to stay, and, depending on your audience and goals, they can be highly effective.



Chapter 5

Which Sim Where?

As you've probably gathered from the information above, different simulations fit different needs. To make things simple, we've created a basic grid that might help you decide which sim to use where. Keep in mind that this is a generalization. There are certain to be exceptions.

<i>Need</i>	<i>Executable</i>	<i>Flash®/Online</i>	<i>Spreadsheet</i>	<i>Games</i>
Business testing, sensitivity analysis, etc.	X			
Learn a process, procedure, or scenario		X		
Learn the business, leadership, and strategy			X	
Basics of business				X

Obviously, this is not 100% complete or accurate. The goal was to get you in the ballpark. For example: We have seen executable based computer simulations work wonderfully within strategy and leadership. Additionally, there are hybrid solutions that also work exceptionally well.

An example of a hybrid solution is an executable solution that is combined with an online solution. Another example is a paper based board solution that is combined with a spreadsheet. In reality, the choices are very wide and deep. No matter the case, the trick is to ensure that the simulation is effectively reinforcing your training content.

We recommend that no matter the solution you wind up choosing, just start small and grow into your needs. Simulations can very quickly ramp out of control if you don't take care to watch the scope of the project. Simulations are very exciting and tend to push people into uncomfortable positions. This is especially the case when facilitating a complex simulation.

Remember! A simulation is a terrible training tool on its own, but a world class training support and reinforcement tool. It is up to people to effectively facilitate and connect the reinforcement of the simulation to the training content to their role outside the training program. We feel strongly that a good facilitator is a far superior trainer over a simulation. Invest in the facilitators first, then consider a business training simulation.

Chapter 6

Summary and Next Steps

This ebook is intended to be a very basic introduction to the business training simulations most commonly used within corporate development. It's a nice place to start, but there is a lot more to learn. Would you like to learn more? Great! Here at Simulation Development Group, we're always happy to take the time to talk with you. There will be no pressure – we promise! Feel free to give us a call or drop us a note. If you're still feeling a little shy, that's no problem. Just go to Amazon.com and type “Business Training Simulation” into the search box, and you'll find many resources.

It can be a very daunting and overwhelming step moving into the world of using a business simulation within training and development. Believe us, we know. We have helped many people enter this world and we love doing. Thus, we have a bit of wisdom to share with you when thinking about taking the plunge:

1. Start small and grow into your shoes- A business training simulation does not have to be big to be effective. Actually, we have learned that in most cases, the smaller and focused simulation tend to be the most successful. There is a huge temptation to grow bigger and bigger. Resist the urge. You don't need to go big to be big. Start small, learn when works, and then adjust in the future
2. Start off with a simulation firm- We aren't saying to pick us (even though we'd love that). We don't fit every need and don't try to. Call around. Talk to various simulation providers. In our experience, most simulation providers are incredibly helpful and supportive. Some of the larger firms might be a bit more impatient, but this is just what we've heard from others. If this is your first time working with simulations, pick a firm that is smaller and willing to take the time to teach you how to use these things. Think partnership
3. Consider starting off with an off the shelf solution- This can be a great way to learn about simulations and ways they may or may not fit in within learning and development.

Finally, browse around the web. Do searches for terms such as ‘business training simulation’, ‘leadership development simulation’, ‘business games’, ‘custom business simulation’, etc... There is quite a bit of information out there. We have to warn you, whether you find information on Amazon.com or the web, there is a tendency for sim writers and developers to overcomplicate things. Simulations don't need to be complex so don't get overwhelmed. Start small, ask questions, look around, talk to people and you'll learn a lot. Enjoy!

About Simulation Development Group, LLC



Simulation Development Group, LLC specializes in helping learning and development departments effectively integrate custom business training simulations into training curricula. We focus heavily on Leadership Development, Executive Education, and Breaking Down Corporate Silos simulations. We are highly oriented toward teamwork and partnership. Our single biggest goal is to make the Training and Development Department look like rock stars!

A HUMOROUS LOOK AT SIMDEVGROUP

At Simulation Development Group, our executives are the prototypical corporate dotcom MBA consultant stereotypes; highly educated, widely experienced, well-paid specialists who have all the usual high-impact qualifications, CVs dripping with Fortune 500 names, and coffee cups filled with Starbucks products.

Yes, we've worked with Apple, AOL/Time Warner, and management consulting firms; and sure, we've worked for start-ups that have blown up huge, and others that just plain blew up. We've seen what the corporate roller coaster looks like from inside and out, and we've seen the reasons why some companies succeed ... and the reasons others fail.

We could have stayed in the consulting world and made ridiculous money shuffling paper, but honestly, where's the fun in that?

After years of working for highly successful (and at times highly challenged) organizations, we at SimDevGroup realized that, while a company's corporate strategy might be excellent it is all too often misaligned: the left hand and right hand don't have clue one about what the other is up to. The only way to achieve alignment is through real, hands-on experience.

To help your people get that experience, we've created a business education method that combines high technology with intensive MBA-driven business knowledge. We distill your company specifics into an easy-to-use training solution that is engaging, applicable, team-driven, and effective.

Nine out of ten corporate marketing gurus would say, "Our philosophy is to utilize and leverage our combined knowledge in high tech, business management, training, and consulting, to rapidly create beneficial experiences in order to gain maximum buy-in and understanding without endangering the organization or work flow." Of course, nine out of ten corporate marketing gurus are insane.

We are very experienced, a ton of fun to work with, and best of all, we love what we do!