

Strategic Management Games – innovative teaching method for business education

The Teaching Notes Form

Revised Version

PART I. INTRODUCTION	
Name of the scenario	Scooters
Authors of the game scenario	
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PART II. GAME SCENARIO DESCRIPTION	
<p>The climate is changing. The average temperature rises. Until recently, in some northern European countries, sunny weather with high temperatures occurred only for several weeks a year. Nowadays warmer months are April, May, June, July, August and September. The current situation has created new conditions for producers and sellers of scooters, which until now were popular mainly in southern Europe. Scooters make much less hassle with parking compared to cars and let you steer clear of traffic jams. In the cities, especially large, the problem of insufficient parking space in the centers is growing for a long time. Expensive parking fees and a long search of free places are the bane of many people who work in the center of the metropolis. Small vehicles, which can be used to reach from the house to the job and make it easy to park for a small fee, could conquer new markets and become a source of considerable revenue for companies - manufacturers and retailers.</p> <p>Germany, Poland and the Czech Republic, are absorbent markets in which a limited number of players could achieve financial success. That's why there are eager ones to start production there and provide appropriately designed vehicles for different consumer segments. Countries differ in terms of production costs, population and its purchasing power. Therefore, the market entry strategy should be considered carefully. Marketing research shows that in each market there are at least three segments of consumers. These groups differ in preferences, lifestyle, purchasing power and size. To be successful one need to design and deliver a product that will meet the defined expectations of usability and price.</p> <p>Due to the fact that everyday movement by a single-track vehicle is new for the vast majority of the population of these countries, one need to design marketing efforts accordingly. One of the tasks of advertising messages is to draw attention to the benefits of having a scooter and make a belief that the device is very useful in the new climate conditions. Participants will make various decisions necessary in the daily operation of the company, they will also formulate long-term strategies.</p> <p>Participants of the game can grow their business in one of the three European countries or in all markets simultaneously. The aim is to gain advantage based on the market share, maximizing profit.</p>	

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Enterprises on this market arise from start-ups. They will gradually get to know the automotive industry and the realities, in which they have to act. Initially, the basic technologies and solutions, will be progressively improved in order to gain competitive advantage.

The Company shall consist of the chief executive officer and 2 to 4 other managers, as well as the appropriate number of virtual employees in the sales network. The first decisions to be taken are to name a company and assign areas of responsibility to team members (production, development, sales and human resources). Board of managers must choose a target market, and identify its mission and strategic direction. It should be clearly set out what are the most important objectives of the company - whether it is a company's profitability measured by retained profits, the efficiency of the investment of the capital, or for example the volume of sales or market share. Company's HQ is located in Czech Republic, but scooters can be sold also in Poland and in Germany. With the development of the company and acquisition of new customers, the factory will be developed.

In the initial stage of development the company should focus on one or two target markets, eventually enriching its offer and carrying out expansion later on. Board of managers of the company should determine in which direction they are heading. What are their long-term targets for geographic expansion, competitive strategy and a competitive advantage.

Besides its manufacturing processes an important part of activity will be building a distribution network in the form of showrooms. They can be opened in major cities of three European countries. An important element of the business activity will be management of the sales offices. It will involve sufficient number of sellers recruitment, setting selling prices, and also setting sales plans and priorities.

The initial assets of the company comes from the managers and in successive stages there is a need for external funds, obtained for example from financial institutions. At the beginning the managers can invest PLN 1 million. In 4th month of business activity, business team can prepare a business plan and have a chance to get another million from venture investors.

Scooters are lightweight single track vehicles that provide the possibility of easy and convenient movement over short distances. Their advantage over cars in urban areas is relatively small size, and thus easy to find a space to park. In addition, the low fuel consumption make it relatively cheap in everyday operation. And last but not least is the possibility to avoid a traffic jams caused by cars.

Scooters will differ according to the kind of engine and other components including quality of workmanship. The basic parameters of differentiation are the maximum speed, maximum distance range, combustion engine power. In addition, the vehicles will vary regarding to appearance and usable features. The basic features of scooters are:

- Ecology- indicates how ecological the scooter is, ex. eco materials, low fuel burning.
- Technology- indicates technological complexity, ex. how advanced is engine, breakers, bumpers and so on.
- Quality- Quality of used materials, and general design.

PART III. Level of education

Target audience

Bachelor and master degree, postgraduate studies, entrepreneurs, and managers

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The trainees' prior knowledge	Fundamentals of marketing, strategic management and financial analysis	
PART IV. Type of course		
The principal subject areas of the game scenario	Strategic management, marketing and sales, human resources management, product prices strategy	
Teaching and learning objectives	Acquiring the skill of strategic planning, learning to make business decisions, learning to work in a team, applying theory in practice	
Level of game difficulty	Average	
PART V. Teaching Plan		
Number of trainees in one team	3-4	
Number of teams in one game	3-6	
Number of decision rounds	10	
Time for decision making for one decision round	1h	
Rules of collaboration within each team	Each person ought to be allocated to a decision-making area for which they are responsible and on which they report to the other team members and the instructor. Assigning separate tasks, and putting an emphasis on each team member working on the effectiveness of their own 'section' of the company, usually renders better results than collective work in all decision-making areas.	
Rules of collaboration between team and trainer	The participants use the knowledge they already possess and the trainer supervises, coordinates the game, solves any problems which emerge along the way, and at the end evaluates the performance of the teams, but trainer can be asked about the game if it's needed.	
Rules of making decisions	The players have to analyse the information they receive, discuss it together. If the agreement cannot be reached, chief executive officer makes the decision.	
PART VI. Gaming		
Decision suggestions for each round (decisions required for proper market functioning)	Round 1	Organize the firm; name the company, assign corporate responsibilities to the team, establish personal goals and team norms, analyze information about the markets, choose the initial target segments and overall business strategy, project production line.

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	Round 2-10	Analyze the market, schedule the opening of next sales offices, establish corporate goals, design a brand for each target segment. Go to test the market, hire a sales force, assign the new brands to the sales force, price the brands, design an advertising campaign, schedule production.
Events	<p>Game master can engage below events to make the game more competitive:</p> <ol style="list-style-type: none"> 1. A local authority grants you a financial bonus for your outstanding engagement in the life of the local community. You gain an additional 100.000 funds. 2. The management of the corporation decides to invest some additional funds in your company. You gain an additional 200.000 funds. 3. The management of the corporation decides to invest some additional funds in your company. You gain an additional 1.000.000 funds. 	
Applied optimization parameters description	Financial results are the most important aspect of the evaluation, but sales, market share and production are also very important.	
How to read optimization parameters in gameplay context	The better score, the better company is managed.	
PART VII. Assessment of trainees' activity		
Possible trainees evaluation criteria (e.g. market share, financial situation)	Before the start of the game the participants must be informed on what basis they are going to be assessed. In this case it could be financial situation or the number of scooters sold (e.g. market share)	
Possible trainees evaluation rules (e.g. results of the game, presentation of the company's strategy, participation in the game)	<p>Trainees should be evaluated based on three components:</p> <ul style="list-style-type: none"> - results of the game, - involvement in the game, - presentation of the company's results and an explanation of the position reached. 	