

Enhancing experiential learning through business simulation and emulation: TBC Corporation creates competitive advantage

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One of North America's largest marketers of automotive replacement tires, TBC Corporation emerged from a joint venture in 2018 with an aggressive organizational development strategy, launching two major leadership programs as its cornerstone. The company's president and CEO, Erik R. Olsen, recognized the need to accelerate the “forming-storming-norming-performing” curve that many new joint ventures experience. TBC's new talent development framework is based on two leadership programs created in partnership with TRI Corporation, specialists in experiential learning. Designed for TBC employees at various stages of their career, Business Value Added (BVA) and Business Essentials Program (BEP) both use a blended learning approach that is experience-, relationship-, and education-based to create an interactive and highly experiential learning environment. Differing in the learning methodologies they employ—a competitive *simulation* and action learning projects for BVA and a collaborative *emulation* and financial projects for BEP—they helped TBC executives translate leadership theory into practice across all of TBC's business units.

1 | INTRODUCTION

For more than 60 years, TBC Corporation (TBC), one of North America's largest marketers of automotive replacement tires through a multichannel strategy, has been a tire company ahead of the curve. Through worldwide operations spanning wholesale, retail, franchise, and ecommerce, TBC provides customers top-tier brands and automotive maintenance and repair services with the underlying mission to exceed customer expectations. Headquartered in Palm Beach Gardens, Florida, TBC serves wholesale customers in the United States, Canada, and Mexico through TBC Brands, National Tire Wholesale (NTW), TBC International, and TBC de Mexico. Additionally, TBC responds to the needs of consumers in search of total car care at more than 720 company-operated tire and automotive

service centers under the brands Tire Kingdom[®] Service Centers and NTB[®] Tire & Service Centers. TBC, through a subsidiary, also owns the Big O Tires[®] and Midas[®] franchise systems.

In January 2018, Sumitomo Corporation of Americas and Michelin North America, Inc., entered into an agreement to form a joint venture that would own TBC. In April 2018, the deal was closed. Simultaneously, TBC assumed 100% ownership of TCi (excluding its commercial truck division), which specialized in the distribution of passenger car and light truck tires, commercial truck tire sales and service solutions, and the manufacturing of industry-leading custom and premold truck retreads, and began the process of merging TCi with Carroll Tire, a leading distributor of private and major brand tires, to form NTW. NTW is one of the largest distributors of tires in the United States.

Post-merger, TBC embarked on an aggressive organizational development strategy, launching two major leadership programs as the cornerstone: Business Value Added (BVA) and Business Essentials Program (BEP). The idea was to leverage workplace learning as a social process to help integrate and align staff on the way forward.

2 | LEARNING INSIDE-OUT AND OUTSIDE-IN

TBC Corporation's president & CEO, Erik R. Olsen, recognized the need to accelerate the “forming-storming-norming-performing” curve that many new joint ventures experience. What was originally a two-year plan to integrate IT platforms, work processes, physical facilities, materials flow, enterprise software, customers and associates, was condensed to 9 months in order to get the new company operating at full capacity. “We made a commitment to integrate our organizations in the most prudent and efficient way possible,” said Olsen. “We never lost sight of that commitment.”

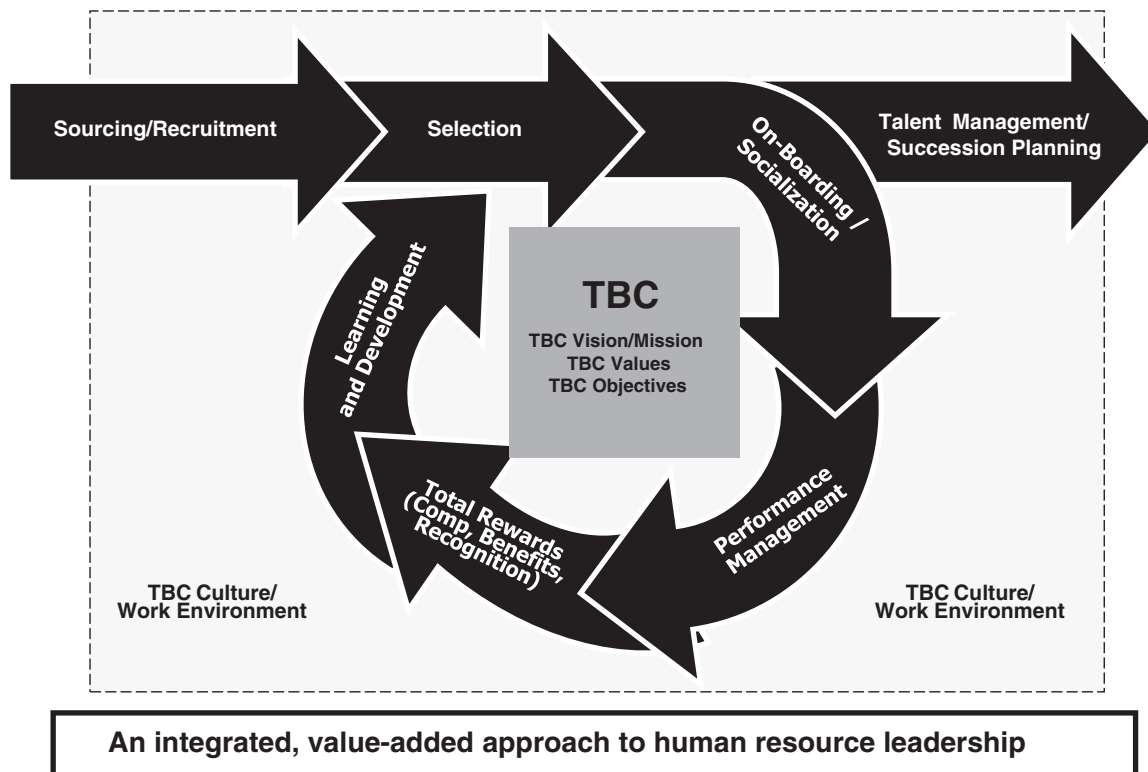
As shown in **Exhibit 1**, TBC views the talent development cycle as an integrated process that begins before a new associate joins the company (the sourcing/recruitment stage) and progresses through several distinct stages. Although the cycle is graphically depicted in a neatly bounded sequence,

these stages occur at different times in different sequences and with different durations for different team members.

TBC provides customers top-tier brands and automotive maintenance and repair services with the underlying mission to exceed customer expectations.

TBC partnered with TRI Corporation to co-design and co-facilitate two critical leadership programs: BVA and BEP. BVA's purpose was to inculcate economic profit (EP) into TBC's daily operations, while BEP was designed to build and enhance skills around leading self, leading others, and leading the organization. BVA launched in November 2018 and BEP followed in August 2019. A third program, Leadership Essentials Program (LEP), will launch in 2020, affording TBC the opportunity to again work closely with associates at company-owned retail stores and distribution centers, and with functional managers.

EXHIBIT 1 TBC's integrated talent development framework



Both BVA and BEP use a blended learning approach; however, they differ in the core vehicles they employ to drive learning outcomes—a competitive business *simulation* for BVA versus a customized collaborative *emulation* for BEP. The distinction? A *simulation* involves a competitive team-based leadership of a hypothetical company and industry. An *emulation* mimics a real company in a real industry using real data. BEP forms the cornerstone of a broader organizational development strategy integrating talent acquisition, new associate orientation, leadership and technical training, associate engagement, performance and talent management, and succession planning, all in service to TBC's vision, mission, and values (**Exhibit 2**).

EP takes into consideration the opportunity cost of investment, also referred to as the cost of capital, and is a critical metric to accelerate shareholder value.

With participants from both former companies in attendance, BVA and BEP were the flagship initiatives to establish new concepts, such as EP, and new ways of working, such as socializing TBC's new leadership framework (**Exhibit 3**).

BVA and BEP emphasized experiential learning through human interaction. Both were designed using real-world financial and market data combined with leadership theory and best practices, incorporating peer coaching and interactions with senior TBC executives to

socialize the learning from both an inside-out and outside-in perspective. Inside out focuses on internal TBC learning and best practices from TBC participants and the company's senior leaders; outside-in looks at external best (and worst) practices by utilizing non-TBC faculty. Taken together, these two perspectives create a more holistic, integrated learning process.

3 | BUSINESS VALUE ADDED

BVA's purpose was to integrate EP into TBC's daily operations. Why the emphasis on EP as a measure of the company's performance, versus EBITDA (earnings before interest, tax, depreciation, and amortization)? EP (often referred to as EVA™) aligns all decision-making with the integration of the income statement, balance sheet, and cash flow (i.e., all three relevant financial statements). EBITDA is primarily focused on the income statement alone. EP takes into consideration the opportunity cost of investment, also referred to as the cost of capital, and is a critical metric to accelerate shareholder value.

Using a blended learning approach, BVA leveraged two core-learning vehicles: a business simulation and action learning projects. As with any blended learning program, participants were sent pre-program materials 4 weeks before the start of BVA. These materials included simulation readings, a review of a series of financial equations, a self-assessment, and a draft project charter prepared by the action learning project sponsors. The competitive business simulation was conducted over the course of a four-day, in-residence program. A 5-month cycle of action learning projects, strategically identified and championed by TBC senior executives, followed. Next, participants presented their project conclusions and recommendations to senior management.

EXHIBIT 2 TBC's vision, mission, and values

Vision:

TBC Corporation is the trusted and recognized leader in the replacement tire and automotive service industry. We achieve this vision through superior service, integrity, quality products, and innovation that exceeds the expectation of customers, Associates, franchisees, and shareholders.

Mission:

To enable people to live, work, and play safely and easily.

Values:

- Approach every activity with the highest integrity.
- Deliver excellence in everything.
- Treat all people with respect.
- Be the employer of choice through teamwork and workforce excellence.
- Be fiscally responsible.
- Leave everything better.

3.1 | Educational objectives

The educational objectives for BVA were comprehensive and far-reaching:

- Create a vision, set a strategy, communicate it effectively, and drive alignment to execute on the plan.
- Possess and operationalize a deep knowledge of all aspects of business acumen.
- Make decisions under uncertainty (limited information, time pressure, divergent opinions, etc.) from a system's perspective.
- Develop, coach and motivate team members.
- Be a value-added business partner to all operations/functions and deal with their interdependencies.
- Apply BVA learnings in a team environment on a TBC strategic project.

“One of TBC's core values is to be fiscally responsible,” Olsen explained. “In the BVA program, the executive leadership team had the opportunity to work alongside our associates to bring this value to life. It's one thing to talk about it—it's another to deliver it on a consistent basis. We used action learning to take economic profit from theory to reality.”

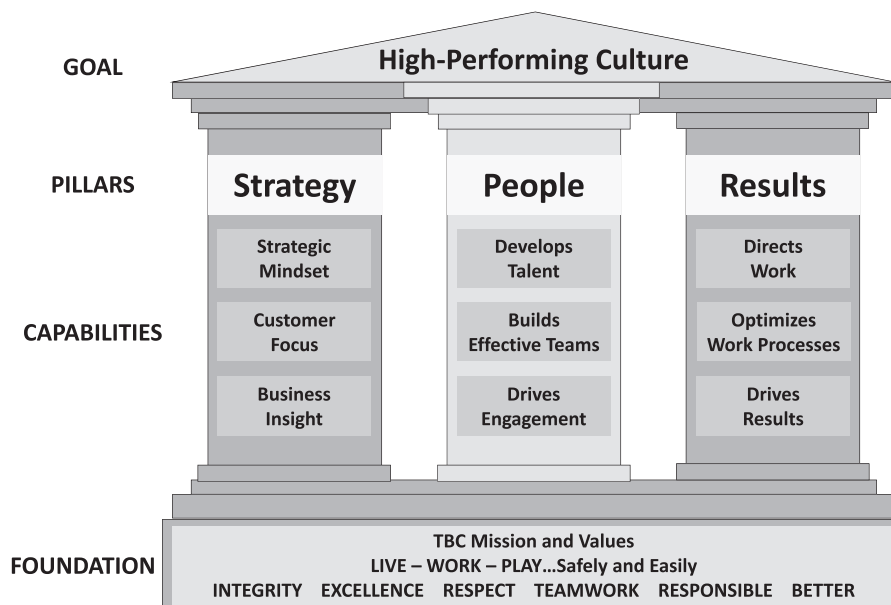
The competitive business simulation TRI Corporation designed for TBC took place during a four-day in-residence program. Within the simulation, TBC's BVA participants were grouped into three teams, each of which was tasked with running one of three competing companies in an aggressive marketplace over a simulated two-year period. Participants had to develop and execute on their strategy,

making a variety of operational decisions in a dynamic industry—often without complete information and under tight time constraints. The flow of the four-day in-residence portion of the BVA program is summarized in **Exhibit 4**. Three BVA programs were conducted in 2018 and 2019 for a total of 60 participants. The four-day in-residence program included a heavy dose of financial and business content.

Participants had to develop and execute on their strategy, making a variety of operational decisions in a dynamic industry—often without complete information and under tight time constraints.

BVA content also introduced the notion that all TBC leaders need to become “value managers.” In other words, they have to adopt a dispassionate, value-oriented view of corporate activities that recognizes the business for what it is: investments in new productive capacity or activity that earn a return above the opportunity cost of capital. Value managers must look at the various aspects of the business and seek out the activities that erode or potentially trap value. They must always balance short-

EXHIBIT 3 TBC's leadership framework



and long-term decisions in their day-to-day activity, constantly asking what they can do to:

- increase the organization’s top line,
- protect price,
- grow volumes,
- develop marketing and advertising initiatives,
- reduce turnover with proper training aligned with necessary job skills,
- improve processes and productivity,
- recognize and reward employees as appropriate, and
- conduct daily after-action reviews on key learnings from the past.

3.2 | The simulation

In the simulation, TRI associates role-played various characters, from customers to suppliers, to make the simulation more interactive and “real.” For example, participants could negotiate pricing and terms, practice their influencing and presentation skills, and strike a balance between the hard and soft leadership skills needed to win in the marketplace.

Adding a note of reality into the simulation, TBC senior executives listened to and critiqued the participants in two operational reviews, one at the end of “Year 1” and the other at the end of “Year 2.” Rather than position these executives in front of a classroom, the simulation fully integrated them into the flow of the program.

A comprehensive project charter was due one week before the start of BVA to align all team members on the scope and expected deliverables of the project.

These senior executives also served as champions for the BVA action learning projects, so there was time set aside on each of the first three days of the program for

EXHIBIT 4 Business Value Added (BVA) at a glance

	Monday	Tuesday	Wednesday	Thursday
AM	<p>Pre-Course <i>Simulation Reading, TRI Equations and Self-Assessment</i></p> <p>Welcome & Introductions 8:00 – 8:45</p> <p>Plenary 1 – Part 1 Operational Finance in a World of Value Creation with EP as a Key Metric 8:45 – 10:30</p> <p>Personal Time 10:30 – 11:00</p> <p>Strategic Project – Part 1 Introduction to Sponsor & Charter with EP as Critical Metric Including Lunch with Sponsor 11:00 – 1:00 TBC Sponsor</p>	<p>Breakfast With TRI</p> <p>Review/Preview <i>Team & Individual Learnings</i> 8:00 – 8:15</p> <p>Simulation Qtr 4 – 2018 8:15 – 11:15</p> <p>Personal Time 11:15 – 12:00</p> <p>Networking Lunch 12:00 – 1:00</p>	<p>Breakfast With TRI</p> <p>Review/Preview <i>Team & Individual Learnings</i> 8:00 – 8:30</p> <p>Simulation Qtr. 2 - 2019 8:30 – 11:00</p> <p>Personal Time 11:00 – 11:30</p> <p>Strategic Project - Part 3 <i>Meet with Your Sponsor To Debrief Part 2 Including Lunch</i> 11:30 – 1:30</p>	<p>Breakfast With TRI</p> <p>Review/Preview <i>Team & Individual Learnings</i> 8:00 – 8:15</p> <p>Simulation Qtr. 4 – 2019 <i>Balance the Short & Long Term</i> 8:15 – 9:45</p> <p>Personal Time 9:45 – 10:15</p> <p>Individual 360 Feedback from Team <i>“Feedback is a Gift”</i> 10:15 – 11:15</p> <p>Strategic Project - Part 4 <i>Debrief of Meeting Sponsor in Part 3 Steps to Success Post Program</i> 11:15 – 11:45</p>
PM	<p>Plenary 2 – Part 2 Operational Finance in a World of Value Creation with EP as a Key Metric 1:00 – 2:00</p> <p>Simulation & BPM Intro 2:00 – 3:00</p> <p>Personal Time 3:00 – 3:30</p> <p>Simulation Qtr 3 - 2018 <i>Strategy, Org Structure, Decision-Making Process & Sharing Your Self-Assessment</i> 3:30 – 8:30</p>	<p>Strategic Project - Part 2 <i>What is being Asked of Us? Can we Commit? What would we like to ask our Sponsor?</i> 1:00 – 2:00</p> <p>2018 AAR with Simulation CFO and 2019 Budget Preparation 2:00 – 3:30</p> <p>Personal Time 3:30 – 4:00</p> <p>Simulation Qtr. 1 - 2019 <i>Commit to 2019 Budget & LRBP Innovations</i></p>	<p>Plenary 3 Managing a Project <i>Tools and Techniques for Creating Success on TBC Projects</i> 1:30 – 3:00</p> <p>Personal Time 3:00 – 3:30</p> <p>Simulation Qtr. 3 - 2019 <i>Customer Economics</i> 3:30 – 6:00</p> <p>Innovation Tradeshaw 6:00 – 6:15</p>	<p>Team Simulation Debrief & Working Lunch 11:45 – 3:00</p> <p>World Simulation Debrief <i>2019 OP Review & Risk Assessment TBC Executives</i> 3:00 – 5:00</p> <p>Universe Debrief 5:00 – 5:45</p> <p>Shared Learnings, Our Commitments, Next Steps on Projects & Wrap up 5:45 – 6:00</p>
EVE	<p>Simulation Qtr 3 – 2018, Continued 3:30 – 8:30</p>	<p>Simulation Qtr. 1 – 2019, Continued 4:00 – 7:00</p>	<p>Celebration Dinner <i>TBC Senior Executives</i> 6:30 – 8:00</p>	

the project teams and their champions to get together to plan the way forward. A comprehensive project charter was due one week before the start of BVA to align all team members on the scope and expected deliverables of the project.

As noted in **Exhibit 4**, there were three main flows or “learning branches” to the program. Content plenary sessions focused on operational finance and project management. Project sessions provided time for project team members, their sponsors, and their champion to discuss various elements of the project and next steps. And simulation sessions designated the timing and topics for the various stages of the business simulation.

3.3 | Action learning projects

The BVA projects were all at the enterprise level and encompassed a wide variety of topics, including enhancing the capital expenditure process, reducing workforce turnover, improving supply chain efficiency, balancing high margin/low volume stock-keeping units (SKUs), optimizing transportation management systems, creating a continuous improvement process to provide and measure world-class customer service, enhancing the existing culture of safety, and developing a process around information as a critical asset (including predictive and data analytics). All required cross-functional balance, soft- and hard-skill applications, qualitative and quantitative considerations, and risk management. BVA project titles included:

- Transportation Management
- A Culture of Safety
- Associate Turnover
- Supply Chain Planning
- The Value of Data
- Pockets of Profit
- Continuous Improvement

During the four-day in-residence portion of BVA, each action learning project team meeting was structured and provided with a set of required deliverables before a team could move on to its next team meeting the following day. Teams worked on their assigned projects over the course of the next 5 months, culminating in a boardroom presentation to TBC's senior executives.

Nine BVA projects are currently at various stages of implementation and have three- to five-year minimum cash flow expectations. They are expected to have an impact on revenue, process and productivity improvements, working capital, asset management, and cost reduction.

4 | BUSINESS ESSENTIALS PROGRAM

Designed for executives at the director-level and above, TBC Corporation's BEP program builds and enhances skills across three domains: leading self, leading others, and leading the organization. Like the core of BVA, BEP was structured to take place in-residence over four days. Content areas spanned leadership at TBC, operational finance, conflict management, cognitive bias in decision-making, executive presence, and coaching for development (**Exhibit 5**).

4.1 | Educational objectives of BEP

The educational objectives for BEP were complementary to those of BVA:

- Gain self-awareness across a spectrum of assessments and feedback sessions.
- Develop a working knowledge of TBC's leadership framework.
- Build upon TBC's Values and Social Responsibility in the communities in which the organization does business.
- Explore critical soft skills such as coaching, conflict management, influence and executive presence.
- Be a collaborative business partner to all operations and functions.
- Enhance one's knowledge of operational finance.
- Create long-term growth from a responsible mindset in meeting commitments, accountability, and prudent risk-taking.
- Apply BEP learnings to enhance one's Individual Development Plan (IDP).

4.2 | The emulation

BEP used a highly customized, collaborative case study, or emulation, to drive outcomes. This experiential exercise compressed a three-year hypothetical time frame into the four actual days of the BEP in-residence program and employed a balanced scorecard with three major components: financial, strategic, and leadership (**Exhibit 6**). Each round of the emulation represented one year of operation. As the teams progressed through the exercise, their actions affected scoring, with different activities specifically targeting each of the scorecard elements. The financial scorecard summarized the total financial performance of the company.

To develop the emulation, TRI interviewed more than 50 TBC executives and employed actual TBC financials

EXHIBIT 5 Business Essentials Program (BEP) at a glance

	Monday	Tuesday	Wednesday	Thursday
Morning	<p><u>Pre-Program</u> Case Reading, Hogan Self-Assessments, Completed IDP, Pre-meeting with Manager, Finance Pre-work</p> <p>Breakfast 7:15 – 8:00</p> <p>Welcome & Introductions 8:00 – 9:45</p> <p><u>Plenary 1</u> “We are TBC” TBC Leadership Framework 10:00 – 12:00</p> <p>Lunch 12:00 – 12:45</p>	<p>Breakfast 7:15 – 8:00</p> <p>Review/Preview 8:00 – 8:15</p> <p><u>Plenary 2 – Part 2</u> Finance as the Language of Business Plenary (TBC Specific) Finance Challenge Discussions 8:15 – 10:45</p> <p><u>Plenary 5 – Part 1</u> Executive Presence 11:00 – 12:30</p> <p>Lunch 12:30 – 1:30</p>	<p>Breakfast 7:15 – 8:00</p> <p>Review/Preview 8:00 – 8:15</p> <p>Peer Coaching on IDP 8:15 – 9:15</p> <p><u>Plenary 5 – Part 2</u> Executive Presence 9:30 – 12:30</p> <p>Lunch 12:30 – 1:30</p>	<p>Breakfast 7:15 – 8:00</p> <p>Review/Preview 8:00 – 8:15</p> <p>TBC Leadership Case Study <u>Year 3</u> 8:15 – 11:00</p> <p>Team Photo Finalize IDP Elevator Speech, Write Letter to Self, and Share in Small Groups 11:00 – 12:15</p> <p>Lunch 12:15 – 1:00</p>
Afternoon	<p><u>Plenary 2 – Part 1</u> Finance as the Language of Business (General) 12:45 – 3:15</p> <p><u>Plenary 3</u> Cognitive Bias In Decision-Making 3:30 – 5:30</p>	<p>TBC Leadership Case Study <u>Year 1</u> 1:30 – 5:15</p>	<p>TBC Leadership Case Study <u>Year 2</u> 1:30 – 5:45</p>	<p>TBC Leadership Case Study Debrief 1:00 – 3:15</p> <p>Key Leadership Learnings and Insights 3:15 – 4:00</p>
Evening	<p>Pick up Dinner (Buffet) 5:30 – 6:00</p> <p><u>Plenary 4</u> Conflict Management (Working Dinner) 6:00 – 7:30</p>	<p>Pick up Dinner (Buffet) 5:30 – 6:00</p> <p><u>Plenary 6</u> Coaching for Development (Working Dinner) 6:00 – 7:30</p>	<p>Class Dinner With TBC Executives 6:00 – 7:30</p>	<p><u>Post-Program</u> Revised IDP, Elevator Speech, Finance Challenge</p> <p>Key BEP Learnings Shared with Manager in 2 weeks Shared with Team 4 weeks</p>

and leadership and market challenges to create Automotive Service Corporation (ASC), a hypothetical company that closely resembles TBC.

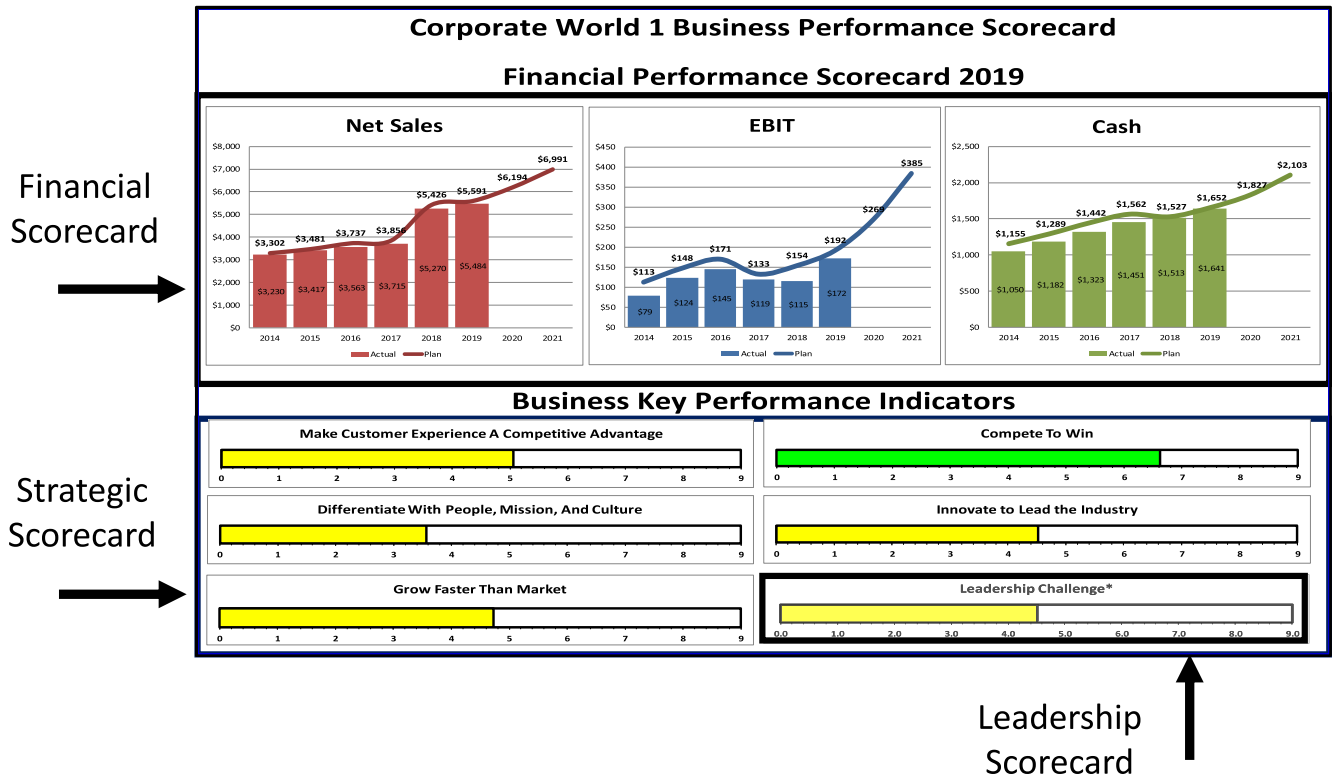
Because TBC had historically grown through acquisition, it developed an underlying “holding company” mentality that drove silo-type behaviors. The BEP emulation required participants to adopt more collaborative behavior to produce synergistic financial and non-financial results. Participants were divided into four teams—retail, wholesale, franchise, and supply chain—each responsible for its own department as well as a set of enterprise financial metrics and key performance indicators (KPIs) they needed to drive across ASC. They were challenged by ASC’s CEO with specific targets in three enterprise-wide stretch goals: grow revenue, increase margins, and increase cash. Financial metrics included net sales, earnings before interest and tax, and cash. KPIs included innovation, profitable growth, integrated people processes, and a focus on the customer. In one of the most powerful interactive sessions of BEP, participants were asked to be prepared to discuss a financial challenge they or their department faced. Participants then chose four of those challenges in plenary and collaborated on action plans to address them.

4.3 | Leadership challenges

During the course of each hypothetical fiscal year, TBC senior executives would interrupt teams twice to issue a real-world leadership challenge—the third element of the balanced scorecard—that required the team’s response within 15 minutes. Over the three fiscal years of the emulation, each team member had the opportunity to provide a one-on-one response to the TBC executive while the remaining team members listened to the report-out. Leadership challenges included such topics as associate engagement, diversity and inclusion, managing millennials, associate retention, data security, trust in the organization, sourcing new talent, giving back to the community, and managing in the matrix. Each described an operational or behavioral challenge that spanned the breadth of the enterprise. As new real-world challenges emerge over time at TBC, they can be seamlessly incorporated into the emulation to keep it current.

Here is how a typical leadership challenge unfolded: A single individual on the team was presented with a one-page summary of the challenge (**Exhibit 7**) and had 15 minutes to develop a high-level plan to address the issue. That person could work on the challenge in isolation or with the support of other team members. This

EXHIBIT 6 Balanced scorecard overview



[Color figure can be viewed at wileyonlinelibrary.com]

was not an easy decision, as the other team members were working intensely on the other deliverables for that fiscal year. After the 15-minute preparation, an actual TBC executive entered the team space to role-play with the individual. Other members of the team were instructed to quietly observe the interaction. The leadership challenge role-play lasted 10 minutes. At its conclusion, the executive took 5 minutes to give feedback to the role player and team.

Executives reflected on their one-on-one role-play experience and had the discretion to add or subtract points on elements of the strategic scorecard.

There were two leadership challenges in each of the three emulation rounds, ensuring that each team member eventually participated in a one-on-one interaction with an executive. The TBC executive rated each participant on

two dimensions: technical response to the leadership challenge and executive presence in delivering that response. These ratings had an impact on the team's financial and nonfinancial performance.

The four senior executives involved in the role-play met after each round on leadership challenges to calibrate and normalize their scores. Executives reflected on their one-on-one role-play experience and had the discretion to add or subtract points on elements of the strategic scorecard. Scores for each leadership challenge were normalized and tabulated for integration with the final round results. The executive presence and leadership challenge scores were averaged for the role-plays and their final score averaged with the prior round's score. The averaging technique facilitated the simulation of the incremental nature of how leadership affects business performance. The final leadership challenge score had a small impact on the financial performance shown on the team scorecard.

4.4 | Business initiatives

In addition to leadership challenges, each BEP emulation required teams to act on various business initiatives, with their decisions affecting both the financial and strategic

EXHIBIT 7 Sample leadership challenge: Managing in the matrix

TBC Business Essentials Program

Leadership Challenge

#13 Managing in the Matrix



From: SVP of Shared Services

Matrixed organizations offer many benefits, allowing functional expertise to be shared across organizations while having two or more reporting relationships. Balancing these allegiances can be challenging for the employee, and the managers who depend on them.

We use matrixed organizations in our Centers of Excellence, where we have support functions managed centrally, with individual employees supporting specific parts of the business. Matrix management is also needed in projects, where subject matter experts are added to a project team for their expertise, but still have responsibilities to their native organization.

Matrixed organizations allow us to utilize the skills and knowledge of functional experts, and apply that expertise to projects and organizations to make them more successful. It is cost-effective and leverages the strength of our people. However, being responsible for timelines and deliverables for two organizations can easily lead to conflicts.

Historically, we've had an unofficial policy on any conflicts: "We'll work it out when the time comes." This has proven ineffective, causing not only inefficiencies and missed commitments in the areas an employee supports, but also creating serious conflicts, hurting morale, and causing overall confusion throughout the organization.

We need to establish a process for managing in the matrix that has clear lines of authority, communication, and processes for escalation. I am looking to your leadership team to evaluate this situation and make recommendations on how to make working in the matrixed organization more effective.

I WILL BE STOPPING BY YOUR OFFICE IN 15 MINUTES TO HEAR YOUR RECOMMENDATIONS ON HOW TO IMPROVE THE EFFECTIVENESS AND MANAGE CONFLICTS WITHIN OUR MATRIX ORGANIZATION.

[Color figure can be viewed at wileyonlinelibrary.com]

sections of the balanced scorecard. Teams had to evaluate the current state of their department scorecard, as well as the enterprise scorecard, and select the initiatives that would address weakness in the business. Teams also needed to consider the budget implications for these initiatives, and to decide whether to select a business initiative in isolation or in collaboration and consultation with the other three departments. Decision-making that favored financial performance would likely sub-optimize the strategic KPI performance. Conversely, favoring

initiatives that affected strategic KPIs had a potentially negative consequence on financial performance.

4.5 | The individual development plan

Participants were also given time, both individually and in peer groups, to reflect on their IDP and revise it. The IDP listed two to four key short-term development goals for the individual in agreement with their manager.

Participants were encouraged to think of their development across three domains: educational-based (such as attending a seminar or obtaining a certification), relationship-based (such as doing a 360° assessment or engaging in a coaching/mentoring relationship) and experience-based (such as working on a specific project or taking a short-term “bubble” assignment in another department). In one of the most powerful interactive sessions of BEP, participants were asked to bring with them a key financial challenge that they and/or their department faced. Four of these challenges were selected by the participants for a deeper dive and brainstorm so they could collaboratively and proactively create an action plan to address those real business challenges. Each participant then carried forward their financial challenge post-program, utilizing the same template and rigor demonstrated during the plenary.

Several participants have requested follow-up sessions with their teams to spread the word on operational finance, conflict management, and coaching for development.

In addition, the peer coaching and reflection time that TBC built into the BEP program afforded participants, who are in high-speed mode all day every day, permission and space to think, reflect, discuss, and create—an opportunity they greatly valued.

5 | THE BENEFITS OF A BLENDED APPROACH

Both BVA and BEP use an action research methodology to continuously improve each subsequent offering. Feedback gleaned from both the participants and the TBC senior executives provided the ammunition for improvements. Both programs benefited from a blended learning approach that included pre-program readings and team preparation, in-residence methods with a focus on experiential learning and praxis, and interactions with senior leaders in both a business and social setting. With both programs, the learning extended well beyond the in-residence portion—in some

cases a year beyond if members of an action learning team stayed associated with their particular project.

The combined benefits of BVA and BEP to TBC Corporation have been clear:

- The leadership culture is more consistent and robust, with a well-trained pool of high-performing executives to lead the company into the future.
- Leaders are aligned around a shared vision, mission, and set of values.
- A “leader as coach” mentality spans the organization.
- Effective cross-functional, cross-business relationships have blossomed.
- Associates’ financial and business acumen has been strengthened.
- There is a greater understanding of and alignment with the broader corporation.

BVA paved the way for improvement in financial and business acumen. Participants in the simulation also reported the positive nature of the cross-department networking they experienced. Perhaps most important, BVA participants worked on a strategic, real-world project over 5 months post-program to apply both the financial and leadership skills learned during the four-day in-residence portion of BVA.

Likewise, BEP also delivered several key learnings. First, each participant, working with their immediate manager, identified a strategic financial challenge that they have continued to work on post-program. Other key insights and learnings varied by participant, with most of them identifying “collaboration” as a core skill experienced through the emulation that they have taken back to their day jobs. Related to this, as with BVA, was the value of networking and meeting associates from across TBC Corporation and, in the process, realizing that they shared some of the same issues and challenges. Another key takeaway noted by the participants was their learning more about executive presence and how to deliver a powerful presentation. Lastly, several participants have requested follow-up sessions with their teams to spread the word on operational finance, conflict management, and coaching for development.

The next step in the leadership development process at TBC is to design and deliver the Leadership Essentials Program (LEP), which is scheduled to launch in 2020. The audience for this program will be people leaders below the director level, including retail store managers, distribution center managers, and functional managers. TBC will adhere to its mantra that leadership development is a process, not an event—a process that can create distinct competitive advantage when applied comprehensively and without boundaries across the global enterprise.

AUTHOR BIOGRAPHIES

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How to cite this article: Conine, Jr. TE, Peratoner BC, Cuzzo PJ, Hoskins TF. Enhancing experiential learning through business simulation and emulation: TBC Corporation creates competitive advantage. *GBOE*. 2020;39(3):6–16. <https://doi.org/10.1002/joe.21998>