



Simulation Development Group

A SimDev Group eBook Series:

Understanding simulations &
business gaming.

Serious games are the newest ‘must-have’ utility for high-stakes strategy testing. Find out how global companies use simulations and gaming to ‘try on’ new strategies, and solve complex problems.

Definitions:

Why simulations & games?

Business leaders use simulations and serious games to sharpen the skills of critical team members, and test out specific strategic plays in a simulated environment.

Yet because of growing interest in game theory and many new entrants to the market offering solutions, confusion is rife. Are business games the same as serious games? Do all business gaming companies use game theory? How can you determine which type of game or simulation makes sense for your company?

To get started, let's consider all the options...

“ It seems like people are suddenly talking about serious games. I'm not exactly sure of the difference between serious games and business simulations.

- HEAD OF LEARNING AND DEVELOPMENT, LARGE PHARMACEUTICAL COMPANY

Sorting it all out...

What does each offer?

Business games

A business game typically chooses a single point of learning (e.g. learning how to deal with a difficult employee) and participants 'attend' a lesson on this topic, presented in game format.

Business games are a useful format to make a simple training topic more engaging, but they are not always appropriate for delivering nuanced lessons or those that require quantitative analysis.

Because they are more simple and have limited application, business games are also relatively inexpensive and can be deployed quickly.

Serious gaming & business simulations

Business strategists use simulations and serious games to teach more complex business lessons or acumen. For example, a beverage company facing growing competition in a particular category may want to understand how different competitive 'plays' may affect their supply chain and bottom line. The company needs to map multiple variables in a complex decision hierarchy—and understand how changes in one variable affect others, and the business as a whole.

Unlike most business games, serious games and sims often use complex quantitative modeling. As a participant enters a new decision, the simulation adjusts dynamically, illustrating how each decision affects other business variables.

The very best serious games and sims are customized to a particular company's real-world issues, such that participants are learning broad business management knowledge, as well as diving deep into their own organizations to understand other functional areas and competitors.

But wait...

Are games & sims the same?

... for the most part, yes.

Serious gamers often don't like to be lumped in with simulation experts, and vice versa, but the two disciplines overlap by about 95 percent. The difference?

SERIOUS GAMING

If you found out about serious gaming first, you are more likely a business strategist. Serious gaming began as a utility for strategy testing.



Both serious games and business simulations teach business strategy and acumen using real-world scenarios and dynamic decision modeling.

BUSINESS SIMULATIONS

If you found out about business simulations first, chances are you have a talent development background. Simulations began as a leadership training & development tool, but are now used for strategy testing and modeling complex decision-making.

Complex decisions, simplified.

Serious games & sims in action:



Your company wants to deploy a new strategy to outwit competitors. Various options exist, and senior management can't decide which mix of strategies make the most sense.

Your executive team chooses 25 senior managers from a wide range of disciplines, breaking them into five teams of five. Each team will run a simulated company and test out distinct strategies, pitting each 'position' against the positions of other simulated companies in the exercise.

When Company A makes a decision, the effects of that decision are felt in real-time by Companies B, C, D and E. Each 'action' causes a 'reaction' in the market and among competitors. Teams score points by overcoming adversity and out-maneuvering competitors.

At the end of the gaming/simulation, competitors join together to analyze results and apply lessons.

How does it work, exactly?

Let's take a look at a real example.

In 2010, the pharmaceutical industry began changing very rapidly. Over the next years, sales reps' access to physicians was tightly curtailed, price pressures rose due to limited development pipelines and many top-sellers going off patent, and government regulation and influence rose sharply.

Each major pharma company had to reinvent its position in the marketplace—and few knew how to do so.

One large pharma manufacturer looked at this competitive landscape and decided to test out different scenarios, hoping to find a niche that did not yet exist, or a process that had not been thought of previously. This particular company gathered 25 top executives to discover this new niche or process using serious games. Company leadership were able to judge exactly what effect different tactics would have on the marketplace, customers and competitors. Both a new process and a new niche was discovered which had not been thought of previously.

For many organizations, these competitive plays—involving a complex interplay of price, volume, materials, branding, and demand, among many other things—require rigorous testing and analysis. To solve such a complex problem, senior management needs to understand each decision in context. Essentially, they need to 'tinker' with all the variables to discover the ideal mix of decisions that will transform their market position.

What to look for in a serious game or sim vendor.

Find a mix of Tech + Business

Too often, simulation and gaming businesses are so immersed in the modeling and technology, they forget the importance of content and context. The company you choose must demonstrate they are more than math geeks.

Business leaders, not business ‘theorists.’

Hire developers who have on-the-ground business experience. These individuals will be responsible for knitting together all the issues your company faces, and delivering a highly functional, realistic decision-making game or simulation.

Business leaders, not consultants.

The company should have past business leaders, not just career consultants or fresh business school graduates.

A great user experience.

The best technology solutions are barely noticed by their users. Ensure your provider offers an easy-to-use interface, with rave reviews from client subject matter experts and users.

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**business simulations and talent
development.**

- OR -

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