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USING BOARDS OF DIRECTORS IN SIMULATION ENVIRONMENTS: COMMENTS FROM BOARD MEMBERS

William D. Biggs, Beaver College
George Samson, Moore Pushpin Company
Deborah Wind, First Union Bank

ABSTRACT

This condensed paper provides comments from two business executives concerning their experiences as members of boards of directors in two different general management simulation environments. The full paper, available from the first author, provides the references as well as information about the two simulations and the environments to provide background for the board members comments.

INTRODUCTION

A number of writers have discussed having business executives serve as board of directors in simulation environments (Biggs, 1993; Biggs, 1997; Knotts and Keys, 1997; Rosenthal and Werner, 1992; Wheatley, Roberts, and Einbecker, 1990). In none of these articles, however, have the business executives provided comments concerning their involvement. The purpose of this paper is to present comments from business executives who have served as board members in two different general management simulation environments. The business competition to which they refer is the International Collegiate Business Policy Game Competition (ICBPGC).

THE BOARD MEMBERS' COMMENTS

In the first author's course, the business executives serve as board members for two of the firms in the simulation. In the ICBPGC the business executives serve as board members for six firms in the simulation. Thus, they are evaluating all the firms in a particular industry.

George Samson—President, Moore Pushpin Company

"Give Back or Pay Back." Call it what you wish, I have had the feeling to do it for years. In the past, many people have helped me along the way. It seemed very right and natural to participate in the Beaver College program and use it as a "payback" vehicle. Besides all that, it's fun and satisfying. It must be since I've answered the call for more than ten years.

For a businessperson, dissecting an Income Statement and Balance Sheet is relatively easy to do. Also we are, in our own minds, all experts, so why not sit on a Board of Directors and try to hand out some constructive and thought-provoking questions to the next generation of executives. A lot of funny things have happened on the way.

I remember the quizzical look on the face of one company president when in the midst of a board meeting I resigned, and told him that I would come and visit him in jail. Apparently, he did not know that the price collusion that he had just told his board about was illegal.

I will never forget a Japanese student in an international competition. As a VP of Sales, he gave a very meek presentation as to the merits of his product. We reminded him that he was the leader of his sales force, and that he needed to show a lot more exuberance to drive home how fantastic his product was. On his next effort, he gave a show that a World Champion Sumo wrestler would have been proud of.

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Not all these episodes are funny. One team appeared to be heading to disaster. At the first board meeting, these three ladies, who averaged about 20 years of work experience, and had returned to school for their degrees did not have clue one about what they were doing. With each session, the board members could see significant improvement. By the end of the semester, they were doing a great job and had made their company very competitive. A warm feeling of satisfaction came over me. I was able to play a small part in the progress that they had made. This must be what every faculty member feels at the end of a course, and helps make it all worthwhile.

Deborah Wind—Vice President, First Union Bank

Participating in Beaver College's senior level business policy simulation course as well as the international student competition in Las Vegas and San Jose has given me a chance to pay back a little to the educators and business associates who have made a significant impact on my career. I particularly enjoyed the graduate students in the ICBPGC and their superior confidence and challenges to their knowledge. In today's global economy, the international component of students from France, Mexico, Australia, etc. brought home the reality of it all. The following experiences are among those that stand out in my mind.

In Las Vegas, two other judges and I had a group of 3 young men in their mid to late 30's who had participated in this competition while in graduate school. They thought it would be fun to share a reunion in Vegas and play the game "one more time" so they came back as an alumni team. They were confident that they now knew the secret to success and that the competition would be a slam-dunk. They were so confident that they bet heavily on themselves in the stock market competition while overlooking and failing to analyze some aspects of managing the firm. Specifically, they overspent dollars on Research

and Development especially in the early quarters. These expenditures had diminishing returns and did not generate the sales to warrant the expenditures. Their theory on what was necessary to win didn't pan out as planned and they left with somewhat deflated egos when they lost to "kids"...to say the least!

In San Jose, again, I was one of three judges, which had a group from a major West Coast university. This group of students was another bunch of very bright, mature individuals who labeled their product as a medical device. A fellow judge raised the issue of whether or not they had had a good experience with the FDA inspections at their factories. They chose not only to ignore his "hint" but also to outright deny that the FDA would ever have anything to do with their factory. Oh, by the way, the leader was a doctor's wife who especially felt empowered by her knowledge. Needless to say, they were unhappy campers when they lost the competition. We expect, however, that they went home with a greater knowledge of the FDA than when they came.

A third situation demonstrates how bad group relations can get. One young woman in San Jose had her whole team quit on her before she got to the competition so she did it all on her own...now there's perseverance! She received a special award and the admiration of everyone involved in the competition.

CONCLUSION

From the above comments it is clear that the executives find the experience to be rewarding. The fact that these individuals have been involved in the author's course for 12 and 6 years and the ICBPGC for 6 and 3 years respectively indicates they enjoy the experience. They report that they like working with the students. They also report that they learn from the students.