



# Teaching Business Strategy

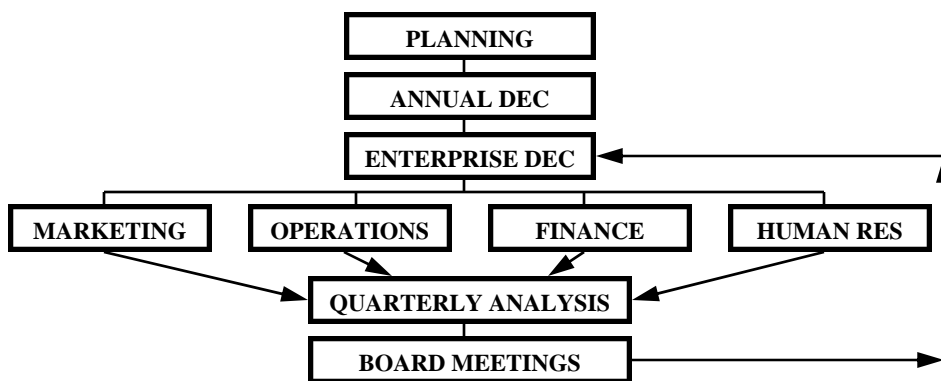
## The Undergraduate Capstone Experience

### BusSim Total Enterprise used with Policy/Strategy Capstone Class

The figure below suggests how an instructor might use BusSim Total Enterprise in their strategy capstone course. Students are formed into four person teams, each person representing a functional specialty. Before the simulation is started each team must develop a **business plan** for managing their small company. They must determine the overall strategies that will be used to guide their decision-making. Once the strategies are decided upon a complete set of annual plans must be submitted. These include plans for each of the functional areas: marketing, operations, finance and human resources. An annual budget, complete with supporting analysis, must also be submitted before the simulation begins. (**Templates are provided.**)

Once the **planning phase** is complete, each team goes into the **decision-making phase**. There are three levels of decision-making in BusSim Total Enterprise. The first level is the **annual** decision-making level. Here decisions that affect the whole year, such as budgeting, forecasting and compensation are made. The second and third level of decision-making takes place each quarter. The team meets as a group to make the enterprise level decisions. These include any new managers to be hired, equipment to be purchased and building space to be constructed. The final level of decision-making is the functional level. Here individual team members enter the decisions associated with their functional specialty.

When the four quarters in a year are completed each team must present a summary of their performance and their plans for the next year at a **Board-of-Directors** meeting. This Board is comprised of several Business faculty. In this real world activity it is the faculties' job to guide the student teams in this unique learning experience. This level of feedback is time consuming but necessary to provide students with the complete strategic picture while being responsible for all levels of decision-making.



#### Decisions include:

- Strategic Direction
- Annual Budgeting
- Resource Planning
- Marketing Function
- Operations Function
- Finance Function
- Human Res Function

#### Reports Include:

- Financial Statements
- Performance Summary
- Function Summaries
- Equipment Summaries

#### Analysis Spreadsheets:

- Budgets
- Production Planning
- Proforma Statements



### BusSim Business Simulations

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