

Business Simulations Enhance Student Engagement and Experiential Learning

Simulations provide students with an opportunity to make decisions, operate equipment, and apply theoretical knowledge to specific, real-world scenarios. Simulations can be live, involving real people operating real systems; they can be virtual, involving real people operating simulated systems; or they can be constructive, involving simulated people operating simulated systems. Simulations are used in a diverse range of learning disciplines, including law, medicine, dentistry, aviation, engineering, science, nursing, social work, and information technology. Instructors can customize simulation content to fit course learning objectives.

Embedding Simulations Into Online and Face-to-Face Courses

I began using virtual simulations approximately six years ago and have embedded virtual simulations in all levels of business courses. I was attracted to the idea of experiential learning opportunities that used real-life scenarios, which allow students to make decisions and take actions in a low-risk environment.

To embed a simulation into a course, the instructor should first contact a simulation company to ask for a free online demonstration. The instructor may also obtain a free trial account and gain access to materials, guides, and tutorials to aid in determining if the simulation will support course learning outcomes and student success.

Suggested assignments, cases, ebooks, guides, and tutorials accompany each simulation. Instructors may customize simulations by including specific business events or issues pertinent to course assignments. Simulations can be run over a few weeks or over the entire semester. I usually run my business simulations over the full 14-week semester.

Once a simulation is selected, the instructor may work with the simulation company's support team to determine how best to evaluate each student's performance within the simulation in conjunction with the grading scheme on the course syllabus. Finally, the instructor must set up a method for students to purchase the simulation: individual direct purchase online, individual purchase through the bookstore, or institutional purchase and distribution to students.

I reviewed Interpretive, Marketplace, Cesim, Capsim, and Business Strategy Game (BSG) simulations. Some simulations were easier to use than others because they had well developed, user-friendly interfaces, and some had more depth or coverage of business concepts than others did. The BizCafe from Interpretive was what I decided to use in several of my business courses. It offers an introductory level of learning and includes decision-making opportunities for human resources, marketing, finances, and inventory control.

Real-World Connections

Through the BizCafe simulation, students operate a coffee shop, acting as owner or manager of the company. Students may work in groups or individually to manage the company and make decisions on daily operations, long-term strategies, and investments. This simulation can be conducted in face-to-face and online courses. In an online course, instructors should demonstrate how to use the simulation by creating a screen capture video.

There are several activities I run in my face-to-face courses that enhance the simulation experience and may be useful in courses with in-person delivery.

Real-World Competitive Analysis

One assignment I designed to accompany the BizCafe simulation is a real-world competitive analysis. Students visit a real-life coffee shop for a minimum of one hour to observe and record the types of customers, number of customers, menu options, hours of operation, touch-points, location layout, prices, the approximate number of sales (including drive-thru), accessibility, and corporate social responsibility of the company. Students interview an employee and research the company online to obtain additional information. Based on the one-hour observation, students estimate revenue from daily sales and the number of daily customers, and they consider such things as peak traffic hours, seating limits, parking capacity, and ambiance. Students then report their competitive analysis findings and compare those results with the results in their BizCafe operations. They use the data they've collected in real life to adjust their simulations and improve operations. To push this assignment further into reality, students apply abstract and critical-thinking skills to consider adjustments they would apply to their BizCafe operations if the company were operating in the real world, and provide additional research to support those decisions.

Pop-Up Shop

Another assignment I use in tandem with BizCafe is the pop-up shop. This activity occurs near the end of the semester. Students work in groups to create a pop-up coffee shop, which operates for one day on campus in a community area. Students must order supplies, set up a booth, make sales, and report expenses and revenues. We discuss sales and marketing strategies such as signage, games, and two-for-one promotions. All donations and net profits are donated to a student scholarship, "The Entrepreneurial Spirit Award." If the group makes enough profit, each member receives a \$25 stipend for his or her efforts. Students record expenses, sales, and inventory in an Excel file and spend the final class organizing and submitting their financial receipts.

Results

After the BizCafe simulation ends, students complete a reflective report about the decisions and actions taken within the simulation, as well as what they liked and disliked about the experience. Overall, student feedback is typically very positive.

Students enjoy the competitive nature of attempting to operate the most profitable company. Each week I discuss the simulation and provide updates on the simulation and the rankings of each group. Groups can be ranked based on a balanced scorecard or any customized ranking scheme the instructor chooses. I usually select three measures for the balanced scorecard: net profits, revenue, and customer satisfaction, and the simulation calculates this and updates the students with weekly reports.

Some students disliked the technology at first, but once they learned to manage the installation and login, spent some time reading the tutorials, and watched the instructional videos, they felt comfortable using the system.

Business simulations provide students with the opportunity to embrace the creative side of marketing. Students invent marketing advertisements, promotions, logos, company names, company processes, and more. Some of their ideas are extraordinary and certainly could be applied in real business settings. It is very rewarding to teach a course that allows students to collaborate and apply creative problem-solving skills to a business context.

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