

# Developments In Business Simulation & Experiential Exercises, Volume 22, 1995.

A NEW TWIST ON AN OLD GAME: THE BUSINESS STRATEGY GAME: A GLOBAL INDUSTRY SIMULATION, 3Ed.

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## ABSTRACT

This paper presents a review of the additions and changes made to the just-released third edition of The Business Strategy Game by Thompson & Stappenbeck (1995). The game is placed into context through a brief overview, with changes from the last edition of the game highlighted.

## INTRODUCTION

### The Business Strategy Game

The BSG is an international total enterprise game, with separate markets for North America, Europe, and Asia. Student teams compete in four athletic footwear markets: three branded geographic markets of North America (plants in Ohio and Texas), Europe and Asia, and a private-label market in North America. Game administrators have the ability to process yearly decisions for four to sixteen teams of students in a fictitious industry. Game variables include such dynamics as plant expansions, sales and closing of plants, advertising, labor inputs, automation, customer service representatives, and rebates, to name a few. Economic variables include exchange rate fluctuations, tariffs and a stock market index.

Version one of the BSG (1990) ran on a Lotus 1-2-3 ver. 2.01 operating platform. This significantly limited the ability of the developers to customize the game and build in user-friendly features, such as customizable print menus and the ability to modify specific industry variables. Version 2 abandoned the Lotus 1-2-3 platform in favor of the Baylor program (run.exe). While an improvement, the game still had limited administrator capabilities. The advantage of the second version of the game was that users no longer had to have Lotus 1-2-3 to run the simulation. Version three uses a modified version of the Baylor program (run2.exe) and includes the capability to change a wide array of options and correct run errors. In fact, the crash-proofing of the latest version may be the most valued attribute of the BSG version 3.0a.

### **The Business Strategy Game, 3rd Edition**

The third edition of the BSG possesses a wide array of changes and enhancements. What follows is a summary by category of some of these major changes.

#### **1. Variable Additions/Changes**

#### Number of Models/ Quality Levels

Versions one and two of the BSG modeled one quality level for the four markets available for selling products (three branded areas of North America, Asia, and Europe, and the private label market in North America). Version three allows teams to differentiate by offering different quality levels in each of the markets. In addition, teams can vary the number of models (e.g. product line breadth) in each of the markets. The intent by the developers was to allow a more varied strategy for game players by using the same variables, but splitting them up by market segment.

#### The Private Label Market

Thompson & Stappenbeck have further refined the private label market in version three. In the private label market, teams offer shoes at a specific price. In version two, unsold offered pairs were sold in the branded market. In the new version, unsold offered pairs can either be held in inventory in private label or converted (for a fee) to branded sales markets.

#### Plant Sales

Another change to the third edition is how plants can be sold. In the first two versions of the BSG, only entire plant facilities could be bought or sold between teams. The new version allows teams to sell entire plants or parts of each plant (in multiples of 1,000,000 pairs).

## II. Decision Support System

### Pro-Formas

Game play has been enhanced by including more powerful what-ifs. These what-if projections appear at the bottom of the screen and change as data is placed in the various screens of decision inputs (e.g. labor, production, shipping, marketing, finance). Feedback is automatically updated on the bottom of the screen, which helps to avoid the time-consuming process of viewing separate what-if screens. The decision support system also provides feedback on the number of workers needed for a given level of production, based on productivity levels, and other what-ifs pertinent to the sub-menu a player happens to be in. Error trapping has been expanded so that the program will not accept any decision entry, which falls outside the valid range or is of the wrong type.

#### Competitor Analysis

Competitor analysis has been enhanced by including a separate company analysis disk with the program. Teams are provided a sub-menu, which prepares either industry or specific company competitor analysis reports. These reports

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facilitate both industry and focused analyses of the competition. Teams have the ability to print a chosen year's industry analysis or a year-by-year analysis of the decisions from one of the competitors. The reports provide information from the footwear industry report (FIR), arranged into formats suitable for easy diagnosis of competitor strategies.

### Footwear Industry Report

The primary means for students to assess the success of their strategies is the FIR. Version three adds another page of decision information, which compares team-by-team results on income statements, balance sheets, plant construction, and additional information on the private-label market.

### **III. Administrator Tools** Screen Appeal/Graphical User Interface

The developers have changed the visual feel of the game by making the decision entry screens easier to read, with less clutter. The menu bar at the top of the screen has been redesigned for speedy access to sub-menus. The levels of menus are easy to follow and intuitive. Perhaps the most valuable change is the graphical user interface (GUI) addition of a mouse. Screens can be passed over, or specific fields for inputs found by pointing and clicking the mouse. Users may still find themselves using the ESCape key and the arrows keys required in previous editions to move around but once a player or administrator catches on to the abilities of the mouse, the keyboard becomes secondary.

### Administrator Menus

The administrator is presented with a far wider array of options, not only for running the game, but for conducting administrative functions. The simulation still provides the option to choose from either 10 pre-programmed demand growth tables or a customized table. A change to this version is the way exchange rates and stock indexes are treated. In versions one and two, administrators entered exchange rates and the S&P 500 index for the current year. In the new version administrators are asked to type in the exchange rates and S&P index for the following years. The game then uses this information in processing to update company disks with the what-ifs for exchange rates and economic conditions (\$&P 500) for the following year. This eliminates guesswork for the teams. While making their decision, they know what the exchange rates and S&P 500 index will be for the year in which they are making decisions. This takes a degree of realism out of the game.

The crash-proofing ability of the latest version of the BSG is impressive. Administrators were previously limited to rerunning only the latest year in case of industry problems. Version three has the ability to re-run any year. In case team

disks become corrupted, the recreate option from the operations menu provides improved flexibility to restore the lost information. An undocumented addition to the new version is a data editor which enables administrators to change individual information stored about the industry or the companies. A warning is presented when entering this sub-menu (accessed by hitting the F6 key), indicating that changes to the individual files used for running the game may cause irretrievable losses of data. In previous versions of the game, erroneous data could only be corrected by loading specific spreadsheets into Lotus 1-2~3 and then calling the game developer to find out what information was held in the various, number-cluttered fields.

### Printer Set-up

Each time the game is accessed, either in the players or administrators programs, an option allows different printer set-ups to be chosen, including selections for type of printer, port number, and number of lines per page. This allows the game to be run on different players computer systems without affecting printout performance. Printing is also facilitated through the use of PRN ascii files, so that in case teams experience difficulties with printing out reports from the menu they can print them from the command prompt.

## OVERALL ASSESSMENT

The above description was facilitated through the use of a pre-release version of the game in three capstone business policy sections. The biggest difference in running the new version is the appetite of the software. Versions one and two fit on a non-high-density 3 1/2" disk. The new version gobbles up two high-density 3 1/2" disks (including the company analysis disk). For players, the main difference is the time it takes to run the game from a floppy drive. Version two could be accessed from a floppy drive in less than a minute, while the new version requires a wait of 5 minutes, depending on system speed. This necessitates running the game from the hard drive. Space requirements for the administrator included 11 megs of hard drive space for a 15 team industry (reduce this number by .5 megs per team for industries with less than 15 teams). Administrators will also notice the increases in time requirements for processing a decision. On a 486-66DX2 system With 20 Megs of RAM, a decision for an industry with 15 teams took 63 minutes (including printing out the reports). The read time of company information consumed 30 seconds per disk, while the write time to update company disks was two minutes per disk. This is a significant increase over the processing requirements of version two— 10 seconds per read and 25 per write for each company disk. Non-486 or Pentium based machines will find the going tough.

## REFERENCES

Available on request