TRICorporation

Leading the Business
Smart Credit Card
A Competitive Simulation by TRI Corporation

This high-volume embryonic-technology industrial business simulation is a powerful testing ground for senior-level directors who are preparing to move into executive roles and need to take business performance to the next level. Offering wide applicability, it is well-suited for companies that manufacture physical products as well as those in distribution, banking, and other sectors who have industrial customers and want to better understand that world.

COURSE DESCRIPTION

Leading the Business—Smart Credit Card is a competitive, immersive experiential exercise that tasks participants with turning around the performance of a company that manufactures a smart credit card called the Programmable Print Plate. It is an intense, three-day program in which teams strive to steer their business unit to profitability while dealing with unforeseen challenges that mirror their organization's own. Each round ("quarter"), teams try to incrementally improve on the decisions they previously made and the various new challenges they face. The simulation environment emboldens participants to be more creative and take bigger risks in a high-stakes, real-life setting, and learn valuable lessons in the process.

The program is designed for emerging executives who are preparing to lead a business/regional unit. Given plenty of room to set their own direction, goals and strategy, participants learn to organize and operate as a team, prioritize, and chart their own course as proactive change makers.

Typically held with 36 participants, this program is highly scalable, accommodating groups as small as 15 and as large as 100+.

PARTICIPANT OUTCOMES

- Enhanced strategic intelligence in formulating objectives and creating strategies

- Advanced business acumen to organize, build, manage and lead a business in a competitive environment

- Holistic understanding of how to construct and deliver on an operational plan

- Ability to integrate various business functions

- Advanced influencing and negotiation skills

- Improved ability to interact in a constructive way in a team setting

THE DISCOVERY PROCESS AND PROGRAM DEVELOPMENT

A typical development cycle begins with a discovery process to identify and align the program learning elements to your organization's current business realities. We meet first with your learning leaders to identify what analysis has been done to date and what the overall objectives of the program will be. Next, we identify key subject-matter experts within finance, human resources, operations, compliance, marketing, IT, and other relevant business functions and conduct a 30-minute interview with each. Finally, we summarize our findings and develop a straw man proposal for the modification of the learning exercise.

THE SIMULATION

The scenario: Each team acts as the new management group of an embryonic manufacturing company. Previous management could not advance the product beyond the first-generation phase. The new team has been brought in halfway through the fiscal year and is tasked with managing growth and becoming profitable. Teams begin on a level playing field with each "company" in an identical position at the start of the exercise.

This is a competitive simulation. There are six participants per team, with a range of three to five teams competing in one simulation "world." If the group size warrants more than five teams, those teams are divided into multiple worlds. Teams compete only against others in their world.

All participants prepare in advance with a simulation reading assignment and introduction to the history of the fictional company. They will be given a decision support model that they will use to track decisions and financial results throughout the simulation. A pre-course introduction lays out the simulation ground rules and introduces the economic model. Organizations can opt to add a pre-course webinar to set participants' expectations for the experience.

An initial team meeting gives participants an opportunity to review pre-course reading, clarify issues and questions, and determine the group's organization and decision-making process. Each team assesses their company's current status and potential and sets business objectives accordingly. They then develop the strategies they believe will accomplish those objectives and make their first operational decisions to run the business. Teams are free to execute on a wide range of business strategies and encouraged to take risks and make their own decisions and live with the consequences.

Participants are encouraged to take on a new role outside of their real-world function—perhaps CFO, COO, or CHRO. This gives them an opportunity to step out of their comfort zone to see the organization from a different viewpoint, whether it be finance, sales, manufacturing, human resources, IT or research and development.

Faculty members play a wide variety of roles—suppliers, customers, employees, etc. Within those characters, faculty members react not just as professionals but as humans to develop participants' emotional intelligence.

TRICorporation
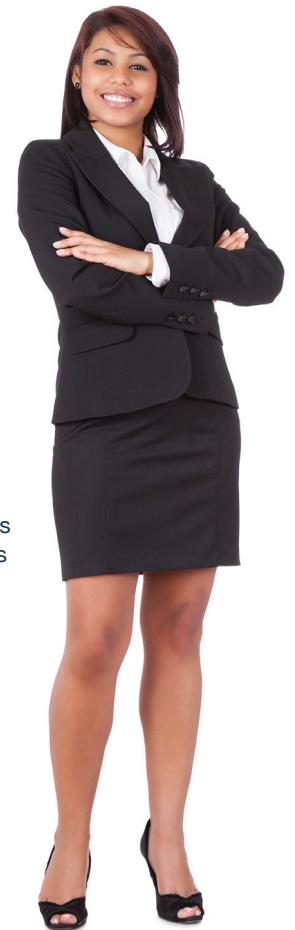
They can dynamically adjust the level of intensity, depending upon the teams' ability to absorb the content.

During the first few rounds, participants get to know their teams and learn how the business operates. At the beginning of the next fiscal year they set their financial commitments for the upcoming year. Over the remaining rounds, team performance is measured against their strategy and commitments.

Throughout the exercise, teams receive communications concerning the industry and company operations and must determine how much weight to give each. Several disruptive events could sidetrack teams. If teams have organized themselves well, they should be able to run the business and handle unexpected events as and when they occur. Regular quarterly decisions include (among others), how many units of raw material to order, how many units of finished goods to produce each period, labor needs, pricing, marketing, quality engineering, forecasting, and new product introduction. The industry (consisting of all teams in the same world) is developing based on the overall direction that the teams take, and their specific round-by-round operational decisions. Teams might get surprised by the outcomes of their own decisions, or the impact of competing teams' decisions. Each team is learning and improving, in smaller or bigger steps. Teams must handle competitive pressure and adapt to changing dynamics in the form of disruptions introduced by competing teams, faculty and their own decisions.
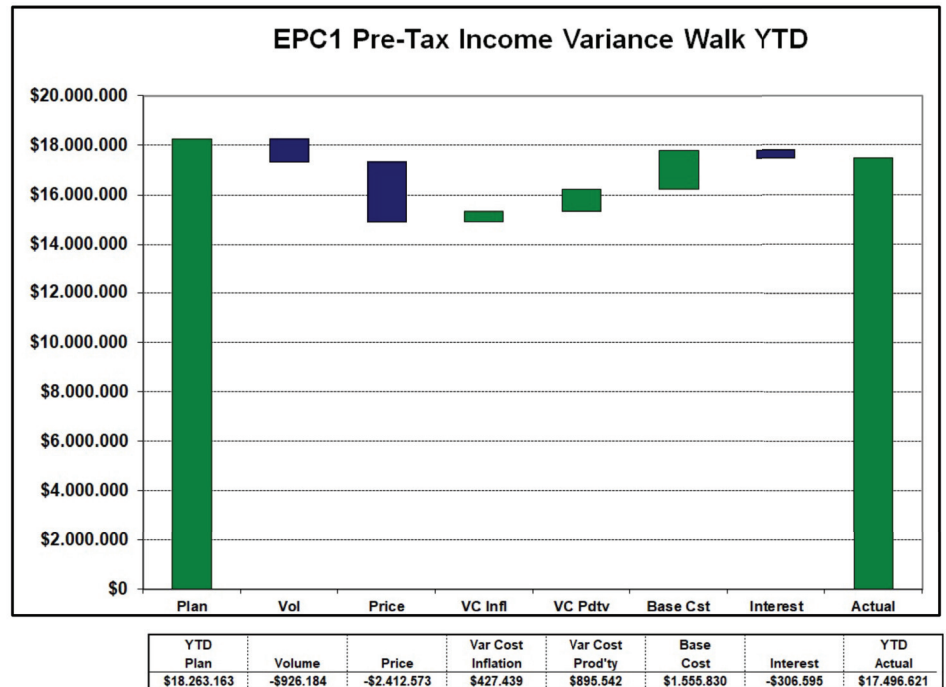
BUSINESS REVIEWS

Business reviews take place at the end of each fiscal year. Success is measured based on teams' ability to execute their strategy, and deliver results on revenue, income, cash flow, and returns. Teams will discuss the planning and decision-making processes used to achieve results and any variance from their original commitment. They will be asked to identify three areas of success and three areas that need improvement and have specific action plans in place to move these areas forward.

Ideal business reviews incorporate senior leaders, who coach and challenge teams in the process. It is an excellent opportunity for those leaders to observe key talent in action.

DEBRIEF

At the end of the exercise, teams present the status of their company to faculty and peers, including a self-assessment of leadership and business performance. These presentations are followed by an overview discussion and debrief of each team's success. Led by faculty, the debrief summarizes performance of each team based on ability to meet objectives for organic growth, meeting commitments, cash flow, and shareholder value.

EPC1 Pre-Tax Income Variance Walk YTD

	YTD Plan	Volume	Price	Var Cost Inflation	Var Cost Prod'ty	Base Cost	Interest	YTD Actual
	$18.263.163	-$926.184	-$2.412.573	$427.439	$895.542	$1.555.830	-$306.595	$17.496.621

Sample Variance Walk: an impactful visual tool to help participants connect the strategic and operational narrative to the financial outcomes.

REQUIRED RESOURCES

Room
- Main classroom
- Team breakout rooms
- Private faculty control room

Equipment/Supplies
- Projector and computer
- Computers, projector, plus assorted supplies (flipcharts, pens, paper, etc.)
- One high-speed color printer

Staff
- Faculty—two TRI faculty members for groups of 20-48 participants
- Company executives for business review (optional but highly recommended)—one per simulation team ideal; one per two teams sufficient

SAMPLE TIMELINE

	Day I	Day II	Day III
MORNING	Sim Intro ——— Teams Form & Strategy ——— Round 1	Reflections ——— Round 2 ——— Round 3	Reflections ——— Round 4 ——— Round 5 ——— Round 6
AFTERNOON	Simulation Introduction ——— Operational Finance Plenary ——— Team Review	Review/Preview (Team & Individual) ——— Business Review Prep ——— Business Review ——— Functional Transformation Plenary	Review/Preview (Team & Individual) ——— Team, World & Universe Debriefs ——— World Debrief

TESTIMONIALS

"I found the simulation to be very thorough and it helped that it was immensely interactive which made it fun. The instructors are great and really get into the role of the characters (which adds to the realism of the simulation). Not being a finance person or having a finance background, I've learned a lot from the exercise and I would highly recommend everyone goes through this at least once!"

– Imran Sheiakh, VP-Cyber Risk, Barclay's (formerly of General Electric)

"The most impactful, comprehensive and interesting [business simulation] I've ever done."

– Ben Blaney, Pricing, Commercial Excellence and Sales Effectiveness Consultant (formerly of General Electric)

"The simulation was quite realistic in the fact that everyone participated in a way that was positive, and team members did not want to have a negative outcome so we had worked together quite easily the entire simulation. The control room was also realistic because you could receive feedback or an outcome that you would not expect or would not necessarily know how to handle."

– Stanley Black & Decker participant

"The simulation took a lot of work and I'm so thankful for the TRI team. It opened my eyes to many different finance functions, and how all of the other functions include finance."

– Stanley Black & Decker participant