

## General

- Are the decisions saved automatically?

*Answer:* No. One team member's decisions must be saved as team decisions before the deadline. Otherwise, the decisions are left blank in the simulation.

- What do the histograms in the market outlook page refer to?

*Answer:* The histograms represent the overall demand estimation for each season. This demand is then sold in three parts: as walk-ins, one season in advance and two seasons in advance.

- What is the difference between the white and blue decision input cells?

*Answer:* In the blue cells, you make your actual decisions. The white cells are your estimations of outcomes which act as the basis for your budgets. Thus, the actual outcomes of the white cells are determined during the simulation.

- Why is it possible to change the room rate only for the current period?

*Answer:* Room rates for the upcoming seasons are negotiated with travel agencies and other partners. The price is negotiated low enough so that the number of rooms you offered to the market can be sold, providing that you have enough capacity.

- Why are the room rates for booked last season and booked two season ago same for every team in the first round?

*Answer:* The game assumes that all teams have made the same decisions before the first round. Therefore, the situation is the same for all teams at the beginning of the game concerning the previous rounds.

- What is the winning criterion?

*Answer:* Success in the game is measured by cumulative total shareholder return. It takes into account both share price and paid dividends.

- What is the impact of the cost saving efforts?

*Answer:* They decrease direct cost and administration expenses depending on whether you invest into direct cost saving efforts or administration cost saving efforts.

## Investments

- If I make an investment now, when can I actually sell the rooms?

*Answer:* Both rented and built rooms are available after one season. So, if you make an investment decision now, you can already start selling the rooms for the next season and two seasons ahead.

- If I build rooms in the international market, when do I need to hire staff? (Not complete)

*Answer:* Since new rooms take one round to complete, you do not need to recruit staff during the same round as you commission the building of new rooms.

- What effects do cost saving investments have? (Not complete)

*Answer:* It takes one round for the cost saving effects to kick in, so the results won't be immediately visible on the same round as the decision is made. Administrative costs begin from a level of 50 000€ for every team and this level has been achieved with historical investments into costs saving efforts. Without further investments, the teams' administrative costs would begin to rise, reaching a maximum level of 150 000€ in the course of nine rounds. So the historical investments would still have some effect remaining even on round 8 but on round 9, the administrative costs would already have tripled compared to the original level on round 1. With consistent investments of 5 000€ on every round, the administrative cost can be reduced from the round 1 level to about 43 000€. So we can clearly see a great difference between investing into cost saving efforts and not investing. Direct costs behave similarly, not investing into cost saving efforts allows the direct costs to increase, while investing into them, decreases the direct costs incurred to the team.

## Results

- How is the “weighted average room rate” calculated?

*Answer:* It is the average of your room prices weighted by their sales numbers.

- What is the “Recruitment(+) / layoffs(-)” and how is it calculated?

*Answer:* This figure shows you how many people need to be recruited/ fired in order to reach a desired number of employees for this period. For example, if you already have 25 employees and the employee turnover is 10%, and you want to have 30 employees this period. The question is, how many people would you have to recruit?  $0,1 * 25 = 2,5$  employees will be leaving because of the turnover %. On top of that, we need to recruit 5 more people to reach 30 employees, and the answer is therefore  $2,5 + 5 = 7,5$ .

- Where can I see the investments I've made in the international market?

*Answer:* The investments you have made in the international market are under “Operations report” tabs. If you scroll the page down to the international section, there you'll find “New rooms for next period” showing your investments.

- How are depreciations calculated?

*Answer:* Depreciation is the number of rooms \* the depreciation amount for one room. Depreciation for one room is always the same, since equal amounts are used and the depreciation period is so long. What is the depreciation %?

- How is the personnel competence % calculated?

*Answer:* It's a non-linear, increasing function of training investment.

## Strategy tips

- Room rate calculation (This period = higher price, +1 or +2 = low price)
- International demand will be the opposite of domestic demand (???) Viivi: International demand is sold more in advance than domestic demand, because the rooms are sold mainly for travel agencies and less for walk-ins.
- What is the best option regarding the international market, renting or owning? What are the keys information regarding this decision?
- Calculation of the optimum (Room rate, Costs, Marginal revenue)
- Cost saving efforts (Input, Impact, Income statement) + examples of DireX and AdminX projects (DireX = Laundry service and AdmiX = Outsourcing of accounting activities)